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Categories: Municipal Bonds, Municipal Finance, Municipal Finance - General, States



Connecticut State Capitol in Hartford  
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## Featured Bond – Week of July 22, 2019: State of Connecticut \$244 Million in General Obligation Refunding Bonds

### Overview

The State of Connecticut is issuing \$244 Million in General Obligation Refunding bonds through competitive sale with a sale date of July 25, 2019. The bonds are comprised of the following issues: General Obligation Refunding Bonds 2019 Series B-1, B-2, and B-3, collectively the 2019 Series B bonds.

The bonds are rated A1 by Moody's, A by S&P, and A+ by Fitch.

## More About the Bonds & Connecticut

Proceeds from these 2019 Series B bonds will be used for the current refunding of the State's outstanding 2009 Series A and B bonds. The bonds are federally tax-exempt and the State of Connecticut tax-exempt. The amortization period is from 2020 until 2029.

Connecticut has a diverse and improving economy and is home to 17 Fortune 500 companies. 38.7% of the population over the age of 25 holds a bachelor's degree or higher. The per capita income is 139.8% of the national average. The unemployment rate as of April 2019 was 3.8%. Connecticut's newly proposed FY2020-2021 budget introduced budgetary caps on spending, volatility, and revenue. There were also structural changes to the State's pension reform and its Debt Diet. The debt diet says that the Governor, by law, shall not approve allotment requisitions that would result in the issuance of general obligation bonds that exceed \$1.9 billion in a fiscal year. The Governor has announced an initiative to limit debt issuance of general obligation bonds (excluding UConn) to \$1.6 billion per fiscal year.

## Security for the Bonds

The bonds will be general obligation bonds of the State of Connecticut. The full faith and credit of the State will be pledged for the payment of the principal of and interest on the Bonds as the same become due.

These details and more on purposes, security, risks and other matters pertaining to these State of Connecticut Refunding Bonds can be found in the official statement, [provided by MuniOS](#). After registering, if needed, visitors can link directly to the official statement as well as an investor's roadshow by searching for the State of Connecticut.

## Statistical Snapshot: The State of Connecticut Selected Financial and Economic Indicators

State of Connecticut		
Characteristic	As of 06/30/2018	2017 - 2018
	Credit	State Median
<b>Governmental Activities Balance Sheet</b>		
General Obligation Debt (\$000s)	\$16,922,197	\$1,166,111
Total Liabilities (\$000s)	\$86,919,922	\$14,345,269
Total Unrestricted Net Assets (\$000s)	-\$61,949,017	-\$4,882,219
<b>Governmental Activities Income Statement</b>		
Total Governmental Tax Revenue (\$000s)	\$18,308,771	\$10,065,850
Total Governmental Revenue (\$000s)	\$29,288,154	\$21,396,448
Total Governmental Activities Expense (\$000s)	\$17,631,249	\$19,665,504
Revenue Over Expense (\$000s)	\$11,656,905	\$162,876
<b>Debt Ratios</b>		
Total Direct Debt % Personal Income	9.60%	2.70%
Total Direct Debt per Capita	\$6,956.80	\$1,281.20
<b>Total Pension Funded Ratio</b>	45.72%	68.93%
<b>Financial Cushion</b>		
Total Tax Revenue per Capita - Governmental Activities	\$5,122.90	\$2,755.70
Unrestricted Net Assets/Total Expenditures - Gov't Activities	-351.4	-27.7
<b>Liquidity Ratios</b>		
Days Cash on Hand - Governmental Activities	53.7	76.8
Days Cash on Hand - General Fund	9.7	49.7
<small>Information courtesy of Merritt Research Services, LLC. These facts and numbers are for informational purposes, and should not be considered an official disclosure for potential investors. Investors should consult the official statement. *Debt Service Coverage is Merritt's standardized ratio. Number may differ from number reported by issuer.</small>		

State of Connecticut financial snapshot as of June 31, 2018 Fiscal Year Audit. Source: Merritt Research Services, LLC

Provided above is a quick snapshot of financial characteristics of the State of Connecticut along with the medians for other U.S. States, courtesy of [Merritt Research Services, LLC](#). Merritt has many of the sector medians publicly available and regularly updated on their [Benchmark Central](#) page. (Merritt believes the data to be reliable but does not make any representations as to its accuracy or completeness).

In addition to the Merritt information related to the featured bond, more information can be found on our municipal [bond calendar](#), [city, state, and county](#) pages.

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*Potential investors should rely only on the official documents and figures provided in the official statement (prospectus). Although the numbers presented in this summary are primarily derived from public documents, including issuer audits, issuer reports and other public sources such as federal reporting agencies, they are not intended to replace official information presented in connection with the bond sale. Medians may differ from official sales documents due to methodology or survey base variances.*