

a)

Connecticut Inc.	
Long-Term Receivables Section of Balance Sheet	
December 31, 2007	
9% note receivable from sale of division, due in annual installments of \$600,000, 2009, less current installment	
8% note receivable from officer, due Dec. 31, 2009, collateralized by 10,000 shares of Connecticut Inc., common stock with a fair value of \$450,000	
Noninterest-bearing note from sale of patent, net of 12% imputed interest, due 2009	
11% installment contract receivable, due in annual installments of \$45,125, less current installment	
Total long-term receivables	

b)

Connecticut Inc.	
Long-Term Receivables Section of Balance Sheet	
December 31, 2007	
Current portion of long-term receivables:	
Note receivable from sale of division	
Installment contract receivable	
Total current portion of long-term receivables	
Accrued interest receivable:	
Note receivable from sale of division	
Installment contract receivable	
Total accrued interest receivable	

c)

Connecticut Inc.	
Long-Term Receivables Section of Balance Sheet	
December 31, 2007	
Interest income:	
Note receivable from sale of division	
Note receivable from sale of patent	
Note receivable from officer	
Installment contract receivable from sale of land	

Total interest income for year ended 12/31/07

Explanation of Amounts

(1) **Long-term Portion of 9% Note Receivable at 12/31/07**

Face amount, 5/1/06
Less installment received 5/1/07
Balance, 12/31/07
Less installment due 5/1/08
Long-term portion, 12/31/07

(2) **Noninterest-bearing Note, Net of Imputed Interest at 12/31/07**

Face amount 4/1/07
Less imputed interest
 [\$200,000 - (\$200,000 X 0.797)]
Balance, 4/1/07
Add interest earned to 12/31/07
 (\$159,400 X 12% X 9/12)
Balance, 12/31/07

(3) **Long-term Portion of Installment Contract Receivable at 12/31/07**

Contract selling price, 7/1/07
Less down payment, 7/1/07
Balance, 12/31/07
Less installment due, 7/1/08
 [\$45,125 - (\$140,000 X 11%)]
Long-term portion, 12/31/07

(4) **Accrued Interest—Note Receivable, Sale of Division at 12/31/07**

Interest accrued from 5/1 to 12/31/07
 (\$1,200,000 X 9% X 8/12)

(5) **Accrued Interest—Installment Contract at 12/31/07**

Interest accrued from 7/1 to 12/31/07
 (\$140,000 X 11% X 1/2)

(6) **Interest Revenue—Note Receivable, Sale of Division, for 2007**

Interest earned from 1/1 to 5/1/2007
 (\$1,800,000 X 9% X 4/12)
Interest earned from 5/1 to 12/31/07
 (\$1,200,000 X 9% X 8/12)
Interest income

(7) **Interest Revenue—Note Receivable, Officer, for 2007**

Interest earned 1/1/ to 12/31/07
(\$400,000 X 8%)