AUDITORS' REPORT
CONNECTICUT DEVELOPMENT AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2012

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN  ROBERT M. WARD
# Table of Contents

INTRODUCTION .................................................................................................................................................. 1  
SCOPE OF AUDIT: ........................................................................................................................................... 1  
COMMENTS ....................................................................................................................................................... 2  
FOREWORD: ................................................................................................................................................... 2  
  Board of Directors and Administrative Officials: ......................................................................................... 2  
  Connecticut Brownfields Redevelopment Authority: ................................................................................. 3  
RÉSUMÉ OF OPERATIONS: ............................................................................................................................... 3  
  Operating Activity: ........................................................................................................................................ 3  
  CDA Funds: .................................................................................................................................................. 4  
    General Operating Fund: ......................................................................................................................... 4  
    Insurance Program Fund: ...................................................................................................................... 4  
    Growth Fund: .......................................................................................................................................... 4  
    Connecticut Works Fund: ................................................................................................................... 5  
    Connecticut Works Guarantee Fund: ..................................................................................................... 5  
    Connecticut Capital Access Fund: ........................................................................................................ 6  
  State Small Business Credit Initiative: ...................................................................................................... 6  
  Summary of Loan Write-Offs and Guarantee Claims Paid: ........................................................................ 6  
CONDITION OF RECORDS .............................................................................................................................. 8  
  Board Meetings: .......................................................................................................................................... 8  
  Legislative Annual Report - Anticipated Wage Rates: .............................................................................. 9  
RECOMMENDATIONS ........................................................................................................................................ 10  
INDEPENDENT AUDITORS’ CERTIFICATION ......................................................................................... 11  
CONCLUSION ................................................................................................................................................... 13
July 31, 2013

AUDITORS’ REPORT
CONNECTICUT DEVELOPMENT AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2012

We have examined the books, records and accounts of the Connecticut Development Authority (CDA) and its subsidiary, as provided in Section 2-90 and Section 1-122 of the General Statutes, for the fiscal years ended June 30, 2011 and 2012.

SCOPE OF AUDIT:

This audit was primarily limited to performing tests of CDA’s compliance with certain provisions of laws, regulations, contracts and grants, including but not limited to a determination of whether CDA and its subsidiary complied with regulations concerning the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources

Our audit included an examination of a representative sample from the fiscal years under review of the authority’s activities in the areas identified above, as well as other areas we deemed necessary. We also considered the authority’s internal control over its operations in these same areas that could have a significant effect on its operations and for the purposes of evaluating compliance with certain provisions of laws, regulations, contracts and grants. However, the purpose of this examination was not to provide assurance on the internal control over those areas of operations.

The financial statement auditors of the authority for the fiscal years ended June 30, 2011 and 2012 were conducted by the authority’s independent public accountants. This report on our examination consists of the Comments, Condition of Records, and Recommendation which follow.
FOREWORD:

CDA operated primarily under the provisions of Title 32, Chapter 579, Sections 32-11a through 32-23zz of the General Statutes. Pursuant to Section 32-11a of those statutes, CDA was a body politic and corporate, constituting a political instrumentality and political subdivision of the state created for the performance of an essential public and governmental function. CDA was a quasi-public agency as provided for by Chapter 12 of the General Statutes. As a quasi-public agency, CDA financial information was included as a component unit in the State of Connecticut’s Comprehensive Annual Financial Report (CAFR).

CDA’s mission was to maintain and create jobs within the state by stimulating industrial and commercial development, primarily through financial assistance to businesses. In addition, on September 1, 1993, CDA entered into an agreement with the City of Hartford to lease the XL Center. In 2007, CDA entered into a sublease with Northland/AEG, LLC to operate and manage the XL Center. Pursuant to the terms of the sublease, CDA transferred full managerial, operational and financial responsibility for the XL Center to Northland/AEG, LLC. The sublease expires on August 30, 2013. CDA’s lease with the City of Hartford expires on August 31, 2013.

Public Act 12-1 enacted by the June Special Session of the General Assembly merged CDA with Connecticut Innovations, Inc. (CI) as of July 1, 2012, transferring CDA’s statutory mission, powers, obligations and assets to CI.

Board of Directors and Administrative Officials:

The following individuals served on CDA’s board of directors during the audited period:

Ex officio Members:
- Denise L. Nappier, State Treasurer
- Benjamin Barnes, Secretary, Office of Policy and Management
- Catherine Smith (Chairperson as of April 14, 2011), Commissioner, Department of Economic and Community Development

Appointed Members:
- Laura T. Grondin (Chairperson until April 14, 2011)
- Michael A. Cantor, Esq.
- C. Robert Eick, Jr.
- Arlo E. Ellison
- John Pavia
- Richard T. Mulready
- Gian-Carlo Peressutti
- Carol P. Wallace

Antonio Roberto was appointed as executive director by the board on October 15, 1997, and he served in that capacity throughout the audited period. On September 15, 2004, the board...
appointed Marie O’Brien as the president of CDA, and she served in that capacity throughout the audited period.

Connecticut Brownfields Redevelopment Authority:

In accordance with Section 32-11a subsection (l) of the General Statutes, CDA had the authority to create subsidiaries to carry out the remediation, development, and financing of contaminated property within the state. On May 17, 1999, CDA established the Connecticut Brownfields Redevelopment Authority, Inc. (CBRA) as a wholly owned subsidiary of CDA, with the responsibility to provide loans, grants or guarantees for CDA’s assets and the proceeds of its bonds, notes and other obligations. Any net gain from the subsidiary flowed back to the parent (CDA) as an addition or, in the case of a loss, a reduction to CDA’s earnings. CDA authorized $1,500,000 in financial resources to CBRA in May 1999. CBRA did not issue any loans during the audited period. Public Act 12-1 transferred CBRA to CI as of July 1, 2012.

RÉSUMÉ OF OPERATIONS:

CDA was authorized to issue bonds or notes under the provisions of its legislation in order to raise capital to support its lending activities. Pursuant to Section 32-23 subsections (a) and (b) of the General Statutes, the bonds and notes are not deemed to constitute a debt or liability of the state and require such bonds and notes be secured by special capital reserve funds. As of June 30, 2011 and 2012, CDA’s bonds payable amounted to $15,800,000 and $12,295,000, respectively. The use of these bond proceeds are discussed under each fund section of this report.

In addition, CDA was authorized under its Self-Sustaining Bond Program to accommodate the financing for specific industrial and certain recreational and utility projects through the issuance of special obligation industrial revenue bonds. These bonds are payable solely from payments received from participating companies and are not otherwise a debt or liability of CDA or the state. Total bonds outstanding as of June 30, 2011 and 2012, were $1,034,845,000 and $1,004,526,000, respectively.

Operating Activity:

CDA was considered to be an enterprise fund. Enterprise funds are used to account for governmental activities that are similar to those found in the private sector. Separate funds were maintained for each CDA activity. The following is a summary of revenues, expenses and income of the funds for the fiscal years ended June 30, 2011 and 2012, as compared to the fiscal year ended June 30, 2010, based on CDA’s audited financial statements:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XL Center Revenues</td>
<td>$3,462,127</td>
<td>$3,265,218</td>
<td>$3,437,615</td>
</tr>
<tr>
<td>Acceptance Fees</td>
<td>784,699</td>
<td>902,600</td>
<td>1,135,866</td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>3,213,634</td>
<td>2,868,843</td>
<td>2,542,848</td>
</tr>
<tr>
<td>Other</td>
<td>857,462</td>
<td>318,065</td>
<td>346,042</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>8,317,922</td>
<td>7,354,726</td>
<td>7,462,371</td>
</tr>
</tbody>
</table>
Expenses:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>XL Center Expenses</td>
<td>3,800,901</td>
<td>4,222,215</td>
<td>4,315,002</td>
</tr>
<tr>
<td>Interest</td>
<td>689,768</td>
<td>611,672</td>
<td>525,194</td>
</tr>
<tr>
<td>Payroll and Fringe Benefits</td>
<td>3,782,150</td>
<td>3,767,229</td>
<td>3,705,481</td>
</tr>
<tr>
<td>Provision for Losses</td>
<td>850,000</td>
<td>900,000</td>
<td>3,358,617</td>
</tr>
<tr>
<td>Other</td>
<td>909,509</td>
<td>974,911</td>
<td>942,365</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>10,032,328</td>
<td>10,476,027</td>
<td>12,846,659</td>
</tr>
</tbody>
</table>

Net Income (Loss) $ (1,714,406) $ (3,121,301) $ (5,384,288)

The decrease in revenues of $855,551 in the fiscal year ended June 30, 2012 compared to the fiscal year ended June 30, 2010 was primarily attributable to a decrease in interest income on CDA’s loan portfolio.

The increase in expenses of $2,814,331 in the fiscal year ended June 30, 2012 compared to the fiscal year ended June 30, 2010 was primarily attributable to an increase in the provision for loan losses.

CDA Funds:

CDA maintained the following funds during the audited period.

**General Operating Fund:**

All payroll and related expenses of administering CDA programs and certain revenues were recorded in this fund. Any net losses in the General Operating Fund were allocated to the Insurance Program, Growth, Connecticut Works and Guarantee Funds on a pro rata basis relating to the number of loans serviced by each fund. The General Operating Fund also accounted for the operations of the XL Center.

**Insurance Program Fund:**

Authorized by Section 32-14 of the General Statutes, CDA may insure loans made by other lending institutions to companies for the acquisition of industrial land, buildings, machinery, and equipment located within the state.

A summary of loans insured for the last three fiscal years is as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans by Other Lending Institutions</td>
<td>$4,643,749</td>
<td>$4,233,749</td>
<td>$3,803,749</td>
</tr>
</tbody>
</table>

**Growth Fund:**

In accordance with Section 32-23v of the General Statutes, CDA was authorized to issue individual loans up to a maximum of $4,000,000 with a maximum loan term of 20 years (10 years for machinery and equipment). The program provided financial assistance for any purpose CDA determined would materially contribute to the economic base of the state by...
creating or retaining jobs, promoting exports, encouraging innovation, or supporting existing activities. Financing may be used to purchase real property, machinery and equipment, or for working capital.

CDA established a maximum 90 percent loan-to-value ratio for real property loans and 80 percent loan-to-value ratio for machinery and equipment loans. Working capital loans were limited to a term of up to seven years.

A summary of the Growth Fund’s lending activity for the last three fiscal years is as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Entities Receiving Assistance</td>
<td>8</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Amount of Assistance Provided</td>
<td>$3,602,952</td>
<td>$3,126,268</td>
<td>$2,429,700</td>
</tr>
</tbody>
</table>

Connecticut Works Fund:

The Connecticut Works Fund, also known as Fund A, is established in accordance with Section 32-23ii of the General Statutes. Fund A is used for direct loans and loan guarantees. Eligible projects include most manufacturing-related projects and any project that supports the economic base of the state through jobs, defense diversification, exporting, and the development of innovative products or services.

The state authorized the issuance of up to $95,000,000 in state bonds allocated to Fund A. Of this amount, $82,485,000 has been distributed to Fund A, as of June 30, 2012. In the event direct loans are uncollectible, CDA can use any remaining bond funds to reimburse itself for such losses subject to the total allocation limit.

A summary of Fund A’s lending activity for the last three fiscal years is as follows:

<table>
<thead>
<tr>
<th>Type of Assistance</th>
<th>Fiscal Year Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Direct Loans:</td>
<td></td>
</tr>
<tr>
<td>Number of Entities Receiving Assistance</td>
<td>13</td>
</tr>
<tr>
<td>Amount of Assistance Provided</td>
<td>$8,288,920</td>
</tr>
<tr>
<td>Guarantees:</td>
<td></td>
</tr>
<tr>
<td>Number of Entities Receiving Assistance</td>
<td>2</td>
</tr>
<tr>
<td>Amount of Assistance Provided</td>
<td>$2,250,000</td>
</tr>
</tbody>
</table>

Connecticut Works Guarantee Fund:

The Connecticut Works Guarantee Fund, also known as Fund B, was established in accordance with Section 32-261 of the General Statutes. The purpose of Fund B is to provide commitments to guarantee loans made by participating financial institutions. Projects financed by Fund B are intended to encourage growth and the retention of
businesses unable to obtain suitable financing and to stimulate an increase in jobs and tax revenue throughout the state. Eligibility is determined by the due diligence principles set forth in the Connecticut Works Fund.

The state has authorized up to $30,000,000 in state bonds allocated to Fund B. Of this amount, $18,900,000 has been distributed. In the event a direct loan is uncollectible by the participating financial institution, CDA can use any remaining bond funds to reimburse itself for such losses, up to the total allocation.

Fund B did not provide any assistance to entities during the fiscal years ended June 30, 2011 and 2012.

**Connecticut Capital Access Fund:**

In accordance with Section 32-265 of the General Statutes, the Connecticut Capital Access Fund provides portfolio insurance to participating financial institutions to assist them in making loans that are somewhat riskier than conventional loans. These loans are of two types, referred to as Urbank Program loans and Entrepreneurial Program loans. Project eligibility is usually determined by the financial institution making the loan, subject to requirements specified in the participant agreements.

The state has authorized the issuance of up to $5,000,000 in state bonds allocated to this fund. Of this amount, $2,000,000 has been distributed. In addition, any insurance losses associated with this fund are reimbursable from those bonds up to the $5,000,000 allocated.

A summary of the fund’s lending activity during the last three fiscal years is as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Entities Receiving Assistance</td>
<td>10</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Amount of Assistance Provided</td>
<td>$242,400</td>
<td>$362,700</td>
<td>$610,500</td>
</tr>
</tbody>
</table>

**State Small Business Credit Initiative:**

In July of 2011, the United States Treasury approved the State of Connecticut as a participating state in the State Small Business Credit Initiative (SSBCI), established by the Small Business Jobs Act of 2010. Total funds of $4,389,371 were passed to CDA through the Department of Economic and Community Development to be administered through the existing Connecticut Capital Access Program. The funds will be used to increase the amount of capital made available by private lenders to small businesses. As of June 30, 2012, $36,000 had been distributed.

**Summary of Loan Write-Offs and Guarantee Claims Paid:**

Based on data in CDA’s internal financial reporting package, the following is a summary of the loan amounts written off, guarantee payments made, the written-off loans recovered and written-off guarantees recovered for the fiscal years ended June 30, 2010, 2011 and 2012.
Auditors of Public Accounts

Fiscal Year Ended June 30, 2010  2011  2012

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Loans Written off</td>
<td>$1,348,412</td>
<td>$2,656,555</td>
<td>$4,065,599</td>
</tr>
<tr>
<td>Guarantees Paid</td>
<td>50,435</td>
<td>87,611</td>
<td>152,828</td>
</tr>
<tr>
<td>Loans Recovered</td>
<td>1,200</td>
<td>2,050</td>
<td>4,350</td>
</tr>
<tr>
<td>Guarantees Recovered</td>
<td>45,792</td>
<td>11,426</td>
<td>0</td>
</tr>
</tbody>
</table>
CONDITION OF RECORDS

Our review of the records of the Connecticut Development Authority revealed the following areas that warrant comment.

Board Meetings:

Criteria: Section 1-225 subsection (b) of the General Statutes requires all public agencies to file its schedule of regular meetings for the ensuing year with the Secretary of the State.

Section 1-225 subsection (c) of the General Statutes requires that the agendas of regular meetings of every public agency be available to the public and be filed in such agency’s regular office or place of business and in the office of the Secretary of the State for any such public agency of the state or in the office of the clerk of such subdivision for any public agency of a political subdivision of the state.

Condition: CDA did not file its 2012 schedule of regular meetings with the Secretary of the State and did not file meeting agendas with the Secretary of the State in 2011 and 2012.

Effect: Members of the public wishing to attend meetings may not have been aware of the meetings and the business to be discussed.

Cause: The failure to file the 2012 schedule of meetings with the Secretary of the State was due to agency oversight.

CDA staff informed us that it maintained meeting agendas in its office during the audited period. Agendas were sent to the public when requested. Staff indicated that agendas were not filed with the Secretary of the State because CDA was a political subdivision of the state, and therefore, filing was not required.

Recommendation: Connecticut Innovations, as the successor agency to CDA, should implement controls to provide compliance with public meeting requirements not previously adhered to by CDA. (See Recommendation 1.)

Authority Response: “The Connecticut Development Authority agrees with the finding. CI, CDA’s successor, will continue to strive to comply with all applicable laws as it relates to public meetings.”
Legislative Annual Report - Anticipated Wage Rates:

Criteria: Section 32-11a subsection (c) of the General Statutes requires CDA to submit an annual report to the Commissioner of Economic and Community Development, the Auditors of Public Accounts and the joint standing committees of the General Assembly having cognizance of matters relating to the Department of Economic and Community Development. The statute requires CDA to report various information regarding new and outstanding financial assistance provided by CDA in the reporting period, including a summary of the terms and conditions for the assistance, the type and amount of state financial assistance, job creation or retention requirements and anticipated wage rates.

Condition: Although anticipated wage rates for new financial assistance provided during 2011 and 2012 were included in the annual report for the same periods, CDA did not report anticipated wage rates for outstanding financial assistance.

Effect: Certain qualitative and quantitative information was not available to users of the report to assess the economic impact of the projects and their resulting benefits to the state.

Cause: Per CDA staff, anticipated wage rates were included in the annual reports for all new financial assistance provided during the reporting period because the data was available from the loan package. CDA staff informed us that they did request anticipated wage rate information from companies with outstanding financial assistance, but that the companies did not provide the information because they could not anticipate what employee wages would be in ensuing years.

Recommendation: Connecticut Innovations, as the successor agency to CDA, should implement controls to provide compliance with reporting requirements not previously adhered to by CDA. (See Recommendation 2.)

Authority Response: “The Connecticut Development Authority (CDA) agrees with the finding. CI will strive for continuous improvement in complying with all reporting requirements.”
RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Connecticut Development Authority should seek legislation to modify Section 32-11a subsection (c) of the General Statutes or should include the required data in its annual report. This finding is repeated, in part, as modified. In our prior audit, we reported that CDA did not use the actual names of recipients when reporting gross revenues and did not include anticipated wage rates in its annual report. Public Act 11-140 amended Section 32-11a subsection (c) of the General Statutes by eliminating the requirement to report gross revenues of companies by name. However, no changes were made to the anticipated wage rates reporting requirement. CDA’s reporting of anticipated wage rates in its 2011 and 2012 annual reports was incomplete. (See Recommendation 2.)

Current Audit Recommendations:

1. **Connecticut Innovations, as the successor agency to CDA, should implement controls to provide compliance with public meeting requirements not previously adhered to by CDA.**

   Comment:

   CDA did not file its 2012 schedule of regular meetings with the Secretary of the State and did not file meeting agendas with the Secretary of the State in 2011 and 2012.

2. **Connecticut Innovations, as the successor agency to CDA, should implement controls to provide compliance with reporting requirements not previously adhered to by CDA.**

   Comment:

   Although anticipated wage rates for new financial assistance provided during 2011 and 2012 were included in the annual report for the same periods, CDA did not report anticipated wage rates for outstanding financial assistance.
INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 and Section 1-122 of the General Statutes, we have conducted an audit of the Connecticut Development Authority’s activities for the fiscal years ended June 30, 2011 and 2012. This audit was primarily limited to performing tests of CDA’s compliance with certain provisions of laws, regulations, contracts and grant agreements, including but not limited to a determination of whether CDA has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of loans, grant agreements and other financial resources, and to understanding and evaluating the effectiveness of CDA’s internal control policies and procedures for ensuring that the provisions of certain laws, regulations, contracts and grant agreements applicable to CDA are complied with. The financial statement audits of the Connecticut Development Authority, for the fiscal years indicated above, were conducted by CDA’s independent public accountants.

We conducted our audit in accordance with the requirements of Section 2-90 and Section 1-122 of the General Statutes. In doing so, we planned and performed the audit to obtain reasonable assurance about whether the Connecticut Development Authority complied in all material respects with the provisions of certain laws, regulations, contracts and grant agreements and to obtain a sufficient understanding of internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Compliance:

Management of the Connecticut Development Authority is responsible for establishing and maintaining effective internal control over its operations. In planning and performing our audit, we considered the Connecticut Development Authority’s internal control over its operations as a basis for designing our auditing procedures for the purpose of evaluating CDA’s operations and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of expressing an opinion on the effectiveness of CDA’s internal control over operations and compliance. Accordingly, we do not express an opinion.

Our consideration of internal control included, but was not limited to, the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, unauthorized, illegal, or irregular transactions on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control that adversely affects CDA’s ability to properly initiate, authorize, record, process, or report data reliably consistent with management's direction, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is a reasonable possibility that material noncompliance with laws, regulations, contracts and grant agreements will not be
prevented or detected and corrected on a timely basis.

Our consideration of the internal control over CDA’s operations was for the limited purpose described previously and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Connecticut Development Authority complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of CDA’s operations for the fiscal year ended June 30, 2011 and 2012, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including but not limited to the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources

Our examination included reviewing all or a representative sample of CDA’s operations in those areas and performing such other procedures as we considered necessary in the circumstances.

The results of our tests disclosed no material or significant instances of noncompliance. However, we noted certain matters which we reported to CDA management in the accompanying Condition of Records and Recommendations sections of this report.

The Connecticut Development Authority’s responses to the findings identified in our audit are described in the accompanying Condition of Records section of this report. We did not audit CDA’s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of CDA management, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited. Users of this report should be aware that our audit does not provide a legal determination of CDA’s compliance with the provisions of the laws, regulations, contracts and grant agreements included within the scope of this audit.
CONCLUSION

We wish to express our appreciation for the cooperation and courtesies extended to our representatives by the personnel of the Connecticut Development Authority during this examination.

Martha O. Escudero
Auditor II

Approved:

John C. Geragosian
Auditor of Public Accounts

Robert M. Ward
Auditor of Public Accounts