

# CHEFA

CONNECTICUT HEALTH AND EDUCATIONAL  
FACILITIES AUTHORITY



September 27, 2016

His Excellency, Dannel P. Malloy  
Governor  
State of Connecticut  
State Capitol  
Hartford, CT 06106

Dear Governor Malloy:

In accordance with the reporting requirements of Connecticut General Statutes §1-122, §1-123 and §10a-194 for the Fiscal Year Ending June 30, 2016, the Connecticut Health and Educational Facilities Authority (CHEFA) is pleased to submit the following information:

- |       |  |
|-------|--|
| Tab 1 | Audited Financial Statements for the Fiscal Year Ending June 30, 2016.   |
| Tab 2 | Grant dollars provided by CHEFA in FY 2016, including the name of the recipient, the project's purpose, and location.  |
| Tab 3 | <p>Schedule of Indebtedness as of June 30, 2016.</p> <p>This schedule of indebtedness also includes bond issues supported by a guarantee from the State via the Special Capital Reserve Fund (SCRF) Program.</p> <ul style="list-style-type: none"><li>• The State's total contingent liability for these SCRF bonds as of June 30, 2016 was \$302,815,000 as compared to the June 30, 2015 figure of \$323,455,000.</li><li>• These SCRF bonds include \$301,960,000 outstanding on behalf of the Connecticut State University System and \$855,000 outstanding on behalf of nursing homes.</li></ul> |
| Tab 4 | Schedule of outside individuals and firms receiving in excess of \$5,000 in the form of loans, grants or payments for services for the Fiscal Year Ending June 30, 2016.   |
| Tab 5 | Budget for the Fiscal Year Ending June 30, 2017 approved by the Authority's Board of Directors on May 18, 2016.  |
| Tab 6 | Affirmative Action Policy Statement for 2016.  |
| Tab 7 | Agency Workforce Composition as of June 30, 2016.  |
| Tab 8 | Connecticut General Statutes §1-122, §1-123, and §10a-194.   |

A FY 2016 update on activities and the description of planned activities for the current fiscal year follows.

**Connecticut Health and Educational Facilities Authority**  
**FY 2016 Update on Activities**

Information regarding CHEFA's component units, CHESLA and CSLF, may be found in the respective Annual Reports and is available on line at [www.chesla.org](http://www.chesla.org) and [www.csfl.com](http://www.csfl.com).

**Grant Programs** – In FY 2016, the Authority disbursed \$2,000,235 in grant dollars through its Client Grant, Nonprofit Grant and Targeted Investment Programs. A listing of grant dollars disbursed in FY 2016 is included under Tab 2.

**Bond Issuance** – In FY 2016, approximately \$1.36 billion bonds were issued by CHEFA, representing 30 bond offerings. In FY 2016, approximately 27% of CHEFA's total issues were unenhanced public offerings with the balance being private placements. Other statistics for FY 2016 are as follows:

- Approximately 35% of dollar volume in FY 2016 represented new money financings;
- Approximately 28% of dollar volume represented variable rate transactions;

**Borrower Education** – On November 4, 2015, the Authority held its 3rd Annual Client Conference. There were 66 attendees. The agenda included the following.

- Credit Market Trends and Outlook
- A Primer on How to Use Certain IRS Treasury Regulations to Your Best Advantage
- Bank Direct Purchases-Alternative Financing Structures to Consider
- The Next America: Demographic Change in the 21st Century

**Connecticut Health and Educational Facilities Authority**  
**FY 2017 Description of Planned Activities**

In order to fulfill the requirements of Connecticut General Statute (C.G.S.) §1-123 regarding planned activities for FY 2017, the Authority submits the following:

**FY 2017 CHEFA Budget** – The Board of Directors initially approved the FYE June 30, 2017 Annual Budget on May 18, 2016. The approved operating budget projects revenue from annual fees, investment income and upfront application fees of \$7,653,600, operating expenses of \$3,643,927, and program related expenses of \$2,181,940, including approximately \$2,000,000 for grant programs. The approved budget is included under Tab 5.

**FY 2016 – 2018 Strategic Business Plan** – CHEFA developed its Strategic Business Plan with the following core goals.

- 1. Superior Client Service**
  - A. Cost Effective and Timely Financing
  - B. Post Issuance Compliance
  - C. Strengthen Client and Investor Relations
- 2. Programs and Services that Meet the Demands of a Changing Market**
  - A. Evolve Existing Products
  - B. Develop/Implement New Programs and Technologies
  - C. Identify New Sectors to be Served
  - D. Strengthen Investor Relations
- 3. Partner in Public Policy**
  - A. Public Advocacy on Behalf of Constituents
  - B. Provide Sector Expertise to State Officials Concerning Client Financing Needs
  - C. Serve as a Resource to Government Officials
- 4. Sustainable and Ethical Organization**
  - A. Expand Opportunities for Continuous Personnel Development
  - B. Board Development and Oversight
  - C. Increased Awareness of the Authority's Programs
  - D. Effective Management Process to Promote a Sustainable Environment
- 5. Ethical Culture**
  - A. Staff and Board Ethics Training
  - B. Promote Adherence to Organizational Identity

During FY 2017, management expects to continue to:

- Provide oversight to ensure that all bond transactions are managed in a timely and cost effective manner;
- Promote and provide post-issuance services to ensure that client needs are met and in compliance with reporting and tax requirements;
- Strengthen client relations;
- Research new sectors to be served;
- Work collaboratively with other State entities and advocacy groups active in the sectors served by CHEFA;
- Expand opportunities for continuous personnel development;
- Ensure effective management processes that promote a sustainable organization;
- Promote adherence to the organizational identity (mission, vision, values, etc.)

#### **Affirmative Action Efforts**

Included in this package are CHEFA's affirmative action policy statement and a description of the Agency's workforce by race, gender and occupation for the Fiscal Year Ending June 30, 2016. CHEFA had a relatively small workforce of 18 full-time equivalent employees (FTEs, excluding two CHESLA employees) as of June 30, 2016, with 26% minority, including two minority officers (the Executive Director and a Managing Director).

If you have any questions or need further information, please call me at 860-761-8453.

Sincerely,



Jeanette W. Weldon  
Executive Director

cc: Robert M. Ward  
John C. Geragosian  
Auditors of Public Accounts (2 copies)

Program Review and Investigations Committee (2 copies)  
Connecticut State Library (2 copies)  
Legislative Library (2 copies)

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Financial Statements  
and Independent Auditor's Reports**

**June 30, 2016**

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

Table of Contents

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
<u>Exhibits</u>	
Basic Financial Statements	
A Statement of Net Position	16-17
B Statement of Revenues, Expenses and Changes in Fund Net Position	18
C Statement of Cash Flows	19-20
D Notes to Financial Statements	21-50
<u>Schedules</u>	
Supplemental Schedules	
<u>CHESLA</u>	
1 Combining Schedule of Net Position	51
2 Combining Schedule of Revenues, Expenses and Changes in Net Position	52
<u>Compliance</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54

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## **Financial Section**

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## Independent Auditor's Report

Board of Directors  
Connecticut Health and Educational Facilities Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Connecticut Health and Educational Facilities Authority as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Connecticut Health and Educational Facilities Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Connecticut Health and Educational Facilities Authority, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Connecticut Health and Educational Facilities Authority's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2016, on our consideration of the Connecticut Health and Educational Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Connecticut Health and Educational Facilities Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
September 22, 2016



## Management's Discussion and Analysis

Year Ended June 30, 2016

(In Thousands)

As management of Connecticut Health and Educational Facilities Authority (CHEFA), we offer readers of CHEFA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. This Management's Discussion and Analysis presents separate discussion for the primary government (CHEFA) and each of the component units: Connecticut Higher Education Supplemental Loan Authority (CHESLA) and Connecticut Student Loan Foundation (CSLF), each addressing the operations of the individual entity.

CHEFA is a conduit issuer of tax-exempt bonds issued on behalf of non-profit healthcare institutions, higher education institutions and independent schools, childcare facilities, long-term care facilities, cultural institutions and various other qualified non-profit institutions pursuant to Connecticut General Statutes Chapter 187, Sections 10a-176 through 10a-198. These tax-exempt bonds are financial obligations of the institution on whose behalf CHEFA issues the bonds. The issuance of tax-exempt bonds can provide funds for new construction projects, the refinancing of eligible existing debt, funding of Debt Service Reserve Funds (if applicable), and funding of issuance costs.

CHESLA, a subsidiary of CHEFA, issues tax-exempt bonds in order to fund student loans for the higher education of students in or from the State of Connecticut. CHESLA's bonds are repaid from student loan repayments and are further supported by a Special Capital Reserve Fund, the replenishment of which is deemed appropriated by the State of Connecticut.

Pursuant to Public Act No. 14-217, CSLF was statutorily consolidated with CHEFA as a subsidiary thereof and became a quasi-public agency of the State of Connecticut.

CSLF is a Connecticut State-chartered non-profit corporation established pursuant to State of Connecticut General Statutes Chapter 187a and governed by Title IV, Part B of the Higher Education Act of 1965, as amended, for the purpose of improving educational opportunity. Generally, CSLF is empowered to achieve this purpose by originating and acquiring student loans and providing appropriate services incident to the administration of programs which are established to improve educational opportunities. CSLF no longer originates or acquires student loans.

### **Financial Highlights**

- CHEFA's net position decreased by \$1,407 for the fiscal year, due substantially to the statutorily required payment of \$3,500 to the State of Connecticut general fund. This was the first of two required payments.
- CHESLA's net position increased by \$8,731 for the fiscal year. The increase was due substantially to \$6,000 of monies contributed by CSLF to CHESLA for the student loan refinancing pilot program established by the CHESLA board in fiscal year 2016 and \$2,000 contributed to the CHESLA 1990 Trust.
- CSLF's net position decreased by \$6,810 for the fiscal year. The decrease was due substantially to the contributions of \$6,000 for the refinancing program, \$2,000 contributed to the CHESLA 1990 Trust and \$1,889 contributed by CSLF for the scholarship program.
- CHESLA's loan activity during the fiscal year was the issuance of new loans totaling \$15,340 and payments received of \$7,061.
- CSLF's loan activity for the fiscal year was payments received of \$45,142.
- CHESLA issued debt of \$15,000 for new loans and issued refunding bonds of \$21,465, the proceeds of which were used to defease \$16,720 of bonds. Scheduled principal payments totaled \$21,050 for net decrease of \$1,305.
- CSLF's bonds payable decreased by \$37,300 for voluntary redemptions made during the year.

## Management's Discussion and Analysis (Continued)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to CHEFA's basic financial statements. CHEFA's basic financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. Separate financial statements are presented for CHEFA (primary government) and the two component units CHESLA and CSLF.

**Financial statements.** The financial statements are designed to provide readers with a broad overview of CHEFA's finances, in a manner similar to a private-sector business. CHEFA's operations are reported as business-type activities.

The *statement of net position* presents information on all of CHEFA's assets, liabilities, and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of CHEFA is improving or deteriorating.

The *statement of revenues, expenses and changes in fund net position* presents information showing how CHEFA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected loans and earned but unused vacation leave).

The *statement of cash flows* presents the cash flow by each type of activity.

The financial statements can be found on Exhibits A, B and C.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to financial statements can be found in Exhibit D.

### Connecticut Health and Educational Facilities Authority (CHEFA)

#### Financial Analysis

Assets exceeded liabilities at June 30, 2016. Net position may serve over time as a useful indicator of a government's financial position. Due to the nature of operations, a significant portion of net position is subject to specific external statutory restrictions. The restricted net position for CHEFA at fiscal year end was 57.0%. In addition, a small portion of CHEFA's net position invested in capital assets was 0.9%.

A summary of the statement of net position is as follows:

<b>Summary Statement of Net Position</b>		
<b>(in thousands)</b>		
	<b>CHEFA</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 335,173	\$ 340,214
Capital assets (net)	124	169
Total assets	335,297	340,383
Assets Held on Behalf of the State of CT	2,174	2,172
Other liabilities	318,840	322,521
Total liabilities	321,014	324,693

## Management's Discussion and Analysis (Continued)

Net investment in capital assets	124	169
Restricted	8,138	11,735
Unrestricted	6,021	3,786
Total net position	<u>\$ 14,283</u>	<u>\$ 15,690</u>

The remaining portion of net position is unrestricted and is 42.1%.

**Statement of Changes in Net Position.** The statement of changes in net position's purpose is presenting information on how the net position changed during the most recent fiscal year. For the fiscal year, CHEFA's net position decreased by \$1,407.

A statement of changes in net position follows:

### Statement of Changes in Net Position (in thousands)

	CHEFA	
	2016	2015
Operating revenues:		
Administrative fees	\$ 7,498	\$ 7,513
General and administrative fees	205	200
Bond issuance fees	86	90
Other revenues	13	15
Total operating revenues	<u>7,802</u>	<u>7,818</u>
Operating expenses:		
Salaries and related expenses	2,664	2,896
General and administrative	549	819
Contracted services	279	195
Total operating expenses	<u>3,492</u>	<u>3,910</u>
Operating income	<u>4,310</u>	<u>3,908</u>
Non-operating income (expenses):		
Investment income	43	13
Payment to State	(3,500)	-
Grants and childcare subsidy expense	(2,260)	(2,993)
Total non-operating expenses	<u>(5,717)</u>	<u>(2,980)</u>
Increase (decrease) in net position	<u>(1,407)</u>	<u>928</u>
Net position, July 1, 2015	<u>15,690</u>	<u>14,762</u>
Net position, June 30, 2016	<u>\$ 14,283</u>	<u>\$ 15,690</u>

Net position decreased by \$1,407 due substantially to the statutorily required transfer of \$3,500 to the State of Connecticut general fund. This was the first of two required payments.

## **Management's Discussion and Analysis (Continued)**

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### **Revenues**

CHEFA is a conduit issuer of tax-exempt bonds issued on behalf of non-profit healthcare institutions, higher education institutions and independent schools, childcare facilities, long-term care facilities, cultural institutions and various other qualified non-profit institutions. CHEFA charges the conduit borrower for administration and upfront fees.

The fee charged is a Board approved administrative fee of 9 basis points (.0009) on the outstanding balance for all market segments with the exception of Special Capital Reserve Fund long-term care bond issues which have a 14 basis points (.0014) fee.

Revenues totaled \$7,802 for fiscal year 2016. Administrative fees are the largest revenue source and represent 96.1% of total revenues. General and administrative service fees for support services provided to CHESLA and CSLF totaled \$205 represent 2.6% of revenues for the year. The balance comprises upfront fees for the conduit debt issued and other revenues at 1.3%.

Significant changes from the prior year for revenues are as follows:

- Administrative fees decreased by \$15 to \$7,498 during the year. The decrease is due to the change in the par value of loans outstanding at June 30, 2016 compared to June 30, 2015. Fees are calculated on the total par amount outstanding in any given year.

The balance of the par value of debt outstanding at June 30, 2016 was \$8,314,847 as compared to \$8,412,187 at June 30, 2015.

During the year, CHEFA has 30 issues of new conduit debt totaling \$1,358,355 in par value.

- Non-operating investment income increased by \$30 from the \$13 recognized in fiscal year 2015. This is a result of slight interest rates increases as compared to the prior year.

### **Expenses**

Expenses totaled \$3,492 for the fiscal year. Of the expenses, 76.3% or \$2,664 was for salaries and related expenses. General and administrative expenses amounted to \$549, or 15.7%, while contracted services amounted to \$279 or 8.0% of the total expenses.

Significant changes from the prior year are as follows:

- Salaries and related expenses decreased by \$232 from fiscal year 2015 to \$2,664 due to restructuring and vacant positions.
- Contracted services increased by \$84 from fiscal year 2015 to \$279 due to consultants retained to perform specialty research for Community Health Care facilities, as required per state mandate.
- Grant and childcare subsidy expense decreased from fiscal year 2015 by \$733. The decrease was a result of the decrease in the loan amounts outstanding.

### **Capital Assets**

At June 30, 2016, CHEFA's capital assets amounted to \$124, net of depreciation. This includes leasehold improvements, furniture and fixtures, and computer and office equipment. Capital assets decreased by \$45 or 26.6% due to capital asset additions of \$19, offset by depreciation of \$64. Capital asset purchases during the year included \$13 for computer equipment and \$6 for office equipment.

Additional information on the capital assets can be found in Exhibit D (II) C.

## Management's Discussion and Analysis (Continued)

### **Economic Factors**

The most significant factor impacting CHEFA is the borrowing rate. In developing the 2017 budget, CHEFA is expecting a 1.8% decrease in revenues as compared to fiscal year 2016. An increase of \$29 in the support fees charged to CHESLA and CSLF is also being anticipated, with CHESLA being the majority of the increase. Operating expenses were projected to decrease 7.8% as compared to fiscal year 2016. Finally, the 2017 budget also includes the second payment of \$3,500 to the State of Connecticut mandate by the State Budget Act.

### **Connecticut Higher Education Supplemental Loan Authority (CHESLA)**

#### **Financial Analysis**

For CHESLA, assets exceeded liabilities at June 30, 2016. Net position may serve over time as a useful indicator of a government's financial position. Due to the nature of operations, a significant portion of net position is subject to specific external statutory and bond resolution restrictions. The restricted net position for CHESLA at fiscal yearend was 68.3%.

A summary of the statement of net position is as follows:

<b>Summary Statement of Net Position</b>		
<b>(in thousands)</b>		
	<b>CHESLA</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 185,137	\$ 176,905
Total assets	185,137	176,905
Long-term liabilities outstanding	154,980	155,678
Other liabilities	1,197	2,887
Total liabilities	156,177	158,565
Deferred inflows of resources	1,889	-
Restricted	18,502	15,923
Unrestricted	8,569	2,417
Total net position	\$ 27,071	\$ 18,340

The remaining portion of net position is unrestricted and is 31.7%.

**Statement of Changes in Net Position.** The statement of changes in net position's purpose is presenting information on how the net position changed during the most recent fiscal year. For the fiscal year CHESLA's net position increased \$8,731.

## Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

### Statement of Changes in Net Position (in thousands)

	CHESLA	
	2016	2015
Operating revenues:		
Interest income on loans receivable	\$ 7,576	\$ 7,260
Administrative fees	1,313	1,108
Contribution from CSLF	6,000	-
Total operating revenues	14,889	8,368
Operating expenses:		
Interest expense	6,064	6,690
Salaries and related expenses	118	192
General and administrative	1,231	443
Refinance pilot program	171	-
Loan service fees	561	563
Contracted services	43	41
Bond issuance costs	888	104
Provision for loan losses	343	760
Total operating expenses	9,419	8,793
Total operating income (loss)	5,470	(425)
Nonoperating income (expenses):		
Investment income	1,261	1,148
Contribution revenue/expense	2,000	4,000
Scholarship program	-	(2,000)
Total nonoperating income (expenses)	3,261	3,148
Increase (decrease) in net position	8,731	2,723
Net position, July 1, 2015	18,340	15,617
Net position, June 30, 2016	\$ 27,071	\$ 18,340

Net position increased by \$8,731 for the fiscal year. The increase was due substantially to \$6,000 of monies contributed by CSLF to CHESLA for the refinancing program and \$2,000 contributed by CSLF for the scholarship program.

### Revenues

CHESLA provides financial assistance in the form of education loans to students in or from the State. CHESLA is authorized to issue tax-exempt bonds, the proceeds of which are used to fund education loans to applicants meeting certain eligibility requirements. The repayments of such loans service the debt on CHESLA bonds. Revenues include administrative fees and the interest



## **Management's Discussion and Analysis (Continued)**

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charged on the loans. The interest charged on the loans is used to pay interest expense on the bonds.

In fiscal year 2016, CHESLA disbursed \$18,652 in loan dollars as compared to \$15,802 in fiscal year 2015. The 2016 disbursements reflect an increase of approximately 19% over fiscal year 2015.

Significant changes from the prior year for revenues are as follows:

- Administrative fees increased by \$205 to \$1,313 during the year. This is due to the increase in the loan servicing fee from 30 to 50 basis points, beginning July 1, 2015.
- Contributions from CSLF totaled \$8,000 as compared to \$4,000 in fiscal year 2015. The current year contributions were authorized by the Board for a loan refinance program (\$6,000), contribution to the CHESLA 1990 Trust (\$2,000). The monies contributed for the scholarship program (\$1,889), are recorded as a deferred inflow.
- Nonoperating investment income increased by \$113, due to the contributions received from CSLF and a slight increase in interest rates as compared to the prior year.

### **Expenses**

Expenses totaled \$9,419 for the fiscal year. The largest expense, 64.3% or \$6,064 was for interest payments on debt. This represents a decrease from 76.1% in fiscal year 2015. General and administrative expenses amounted to \$1,231, or 13.1%. This is an increase from the 5.5% in the prior year. Bond issue costs totaled \$888, or 9.4%, loan servicing fees totaled \$561 or 6.0% and bad debts totaled \$343 or 3.6% of the total expenses.

Significant changes from the prior year are as follows:

- Interest expense decreased by \$626 as compared to fiscal year 2015 due to a reduction in the principal balance of outstanding debt as compared to fiscal year 2015. Although refunding bonds were issued at June 30, 2016, they did not have a current year impact on interest expense.
- Salaries and related expenses decreased by \$74 due to a long-term absence of an employee.
- General and administrative expenses increased by \$788 due to the recording of Trust Administration fees paid to the CHESLA Agency account. Prior year 2015 was recorded as eliminations, decreasing income from Administration Fees and decreasing General and Administrative fees for the 1990 and 2003 Trusts.
- A pilot refinance program was funded during the year by a contribution from CSLF (\$6,000). \$500 of the program funding was to be used for the administrative costs for the program. During fiscal year 2016, \$171 was spent for this program.
- Bond issuance and insurance cost increased by \$784 due to two bond issues that were issued during the year as compared to 1 in the prior year, in addition, the remaining cost of bond insurance and premium/discount, totaling \$105, for prior bond issues, was fully amortized in fiscal year 2016.
- Provision for loan losses decreased by \$417 due to a combination of the new methodology that was implemented in the prior year and increased loan loss recoveries.

## **Management's Discussion and Analysis (Continued)**

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### **Debt Administration**

#### **Long-term debt**

The change in long-term debt for CHESLA was as follows:

<b>Bonds Payable (in thousands)</b>	<b>CHESLA</b>	
	<b>2016</b>	<b>2015</b>
Revenue Bonds	\$ 152,785	\$ 154,090
Premiums/Discounts	2,195	1,588
Total Long-term liabilities	<u>\$ 154,980</u>	<u>\$ 155,678</u>

CHESLA's decrease in the principal balance outstanding was due to a net of new issuances totaling \$36,465, including the refunding bonds of \$21,465, offset by refunded bonds of \$16,720 and scheduled principal payments of \$21,050.

CHESLA maintains an "A+" rating from Fitch and an Aa3 rating from Moody's Investors Service for revenue obligation debt.

Additional information on long-term debt can be found in Exhibit D (II) D.

#### **Economic Factors**

The general economic conditions and the direction of the economy have significant impact on CHESLA. The ability of individuals to be able to repay their loans is significantly impacted by unemployment rates. Another factor is the rate at which CHESLA is able to issue bonds and provide new loans.

### **Connecticut Student Loan Foundation (CSLF)**

#### **Financial Analysis**

For CSLF assets exceeded liabilities at June 30, 2016. Net position may serve over time as a useful indicator of a government's financial position. Due to the nature of operations, a significant portion of net position is subject to specific external statutory restrictions. The restricted net position for CSLF at fiscal year end was 30.0%.

## Management's Discussion and Analysis (Continued)

A summary of the statement of net position is as follows:

### Summary Statement of Net Position (in thousands)

	CSLF	
	2016	2015
Current and other assets	\$301,107	\$ 347,572
Total assets	301,107	347,572
Long-term liabilities outstanding	274,090	311,226
Other liabilities	1,792	4,311
Total liabilities	275,882	315,537
Restricted	7,557	7,891
Unrestricted	17,668	24,144
Total net position	\$ 25,225	\$ 32,035

The remaining portion of net position is unrestricted and is 70.0%.

**Statement of Changes in Net Position.** The statement of changes in net position's purpose is presenting information on how the net position changed during the most recent fiscal year. For the fiscal year, CSLF's net position decreased by \$6,810.

A statement of changes in net position follows:

### Statement of Changes in Net Position (in thousands)

	CSLF	
	2016	2015
Operating revenues:		
Interest income on loans receivable	\$ 10,749	\$ 11,586
Not-for-profit servicing income	176	183
Other revenues	-	9
Total operating revenues	10,925	11,778
Operating expenses:		
Interest expense	3,974	4,256
General and administrative	295	307
Loan service fees	1,192	1,453
Consolidation rebate fees	1,797	2,013
Contracted services	517	587
Provision for loan losses	100	150
Total operating expenses	7,875	8,766

## Management's Discussion and Analysis (Continued)

Operating income	3,050	3,012
Nonoperating income (expenses):		
Investment income	29	69
Payment to State	-	(25,000)
Contribution revenue/expense	(9,889)	(4,000)
Total nonoperating income (expenses)	(9,860)	(28,931)
Change in net position before special item	(6,810)	(25,919)
Special item	-	1,259
Increase (decrease) in net position	(6,810)	(24,660)
Net position, July 1, 2015	32,035	56,695
Net position, June 30, 2016	\$ 25,225	\$ 32,035

CSLF's net position decreased by \$6,810 for the fiscal year. The decrease was due substantially to the contributions of \$6,000 for the refinancing program, \$2,000 contributed to the CHESLA 1990 Trust and \$1,889 contributed by CSLF for the scholarship program. These contributions were authorized by the Board.

### Revenues

CSLF currently is not actively issuing new loans. Its purpose was to improve educational opportunity by originating and acquiring student loans and providing related services. CSLF also participates in the not-for-profit servicer program.

Interest income represents the largest operating revenue component. CSLF earns interest income, interest subsidies and special allowance on student loans. Interest income for fiscal year 2016 totaled \$10,749 (98.4%) compared to \$11,586 for fiscal year ended June 30, 2015. These revenue sources are variable in nature and are a direct function of market conditions. Interest rates for student borrowers in the CSLF portfolio have been fixed though the net interest to loan holders remains variable and, therefore, subject to market conditions. Lender yields are limited and vary as Congress and market conditions dictate. Loan interest revenue calculated to be in excess of congressionally established levels (excess yield) is paid to the U.S. Department of Education. During the fiscal year ended June 30, 2016, CSLF paid \$6,020 to the US Department of Education relating to excess yield compared to \$7,800 paid during fiscal year 2015.

The balance of CSLF revenues is the not-for-profit service fee of \$176 and 1.6% of revenues.

Significant changes from the prior year for revenues are as follows:

- Interest income on loans receivable is the largest component of operating revenues. Interest income totaled \$10,749, a decrease of \$837 from the prior year amount of \$11,586. The decrease is due to the decrease in the loan balances and the fact that CSLF is no longer issuing new loans.
- Not-for-profit servicing income totaled \$176 for the fiscal year ended 2016, a decrease of \$7 as compared to fiscal year 2015. The decrease is due to the decrease in the number of loans serviced in the program.
- Nonoperating investment income decreased by \$40, relating to the contribution of investable assets to the State of Connecticut and CHESLA over the past two fiscal years. The amounts paid totaled \$9,889 in fiscal year 2016 and \$29,000 in fiscal year 2015.

## Management's Discussion and Analysis (Continued)

### Expenses

Expenses totaled \$7,875 for the fiscal year. The largest expense was for interest expense on the Auction Rate Certificates (ARCs) it issued to raise money to make or acquire student loans. The interest rate on the ARCs is variable and auctioned every twenty-eight days. Due to the continued failure of the auctions, all investors are being paid at T-Bill plus 1.20%, the maximum rate defined in the Indenture based upon the current ratings of the bonds. Interest expense totaled \$3,974 or 50.4%. Consolidation rebate fees paid to the U.S. Department of Education totaled \$1,797 or 22.8% of total expenses and loan servicing fees totaled \$1,192 or 15.1% of total expenses.

Nonoperating expenses of \$9,889 were for Board authorized contributions to CHESLA for a loan refinancing program (\$6,000), the CHESLA 1990 trust (\$2,000), and a scholarship program (\$1,889).

In fiscal year 2015, legislative mandates created by Public Act 14-47 required the transfer of \$25,000 of CSLF's financial assets to the State of Connecticut to fund certain legislative initiatives. There were no such mandates for fiscal year 2016.

Significant changes from the prior year are as follows:

- Interest expense decreased in 2016 by \$282. The decrease is due to the redemption of \$37,300 in bonds, primarily at par, during the fiscal year.
- Loan service fees decreased by \$261 reflecting the decrease in the number of loans serviced due to loan repayments.
- Consolidation rebate fees decreased by \$216 reflecting the decrease in the principal balance of federal consolidation loans outstanding as the portfolio matures.
- Provision for loan losses decreased by \$50 due to seasoning of the loan portfolio. CSLF has not disbursed new student loans since February 2010. As a result, with the maturing loan portfolio, more student loan borrowers are in active repayment status and the delinquency rates have declined.

### Debt Administration

#### Long-term debt

The change in long-term debt for CSLF was as follows:

<b>Bonds Payable (in thousands)</b>	<b>CSLF</b>	
	<b>2016</b>	<b>2015</b>
Revenue Bonds	\$ 274,800	\$ 312,100
Premiums/Discounts	(710)	(874)
Total Long-term liabilities	<u>\$ 274,090</u>	<u>\$ 311,226</u>

CSLF's decrease in long-term debt was due to the redemption of \$37,300 of bonds during the fiscal year.

CSLF maintains an AAA (senior debt) and AA (subordinate debt) rating from Standard & Poor's. Standard & Poor's has placed the Series 2004 B and 2006 B bonds on CreditWatch Positive. CSLF maintains an AAA (senior debt) and AA (subordinate debt) rating from FITCH Ratings. FITCH

## **Management's Discussion and Analysis (Continued)**

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Ratings has placed the Series 2006 A-1 and A-2 bonds and the Series 2004 B and 2006 B bonds on Rating Watch Negative.

Additional information on long-term debt can be found in Exhibit D (II) D.

### **Economic Factors**

General economic conditions have a smaller impact on CSLF. Due to the guarantee by the U.S. Department of Education (generally at 98% of principal and interest), CSLF does not experience significant loan losses in an economic downturn. Loan defaults and the resulting claim payments will accelerate repayment of the loan portfolio. In addition, interest rate risk is minimized as both the loan portfolio and the outstanding bonds have variable interest rates tied to market rates.

### **Requests for Information**

This financial report is designed to familiarize our stakeholders and customers with CHEFA's finances and to demonstrate CHEFA's fiscal accountability for its operations. Questions concerning this report, or request for additional financial information, should be directed to Connecticut Health and Educational Facilities Authority at 10 Columbus Boulevard, Hartford, Connecticut 06106-1978.

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## **Basic Financial Statements**

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Connecticut Health and Educational Facilities Authority

**Statement of Net Position**  
**June 30, 2016**  
(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
<u>Assets</u>			
Current assets:			
Unrestricted assets:			
Cash	\$ 138	\$ 2,472	\$ 1,334
Investments	5,272	2,621	-
Receivables (net of allowance for uncollectibles):			
Accounts	649	-	25
Related parties	27	-	-
Prepaid expenses and other assets	80	107	15
Total unrestricted assets	6,166	5,200	1,374
Restricted assets:			
Investments:			
Statutory	3,500	-	-
Institutions	318,694	-	-
Bond indenture trusts	-	40,620	11,250
Interest receivable on investments	-	21,280	19,010
Loan interest receivable	-	105	-
Total restricted assets	322,194	62,451	34,485
Total current assets	328,360	67,651	35,859
Noncurrent assets:			
Unrestricted assets:			
Capital assets (net of accumulated depreciation)	124	-	-
Restricted assets:			
Investments	6,813	21,870	-
Loans receivable (net of allowance for uncollectibles)	-	95,616	265,248
Total noncurrent assets	6,937	117,486	265,248
Total assets	\$ 335,297	\$ 185,137	\$ 301,107



**Connecticut Health and Educational Facilities Authority****Statement of Net Position****June 30, 2016****(In Thousands)**

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
<b><u>Liabilities</u></b>			
Current liabilities			
Accounts payable	\$ 45	\$ 325	\$ 64
Accrued expenses	101	168	67
Amounts held for institutions	318,694	-	-
Accrued interest payable	-	704	-
U.S. Department of Education payable	-	-	1,255
Trust Estate payable	-	-	406
Current portion of bonds payable	-	10,515	-
Total current liabilities	318,840	11,712	1,792
Noncurrent liabilities			
Bonds payable and related liabilities, net of current portion	-	144,465	274,090
Amount held for the State of Connecticut	2,174	-	-
Total noncurrent liabilities	2,174	144,465	274,090
Total liabilities	321,014	156,177	275,882
<b><u>Deferred Inflows of Resources</u></b>			
Unearned revenue	-	1,889	-
<b><u>Net Position</u></b>			
Net investment in capital assets	124	-	-
Restricted	8,138	18,502	7,557
Unrestricted	6,021	8,569	17,668
Total net position	14,283	27,071	25,225
Total liabilities, deferred inflows of resources and net position	\$ 335,297	\$ 185,137	\$ 301,107

See Notes to Financial Statements.

## Connecticut Health and Educational Facilities Authority

## Statement of Revenues, Expenses and Changes in Fund Net Position

For the Year Ended June 30, 2016

(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Operating revenues:			
Interest income on loans receivable	\$ -	\$ 7,576	\$ 10,749
Administrative fees	7,498	1,313	-
General and administrative fees	205	-	-
Contribution from CSLF (refinance pilot program)	-	6,000	-
Bond issuance fees	86	-	-
Not-for-profit servicing income	-	-	176
Other revenues	13	-	-
Total operating revenues	7,802	14,889	10,925
Operating expenses:			
Interest expense	-	6,064	3,974
Salaries and related	2,664	118	-
General and administrative	549	1,231	295
Refinance pilot program	-	171	-
Loan service fees	-	561	1,192
Consolidation rebate fees	-	-	1,797
Contracted services	279	43	517
Bond issuance costs	-	888	-
Provision for loan losses	-	343	100
Total operating expenses	3,492	9,419	7,875
Operating income (loss)	4,310	5,470	3,050
Nonoperating income (expenses):			
Investment income	43	1,261	29
Payment to State (legislative mandate)	(3,500)	-	-
Grants and child care subsidy expense	(2,260)	-	-
Contribution from CSLF	-	2,000	-
Contribution to CHESLA	-	-	(9,889)
Total nonoperating income (expenses)	(5,717)	3,261	(9,860)
Increase (decrease) in net position	(1,407)	8,731	(6,810)
Net position, July 1, 2015	15,690	18,340	32,035
Net position, June 30, 2016	\$ 14,283	\$ 27,071	\$ 25,225

See Notes to Financial Statements.

## Connecticut Health and Educational Facilities Authority

**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**  
(In Thousands)

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>CHEFA</b>	<b>CHESLA</b>	<b>CSLF</b>
Cash flows from operating activities:			
Cash received from loan payments	\$ -	\$ 21,538	\$ 45,142
Interest received on loans	-	7,595	11,914
Contributions received from CSLF	-	6,000	-
Cash received for administrative fees	7,004	1,313	-
Cash received for loan recoveries	-	303	-
Cash received for general administrative fees	205	-	-
Cash received for not-for-profit servicing	-	-	176
Cash received for other revenues	13	-	-
Cash received for bond issuance fees	86	-	-
Cash payments for employee wages and benefits	(2,736)	(62)	-
Cash payments for interest on bonds	-	(5,978)	(3,974)
Cash payments for loans issued	-	(18,692)	-
Cash payments for loan servicing fees	-	(561)	(1,192)
Cash payments for consolidation fees	-	-	(1,797)
Cash payments for contracted services	(279)	(43)	(517)
Cash payments for refinance pilot program	-	(171)	-
Cash payments for other operating expenses	(2,595)	(2,690)	(795)
Net cash provided by (used in) operating activities	<u>1,698</u>	<u>8,552</u>	<u>48,957</u>
Cash flows from noncapital financing activities:			
Proceeds from bond sales	1,122,995	36,465	-
Proceeds from bond premiums	54,059	611	-
Proceeds from institutions	2,123	-	-
Proceeds from investment income for amounts held for others	426	-	-
Contributions from CSLF	-	3,889	-
Releases from amounts held for institutions	(1,181,024)	-	-
Cash paid to State (legislative mandate)	(3,500)	-	-
Cash paid to grantees and childcare subsidy	(2,260)	-	-
Payments for amount held on behalf of child care	(8)	-	-
Payments of scholarships	-	(1,886)	-
Payments of bond principal	-	(21,050)	(37,300)
Payment to refunded bond escrow agent	-	(16,720)	-
Bond issuance costs	-	(727)	-
Payment of discount on bonds issued	-	(28)	-
Contributions to CHESLA	-	-	(11,889)
Net cash provided by (used in) noncapital financing activities	<u>(7,189)</u>	<u>554</u>	<u>(49,189)</u>
Cash flows from investing activities:			
Proceeds from sale of investments	13,743	26,587	572
Purchase of investments	(8,579)	(35,557)	-
Investment income	43	2,288	29
Net cash provided by (used in) investing activities	<u>5,207</u>	<u>(6,682)</u>	<u>601</u>

## Connecticut Health and Educational Facilities Authority

**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**  
(In Thousands)

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>CHEFA</b>	<b>CHESLA</b>	<b>CSLF</b>
Cash flows from capital and related financing activities:			
Purchase of capital assets	\$ (19)	\$ -	\$ -
Net increase (decrease) in cash	(303)	2,424	369
Cash (including restricted cash), July 1, 2015	441	48	965
Cash (including restricted cash), June 30, 2016	<u>\$ 138</u>	<u>\$ 2,472</u>	<u>\$ 1,334</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ 4,310</u>	<u>\$ 5,470</u>	<u>\$ 3,050</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	64	-	-
Provision for loan losses	-	646	100
(Increase) decrease in:			
Accounts receivable	(494)	-	(25)
Accounts receivable - related party	(27)	2,000	-
Loans receivable	-	2,200	45,167
Prepaid expense and other assets	(6)	(93)	19
Loan interest receivable	-	19	1,165
Increase (decrease) in:			
Accounts payable	(332)	(1,748)	(586)
Accrued expenses	(1,817)	168	67
Accrued interest payable	-	(110)	-
Net adjustments to operating income (loss)	<u>(2,612)</u>	<u>3,082</u>	<u>45,907</u>
Net cash provided by (used in) operating activities	<u><u>1,698</u></u>	<u><u>\$ 8,552</u></u>	<u><u>\$ 48,957</u></u>

See Notes to Financial Statements.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**History and organization**

The Connecticut Health and Educational Facilities Authority (CHEFA) - CHEFA is a quasi-public agency and component unit of the State of Connecticut (the State). CHEFA was established pursuant to Chapter 187 of the General Statutes of Connecticut, Revision of 1958, as amended by Public Acts 93-102, 93-262 and 97-259 (the Act). CHEFA is constituted as a public instrumentality and political subdivision of the State whose board of directors is appointed by the Governor of the State of Connecticut. The purpose of CHEFA, as stated in the Act, is to assist certain health care institutions, institutions of higher education and qualified not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to the programs for these institutions. Debt issued by CHEFA is payable from the revenues of the institutions and is not an obligation of CHEFA or the State of Connecticut. Neither the State nor CHEFA is obligated for such debt (except for loans or bonds issued under the Child Care Facilities Loan Program, as discussed in Note II.F, and the Special Capital Reserve Fund Program. Under the Special Capital Reserve Fund Program, the State is obligated for replenishment of debt service reserve funds).

**Reporting Entity**

The Connecticut Higher Education Supplemental Loan Authority (CHESLA) - CHESLA is a quasi-public agency established in 1982 pursuant to Section 4 of the Connecticut Higher Education Supplemental Loan Authority Act, Public Act 82-313 of the Connecticut General Assembly. CHESLA was established to assist students, their parents and institutions of higher education in financing the cost of higher education through its bond funds. CHESLA maintains separate financial statement accounts for its agency operating fund and two separate bond funds. The 1990 Bond Fund is governed by the 1990 Revenue Bond Resolution, as amended, supplemented and restated, pursuant to which all outstanding bonds were issued prior to 2003 and after 2007. The 2003 Bond Fund is governed by the 2003 Master Revenue Bond Resolution pursuant to which all outstanding bonds were issued between 2003 and 2007.

Public Act 12-149 statutorily consolidated CHESLA with CHEFA by making CHESLA a subsidiary of CHEFA. As a subsidiary of CHEFA, CHESLA retains its legal identity as a separate quasi-public authority, continues to be subject to suit and liability solely from its own assets, revenues and resources, and has no recourse to the general funds, revenues, resources or other assets of CHEFA or the State of Connecticut.

Public Act No. 14-217 statutorily consolidated Connecticut Student Loan Foundation (CSLF) with CHEFA by making CSLF a subsidiary of CHEFA. As a subsidiary of CHEFA, CSLF retains its legal identity as a separate quasi-public authority, continues to be subject to suit and liability solely from its own assets, revenues and resources, and has no recourse to the general funds, revenues, resources or other assets of CHEFA or the State of Connecticut.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**Reporting Entity**

CSLF was originally established as a Connecticut State chartered nonprofit corporation established pursuant to State of Connecticut Statute Chapter 187a and governed by Title IV, Part B of the Higher Education Act of 1965, as amended, for the purpose of improving educational opportunity. CSLF no longer originates or acquires student loans but continues to provide appropriate services incident to the administration of programs, which are established to improve educational opportunities.

CSLF has entered into an agreement to participate in the not-for-profit servicer program established under the Health Care and Education Reconciliation Act of 2010 (HCERA), Public Law 111-152.

**I. Summary of significant accounting policies**

**A. Financial statements**

The financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in fund net position) report information on all of the Authority's activities. The Authority relies to a significant extent on fees and charges for support.

As required by accounting principles generally accepted in the United States of America (GAAP), the financial statements of the reporting entity, CHEFA, include those of CHEFA (the primary government) and its component units (CHESLA and CSLF). In accordance with GAAP, the financial statements of the component units have been included in the financial reporting entity through a discrete presentation.

Discretely Presented Component Units - CHESLA and CSLF meet the criteria for discrete presentation and are presented separately from CHEFA in separate columns within these financial statements to clearly distinguish their balances and transactions from the primary government, CHEFA. CHEFA and its component units, CHESLA and CSLF are referred to together as the "Authority", throughout these financial statements when a common disclosure applies.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In accordance with GAAP, transactions between a primary government and discretely present component units are not eliminated from the financial statements. The fees charged by CHEFA to CHESLA and CSLF for administrative support and transfers of funds between entities are recorded in the same manner as unrelated entity transactions.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**B. Measurement focus, basis of accounting and financial statement presentation**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for administrative fees and interest on loan repayments. Operating expenses for the Authority include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Administrative fees

CHEFA is self-supporting and charges an administrative fee to institutions with outstanding bond issues to cover its operating expenses. All issues, other than those under the Special Capital Reserve Fund Program for long-term care facilities, are charged an annual fee of nine basis points, billed semi-annually, in arrears, on the outstanding par amount of the bonds. Long-term care bonds issued under the Special Capital Reserve Fund Program are charged an annual fee of fourteen basis points, billed semi-annually, in arrears, on the outstanding par amount of the bonds.

CHESLA also is self-supporting and charges an administrative fee on outstanding loan balances to cover its operating expenses. The fees are assessed to the bond resolution funds and vary in accordance with the related bonds series and range from 50 to 100 basis points and have been eliminated at the component unit level.

Loan reserve fee revenue

CHESLA charges a 3% reserve fee on loans governed by the 2003 Master Revenue Bond Resolution and a 2% to 4% reserve fee on loans governed by the 1990 Revenue Bond Resolution, depending on the originating series. This fee is recognized as an origination fee to the loans and is included in interest income on loans receivable on the statement of revenues, expenses and changes in fund net position.

Interest income on loans

For CHESLA and CSLF, interest income on loans is recognized based on the rates applied to principal amounts outstanding. For CHESLA, the accrual of interest income is generally discontinued when a loan is classified as nonperforming. Loans are currently considered nonperforming by management when the borrower has not made payments for the most recent 120 days. For CSLF, the accrual of interest income generally is discontinued when a claim is paid on a FFEL Program loan, or for alternative loans, when a loan is delinquent for 120 days.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**B. Measurement focus, basis of accounting and financial statement presentation**

Nonoperating activity

Activities not related to CHEFA's primary purpose are considered nonoperating. Nonoperating activities consist primarily of income on investments and expenses related to CHEFA's grant program. All of CHESLA's revenues and expenses are considered operating, except for income on investments and expenses associated with CHESLA's scholarship program. CSLF's nonoperating expenses relate to contributions to CHESLA as authorized by the Board of Directors.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Assets, liabilities, deferred inflows of resources and net position**

**1. Deposits and investments**

Deposits - The Authority's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - The eligible investments are governed by each entity's enabling legislation (Connecticut Statutes) as follows:

CHEFA

In general, State of Connecticut Statutes allows CHEFA to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service.

CHESLA

In general, State of Connecticut Statutes allows CHESLA to invest in (1) direct obligations of the United States or the State of Connecticut, (2) obligations as to which the timely payment of principal and interest is fully guaranteed by the United States or the State of Connecticut, and Connecticut Short-Term Investment Fund,



**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

**CHESLA**

(3) obligations of the United States Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, General Services Administration, United States Maritime Administration, United States Department of Housing and Urban Development, Farm Credit System, Resolution Funding Corporation, federal intermediate credit banks, federal banks for cooperatives, federal land bank, federal home loan banks, Federal National Mortgage Association, Government National Mortgage Association and the Student Loan Marketing Association, (4) certificates of deposit or time deposits constituting direct obligations of any bank in the state, provided that investments may be made only in those certificates of deposit or time deposits in banks which are insured by the Federal Deposit Insurance Corporation if then in existence, (5) withdrawable capital accounts or deposits of federal chartered savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation, (6) other obligations which are legal investments for savings banks in the state, (7) investment agreements with financial institutions whose long-term obligations are rated within the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner or whose short-term obligations are rated within the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, or investment agreements fully secured by obligations of, or guaranteed by, the United States or agencies or instrumentalities of the United States, and (8) securities or obligations which are legal investments for savings banks in Connecticut, subject to repurchase agreements in the manner in which such agreements are negotiated in sales of securities in the marketplace, provided CHESLA shall not enter into any such agreement with any securities dealer or bank acting as a securities dealer unless such dealer or bank is included in the list of primary dealers, as prepared by the Federal Reserve Bank of New York, effective at the time of the agreement. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of CHESLA, the funds so invested will be required for expenditure. The express judgment of CHESLA as to the time when any funds shall be required for expenditure or be redeemable is final and conclusive.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**  
**C. Assets, liabilities, deferred inflows of resources and net position**

CSLF

In general, State of Connecticut Statutes allows CSLF to invest in the Connecticut Short-Term Investment Fund and in such other investments and investment agreements as may be approved by resolution of the issuer. In connection with, or incidental to, the issuance or carrying of bonds, notes or other obligations, or acquisition or carrying of any investment or program of investment, the corporation may enter into any contract with any financial institution having a rating of at least "A", or into any contract secured by security so rated, which the issuer determines to be necessary or appropriate to place the obligation or investment of the issuer, as represented by the bonds, notes or other obligations, investment or program of investment and the contract or contracts, in whole or in part, on the interest rate cash flow or other basis desired by the issuer.

Investment policies

CHEFA's investment policy provides that the investment portfolio for its unrestricted investments be designed with the objective of regularly exceeding the average return of ninety-day U.S. Treasury Bills. The investment policy as it relates to restricted investments provides that all restricted accounts be invested in strict accordance with the bond issue trust indentures and with applicable Connecticut State law. Whenever possible, restricted investments are to be held to maturity and invested in an appropriate manner so as to ensure the availability for specified payment dates, planned construction draws and other intended purposes as set forth in the relevant trust indentures and agreements, and to ensure a rate of return at least equal to the restricted bond yield, all with minimal risk to capital.

CHESLA and CSLF's specific investment policy complies with the underlying bond resolution requirements. In addition, to minimize interest rate risk, the structuring of the investment portfolios is done so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments on the open market prior to maturity. Operating funds are primarily invested in shorter-term securities, money market mutual funds or similar investment pools.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

Concentrations of credit risk

CHEFA, for unrestricted investments, places limits on the amount of investment in any one issuer. No issuer other than the United States Treasury or the Connecticut Short-Term Investment Fund shall constitute greater than 5% of unrestricted investments, except for qualified money market or mutual bond funds, none of which shall constitute greater than 50% of investments.

CHESLA and CSLF do not have a formalized investment policy that restricts investment in any one issuer that is in excess of 5% of total investments. The deposit and investment policies comply with the underlying bond resolution requirements as previously described.

Investment income is recorded in the fund in which it was earned.

Method used to value investments

Investments for the Authority are reported at fair value. Connecticut Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27a - 3-27c. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Authority presents all investments at fair value, except for non-participating investment contracts, which are recorded at cost.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

**2. Fees and loan receivables**

All receivables are shown net of an allowance for uncollectibles. The allowance is based upon a review of the outstanding receivables and past collection history.

**a. Loans receivable and allowance for loan losses**

CHESLA: Interest on loans receivable is accrued and credited to operations based upon the principal amount outstanding. Loans are placed on nonaccrual status when management believes principal or interest on such loans may not be collected in the normal course of business. The allowance for loan losses has been provided through charges against operations based on management's evaluation of the loan portfolio and maintained at a level believed adequate to absorb potential losses in the loan portfolio. Loans are typically written off against the allowance for loan losses (net of loan recoveries) in the period in which the loans become nonperforming and no payments have been made for 12 consecutive months. However, a loan may be written off at any time management believes the repayment of such loan is doubtful. Collections of loans previously written off are pursued until management believes that further recoveries are doubtful.

CSLF: The allowance for Federal Education Loan Program loan losses has been provided through charges against operations based on management's evaluation of the loan portfolio. Loans are typically written off against the allowance for loan losses (net of loan recoveries) at the point in which the guarantee has been paid and CSLF has a risk sharing component or it is determined that all recovery options have been exhausted and the loans have lost their Federal guarantee and are no longer eligible for reinstatement. Federal guarantees are reinstated if the lender or servicer successfully performs certain Federally prescribed "cure" procedures. In general, the lender has three years from the initial claim rejection date or the latest timely filing date if a claim has not been filed to cure a loan.

For alternative loans, periodic monitoring of loan performance has been established to ensure the adequacy of the reserve allowance. Loans are typically written off against the allowance for loan losses (net of recoveries) at 120 days delinquent.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

***b. Nonperforming loans***

CHESLA currently defines nonperforming loans as defaulted loans in collections, whereby no payment has been made for 120 days, but have not been written off.

**3. Restricted assets**

Restricted assets are maintained under trust agreements in separate sub-funds for each debt issue in accordance with the requirements of the underlying bond issue documents.

CHEFA's restricted assets include assets held in construction and project funds for which CHEFA has fiduciary responsibility. Construction and project funds reflect the receipt of bond proceeds, costs of issuance and disbursement of monies for the payment of construction or renovation projects and equipment for the institutions.

The interest earned on restricted assets held for institutions is not reflected in the statements of revenues, expenses and changes in fund net position, as such income accrues to the benefit of the institutions.

The restricted investments classified as noncurrent include funds held by CHEFA as a result of its partnership with the State of Connecticut Department of Education (SDE), the Office of the State Treasurer, and banking institutions to provide childcare providers with access to financing under the following loan programs: the Tax-Exempt Pooled Bond Issue Program, the Guaranteed Loan Fund Program and the Small Revolving Direct Loan Program.

The State of Connecticut Department of Social Services (DSS) is responsible for paying a portion of the debt service on the Child Care Facilities Program Series F and G bonds and all of the debt service on the State Supported Child Care Revenue Bonds, subject to available appropriations and pursuant to a Memorandum of Understanding.

**Guaranteed Loan Fund Program** - The purpose of the Guaranteed Loan Fund Program is to guarantee loans for the expansion or development of childcare and child development centers in the State. CHEFA is responsible for guaranteeing 20% to 50% of each loan outstanding.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

The DSS contributions to the Guaranteed Loan Fund Program and the Small Revolving Direct Loan Program, net of payouts and accrued expense, along with the amount of CHEFA's support to the Guaranteed Loan Fund Program, are recorded within restricted investments.

Pursuant to Public Act 09-110, which established the Connecticut Credit Union Student Loan Program, CHEFA was required to fund a first loss loan guarantee of 20% on the outstanding balance on each loan.

CHESLA's restricted assets include assets held by the individual bond funds as governed by the bond resolutions as previously described. Under the provisions of the bond resolutions, certain assets are restricted for the repayment of bond principal and interest and for the issuance of student loans. In accordance with the bond resolutions, each bond issue has separate accounts which includes individual funds as defined by each bond resolution, including but not limited to combinations of some of the following: the Loan Fund, Revenue Fund, Debt Service Fund and Special Capital Reserve Fund.

The 2003 Bond Fund is governed by the 2003 Master Revenue Bond Resolution, pursuant to which the 2003 and 2005 Series A and B and 2006 and 2007 Series A bonds were issued.

The 1990 Bond Fund is governed by the 1990 Revenue Bond Resolution pursuant to which all outstanding bonds were issued prior to the 2003 Series A and B bonds as well as the 2009, 2010, 2012, 2013 and 2014 Series A bonds.

CHESLA's restricted investments classified as current include the fund investments held by CHESLA pursuant to the bond resolutions in the individual Loan Fund, Revenue Fund and Debt Service Funds.

CHESLA's restricted investments classified as noncurrent include funds held by CHESLA pursuant to the bond resolutions in individual Special Capital Reserve Funds.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

Deficiencies, if any, in the Debt Service Fund balances within the CHESLA Bond Funds will be funded from the amount on deposit in the applicable Special Capital Reserve Fund. Both the Debt Service Fund and the Special Capital Reserve Fund are components of restricted investments. In accordance with Public Act 82-313, the State must deposit with the trustee monies necessary to restore the Special Capital Reserve Fund requirement. As of June 30, 2016, the State has not made nor was it required to make any such deposit.

CSLF's restricted assets include the Trust Estate net position, as follows:

Trust Estate - Includes assets and liabilities associated with the bond offerings as detailed in the Bond Indenture:

- Trust cash and investment accounts - The indenture created special trust accounts to be held by the Trustee to be used for recordkeeping and reporting purposes as defined by the indenture.
- The bonds included in the Trust Estate are special and limited obligations of CSLF, secured by and payable from the Trust Estate held under the indenture, without recourse to any other assets of CSLF. The bonds are secured by eligible student loans as identified in the indenture.
- Release of amounts from the Trust Estate - The indenture provides that CSLF may withdraw amounts from the Trust Estate under certain limited circumstances as defined in the indenture.
- Redemption and acceleration provisions - The indenture sets forth provisions for the redemption and acceleration of the bonds prior to maturity under certain circumstances.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

**4. Capital assets**

Capital assets, which include property, plant and equipment, are reported in the fund financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$500 for all assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	5 years
Computer equipment	3-5 years
Furniture and fixtures	10 years
Office equipment	3-6 years

**5. Amounts held for institutions**

Amounts held for institutions represent amounts payable to institutions, bondholders and others from CHEFA's restricted assets.

**6. Amounts held on behalf of the State of Connecticut**

Amounts held on behalf of the State of Connecticut represent funds transferred to CHEFA under its agency relationship with SDE related to the childcare program pursuant to Public Act 97-259.

**7. Arbitrage rebate and excess loan yield liability**

Under the Internal Revenue Code of 1986 (the Code), CHESLA is required to rebate to the federal government certain excess earnings on investments from funds obtained with its tax-exempt bonds, as defined by the Code, or reduce its excess loan yield on student loans financed with tax-exempt bonds.



**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

**8. Compensated absences**

Employees of the Authority earn sick leave, which can accumulate, and vacation leave based on the provisions of personnel policies. Vacation leave vests with the employee and is payable upon termination of employment.

**9. Long-term obligations**

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

**10. Deferred inflows of resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reports a deferred inflow of resources related to unearned amounts received for the scholarship program that occurs in the subsequent fiscal year.

**11. Net position flow assumption**

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred inflows of resources and net position**

**12. Fund equity and net position**

In the fund financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Authority, which is not restricted.

**13. Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues and expenses during the fiscal year. Accordingly, actual results could differ from those estimates.

**14. Comparative data/reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

Deposits - Custodial Credit Risk - Custodial credit risk is risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk.

CHEFA

As of June 30, 2016, \$205 of CHEFA's bank balance of \$455 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 159
Uninsured and collateral held by the pledging bank's trust department, not in CHEFA's name	<u>46</u>
Total amount subject to custodial credit risk	<u>\$ 205</u>

CHESLA

As of June 30, 2016, \$2,295 of CHESLA's bank balance of \$2,734 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,040
Uninsured and collateral held by the pledging bank's trust department, not in CHESLA's name	<u>255</u>
Total amount subject to custodial credit risk	<u>\$ 2,295</u>

CSLF

As of June 30, 2016, \$1,085 of CSLF's bank balance of \$1,335 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 951
Uninsured and collateral held by the pledging bank's trust department, not in CSLF's name	<u>134</u>
Total amount subject to custodial credit risk	<u>\$ 1,085</u>

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

Financial instruments that potentially subject the Authority to significant concentrations of credit risk consist primarily of cash. From time to time, the Authority's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Authority reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

CHEFA's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual Funds:					
Government Agency Funds	\$ 215,430	\$ 215,430	\$ -	\$ -	\$ -
Short-Term U.S. Government Securities	27,494	27,494	-	-	-
Short-Term U.S. Government Agency Securities	35,828	35,828	-	-	-
Pooled Fixed Income	11,340	11,340	-	-	-
U.S. Government Securities	20,705	5,591	15,114	-	-
Municipal Bonds	23,482	18,385	4,344	308	445
Total	<u>\$ 334,279</u>	<u>\$ 314,068</u>	<u>\$ 19,458</u>	<u>\$ 308</u>	<u>\$ 445</u>

CHESLA's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	5-10 Years	Over 10
Money Market (bank)	\$ 189	\$ 189	\$ -	\$ -	\$ -
Mutual Funds:					
Bond Funds	2	-	-	-	2
Money Market	15,475	15,475	-	-	-
Pooled Fixed Income	34,436	34,436	-	-	-
U.S. Government Securities	7,658	-	-	-	7,658
Guaranteed Investment Contracts	7,351	-	1,034	6,317	-
Total	<u>\$ 65,111</u>	<u>\$ 50,100</u>	<u>\$ 1,034</u>	<u>\$ 6,317</u>	<u>\$ 7,660</u>

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

CSLF's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	<u>Investment Maturities</u> (In Years)
		Less Than 1
Short-Term U.S. Government Agency Securities	\$ 9,181	\$ 9,181
Pooled Fixed Income	2,069	2,069
Total	<u>\$ 11,250</u>	<u>\$ 11,250</u>

Fair value of investments

CHEFA measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

CHEFA had the following recurring fair value measurements:

**CHEFA**

<u>Investments by fair value level</u>	<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Government Agency Mutual Funds	\$ 215,430	\$ 215,430	\$ -	\$ -
Short-Term U.S. Government Securities	27,494	27,494	-	-
U.S. Government Securities	20,705	-	20,705	-
Short-Term U.S. Government Agency Securities	35,828	-	35,828	-
Municipal Bonds	23,482	-	23,482	-
Total investments by fair value level	322,939	<u>\$ 242,924</u>	<u>\$ 80,015</u>	<u>\$ -</u>
<u>Other Investments</u>				
Pooled Fixed Income	<u>11,340</u>			
Total Investments	<u>\$ 334,279</u>			

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

**CHESLA**

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 15,475	\$ 15,475	\$ -	\$ -
Bond Mutual Funds	2	2	-	-
U.S. Government Securities	7,658	-	7,658	-
Total investments by fair value level	23,135	\$ 15,477	\$ 7,658	\$ -

**Other Investments**

Money Market (bank)	189
Guaranteed Investment Contracts	7,351
Pooled Fixed Income	34,436
Total other investments	41,976
Total Investments	\$ 65,111

**CSLF**

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Short-Term U.S. Government Agency Securities	\$ 9,181	\$ 9,181	\$ -	\$ -

**Other Investments**

Pooled Fixed Income	2,069
Total Investments	\$ 11,250

Securities classified in Level 1 are valued using prices quoted in active markets for those securities. Securities classified in Level 2 are valued using the following approaches:

- U.S. government securities, short-term U.S. government agency securities, and municipal bonds: quoted prices for identical securities in markets that are not active

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

Interest rate risk

To minimize interest rate risk, CHEFA, CHESLA and CLSF's policy requires the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Operating funds should primarily be invested in shorter-term securities, money market mutual funds or similar investment pools.

Credit risk

CHEFA has an investment policy that would further limit its investment choices beyond those limited by Connecticut State Statutes for both unrestricted and restricted investments. Investments that may be purchased with the written approval of an officer, provided the instrument has a maturity date of 365 days or less from the date of purchase, are as follows: obligations issued or guaranteed by the U.S. Government, including the Federal Deposit Insurance Corporation (FDIC); qualified money market funds or institutional money market funds investing in short-term securities as permitted by enabling legislation; the Connecticut Short-Term Investment Fund provided it maintains a "AAA" rating by Standard and Poor's; and qualified repurchase agreements secured by obligations issued or guaranteed by the U.S. Government. With approval by the Audit-Finance Committee or Board of Directors, the following unrestricted investments are also permissible: any otherwise permitted investment with a maturity greater than 365 days from purchase; obligations issued or guaranteed by the State of Connecticut, including the State's medium-term or long-term investment fund; other debt obligations which are statutorily permissible; and qualified guaranteed investment contracts complying with Connecticut General State Statutes 10a-180(s), Authority guidelines and applicable trust indentures.

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

CSLF's policy states that credit risk will be minimized by limiting investments to the safest type of securities and pre-qualifying the financial institutions with which CSLF will do business. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

CHEFA's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Average Rating	Pooled Fixed Income	Municipal Bonds	Short-Term U.S. Government Agency Securities	Government Agency Mutual Funds
AAA	\$ 11,340	\$ 12,226	\$ 35,828	\$ 215,430
AA	-	11,256	-	-
<b>TOTAL</b>	<b>\$ 11,340</b>	<b>\$ 23,482</b>	<b>\$ 35,828</b>	<b>\$ 215,430</b>

CHESLA's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Average Rating	Pooled Fixed Income	Guaranteed Investment Contracts	Bond Mutual Funds	Money Market Mutual Funds
AAA	\$ 34,436	\$ 7,351	\$ 2	\$ 15,475

CSLF's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Average Rating	Pooled Fixed Income	Short-Term U.S. Government Agency Securities
AAA	\$ 2,069	\$ 9,181

Custodial credit risk - custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.



**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following investments are held by the counterparty's trust department or agent but not in the entity's name and, therefore, are subject to custodial credit risk as follows:

CHEFA

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject To Custodial Credit Risk</u>
U.S. Government Securities	\$ 48,199	\$ -	\$ 48,199
Short-Term U.S. Government Agency Securities	35,828	500	35,328
Municipal Bonds	23,482	500	22,982
Total	<u>\$ 107,509</u>	<u>\$ 1,000</u>	<u>\$ 106,509</u>

CHESLA

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject To Custodial Credit Risk</u>
U.S. Government Securities	<u>\$ 7,658</u>	<u>\$ 500</u>	<u>\$ 7,158</u>

CSLF

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject To Custodial Credit Risk</u>
Short-Term U.S. Government Agency Securities	<u>\$ 9,181</u>	<u>\$ 500</u>	<u>\$ 8,681</u>

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**II. Detailed notes**

**A. Cash and investments**

Concentrations of credit risk - For unrestricted investments, CHEFA places limits on the amount of investment in any one issuer. No issuer other than the United States Treasury or the Connecticut Short-Term Investment Fund shall constitute greater than 5% of unrestricted investments, except for qualified money market or mutual bond funds, none of which shall constitute greater than 50% of investments. CHEFA places no limit on the amount of investment in any one issuer for restricted investments.

**B. Receivables**

Receivables as of June 30, 2016 for the Authority's financial statements by type are as follows:

CHESLA makes loans to students from the proceeds of bonds issued by CHESLA. Loans receivable as of June 30, 2016 are as follows:

	Active Loans	Loans in Collection	Total
Current portion	\$ 21,280	\$ -	\$ 21,280
Long-term portion	95,854	2,428	98,282
Less Allowance	(2,151)	(515)	(2,666)
Net Long-term portion	93,703	1,913	95,616
Total Net Receivables	<u>\$ 114,983</u>	<u>\$ 1,913</u>	<u>\$ 116,896</u>

During the fiscal year, CHESLA wrote off loans receivable of \$646 which had previously been provided for through the allowance for loan losses.

During the fiscal year, CHESLA recovered \$177 in loans receivable and other credits that were written off in previous years.

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes**  
**B. Receivables**

CSLF, up until 2010, also made loans to students from the proceeds of bond issues.

	FFELP	Alternative	Total
Current portion	\$ 18,615	\$ 395	\$ 19,010
Long-term portion	260,148	6,222	266,370
Less Allowance	(641)	(481)	(1,122)
Net Long-term portion	259,507	5,741	265,248
Total Net Receivables	\$ 278,122	\$ 6,136	\$ 284,258

During the fiscal year, CSLF wrote off Federal loans receivable of \$228 (CSLF risk share only), and \$85 of private loans, which is net \$93 in recoveries, which had previously been provided for through the allowance for loan losses.

Federal Family Education Loan Program ("FFELP") loans are student loans insured by the U.S. Department of Education. FFELP loans are repaid by borrowers on a monthly basis for a term of up to thirty years. The interest rate on these loans varies and ranges from approximately 1.0% to 12%.

Alternative loans are student loans that are not insured by the U.S. Department of Education. Alternative loans are repaid monthly over a period of years ranging from 10 to 30 years. For loan applications received prior to April 1, 2008, the interest rate is variable, calculated to equal prime plus 2% with a 10% cap. Borrowers were charged a fixed non-refundable origination fee of \$150 and a 2% reserve fee. For loan applications received on or after April 1, 2008, the interest rate and reserve fee varied depending on the borrower's credit score. Interest rates range between prime and prime plus 4% with no cap and the reserve fee ranged from 2% to 6%. Interest rates on all Alternative loans are reset quarterly and origination fees, where applicable, were withheld from loan proceeds.

Student loans are classified as being "In-school" status during the period from the date the loan is made until a student graduates or leaves school. Loans are classified as being "In-grace" status from the time the student leaves school until repayment begins six months later. Subsequent to this period, student loans are classified as being in "repayment" status. "Deferral" and "forbearance" status are periods during the life of the loan where repayment is suspended for authorized purposes.

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes****B. Receivables**

CSLF Loan portfolio assets' scheduled maturities are summarized as follows:

June 30, 2017	\$	19,010
2018		20,205
2019		21,434
2020		22,738
2021		24,123
2022-2026		122,167
2027-2031		<u>55,703</u>
Total	\$	<u>285,380</u>

**C. Capital assets**

CHEFA capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July, 1 2015	Increases	Decreases	Balance June 30, 2016
Capital assets being depreciated:				
Leasehold improvements	\$ 154	\$ -	\$ -	\$ 154
Computer equipment	657	13	-	670
Furniture and fixtures	276	-	-	276
Office equipment	<u>578</u>	<u>6</u>	<u>-</u>	<u>584</u>
Total capital assets being depreciated	<u>1,665</u>	<u>19</u>	<u>-</u>	<u>1,684</u>
Less accumulated depreciation for:				
Leasehold improvements	150	2	-	152
Computer equipment	632	17	-	649
Furniture and fixtures	252	6	-	258
Office equipment	<u>462</u>	<u>39</u>	<u>-</u>	<u>501</u>
Total accumulated depreciation	<u>1,496</u>	<u>64</u>	<u>-</u>	<u>1,560</u>
Total capital assets being depreciated, net	<u>\$ 169</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ 124</u>

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes****D. Changes in long-term obligations****1. Summary of changes**

The following is a summary of changes in long-term obligations for the year ended June 30, 2016:

**CHESLA**

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2015	Additions	Deductions	Amount Refunded	Balance June 30, 2016	Current Portion
Bond 2003 A	\$ 18,000	11/15/2004	11/15/2020	1.7 - 4.5%	\$ 4,780	\$ -	\$ -	\$ 4,780	\$ -	\$ -
Bond 2003 B	12,915	11/15/2004	11/15/2017	2.0 - 5.0%	2,875	-	-	2,875	-	-
Bond 2005 A	31,455	11/15/2005	11/15/2021	2.5 - 4.375%	9,065	-	-	9,065	-	-
Bond 2006 A	33,270	8/17/2006	11/15/2022	3.9 - 4.8%	9,900	-	2,740	-	7,160	1,150
Bond 2007 A	41,000	8/23/2007	11/15/2024	4.125 - 4.875%	20,700	-	4,360	-	16,340	2,405
Bond 2009 A	30,000	8/6/2009	11/15/2027	1.9 - 5.05%	19,120	-	3,050	-	16,070	1,135
Bond 2010 A	45,000	10/19/2010	11/15/2035	2.0 - 5.25%	36,140	-	3,445	-	32,695	2,310
Bond 2012 A	13,085	3/28/2012	11/15/2021	.4 - 3.125%	4,830	-	2,160	-	2,670	1,220
Bond 2013 A	25,000	4/2/2013	11/15/2029	2.0 - 4.0%	23,680	-	2,315	-	21,365	475
Bond 2014 A	23,000	6/18/2014	11/15/2030	3.0 - 5.0%	23,000	-	495	-	22,505	500
Bond 2015 A	21,465	7/2/2015	11/15/2031	1.65 - 4.375%	-	21,465	2,485	-	18,980	1,320
Bond 2016 A	15,000	6/30/2016	11/15/2033	3.0 - 5.0%	-	15,000	-	-	15,000	-
Total CHESLA					154,090	36,465	21,050	16,720	152,785	10,515
Premiums					2,542	611	154	-	2,999	-
Discounts					(954)	(28)	(178)	-	(804)	-
Total bonds and related amounts					\$ 155,678	\$ 37,048	\$ 21,026	\$ 16,720	\$ 154,980	\$ 10,515

**CSLF**

Description	Original Amount	Date of Issue	Date of Maturity	Variable Interest Rate	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Current Portion
Bond 04 A-1	\$ 75,000	10/15/2004	6/1/2034	0.021% - 1.627%	\$ 9,800	\$ -	\$ 9,800	\$ -	\$ -
Bond 04 A-3	75,000	10/15/2004	6/1/2034	0.051% - 1.932%	70,575	-	27,500	43,075	-
Bond 06 A-1	80,000	7/27/2006	6/1/2046	0.000% - 1.934%	72,925	-	-	72,925	-
Bond 06 A-2	100,000	12/14/2006	6/1/2046	0.000% - 1.933%	81,475	-	-	81,475	-
Bond 04 B	62,900	10/15/2004	6/1/2034	0.290% - 1.904%	57,350	-	-	57,350	-
Bond 06 B	20,000	7/27/2006	6/1/2046	0.284% - 1.928%	19,975	-	-	19,975	-
Total Bonds					312,100	-	37,300	274,800	-
Discounts					(874)	-	(164)	(710)	-
Total bonds and related amounts					\$ 311,226	\$ -	\$ 37,136	\$ 274,090	\$ -

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**II. Detailed notes**

**D. Changes in long-term obligations**

The annual requirements to amortize bonds payable at June 30, 2016, are as follows:

CHESLA

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 10,515	\$ 2,969
2018	11,510	5,680
2019	12,250	5,251
2020	12,350	4,771
2021	12,380	4,311
2022-2026	55,875	13,939
2027-2031	32,530	4,346
2032-2036	5,375	541
Total	<u>\$ 152,785</u>	<u>\$ 41,808</u>

CSLF

The approximate future annual principal and interest payments are due as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ -	\$ 3,801
2018	-	3,801
2019	-	3,801
2020	-	3,801
2021	-	3,801
2022-2026	-	19,002
2027-2031	-	19,002
2032-2036	100,425	16,238
2037-2041	-	12,092
2042-2046	174,375	12,092
Total	<u>\$ 274,800</u>	<u>\$ 97,431</u>

The interest rate payable to the bondholders for these issues are variable auction rate certificates ("ARCs"), which generally have interest rate reset periods of either 28 or 35 days. The interest rates associated with the various bond issues at the last reset period prior to the June 30, 2016 year-end ranged from 0.051% to 1.934%.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**II. Detailed notes**

**D. Changes in long-term obligations**

The maximum rate on the ARCs is defined in each bond prospectus and is based on one of the following:

- The average of the 91-day United States Treasury Bill rate plus 1.2% or 1.5% or the LIBOR rate plus 1.5% depending on the bond's rating. It may not exceed 17.0%. The capital markets for student loans have experienced a significant disruption resulting in decreased marketability of student loans and related ARCs. The bonds are not callable if the auction period expires, as the bonds revert back to the existing bondholders prior to the auction.

Approximate future interest payments were estimated based on an average of the interest rate applicable during the most recent fiscal year.

**2. Conduit debt**

As of June 30, 2016, CHEFA had total outstanding principal balances of special obligation bonds of \$8,314,847. The bonds are issued on behalf of institutions to finance the construction of various health and educational facilities. These bonds are conduit debt obligations of CHEFA and do not constitute obligations of CHEFA and, therefore, not reported within the statement of net position. The significant loan programs that comprise the total outstanding bonds are as follows:

**Bonds Outstanding by Sector**

Assisted Living Facilities	\$ 15,295
Charter Schools	4,948
Child Care Facilities	55,960
Continuing Care Retirement Community	199,281
Cultural / Educational	11,650
Family Services	8,881
Higher Education	4,565,003
Hospitals	2,735,653
Human Services	8,865
Independent Living	12,000
Independent Schools	630,805
Nursing Homes	36,441
YMCA / YWCA	<u>30,065</u>
<b>Total</b>	<b><u>\$ 8,314,847</u></b>

Under terms of the agreement between the Authority and its borrowers, any costs associated with litigation related to bond issuance are the obligations of the borrowers. CHEFA is indemnified under the terms of the bond agreements

**Connecticut Health and Educational Facilities Authority**  
**(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**  
**June 30, 2016**  
**(in thousands)**

**II. Detailed notes**

**D. Changes in long-term obligations**

**3. Current year advance refunding**

In July 2015, CHESLA issued \$21,465 of revenue refunding bonds with an interest rate of 1.65% to 4.375%. These refunding bonds were issued to advance and defease bonds issued in November 2004 and November 2005. The refunding resulted in an economic gain of \$644 with a total savings of \$7,189.

**4. Authorized/unissued debt**

At June 30, 2016, the amount of authorized unissued debt for CHESLA was \$6,535.

**E. Restricted net position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$3,818 for CHEFA.

**F. Net position classification**

A summary of the components of net position is as follows:

	CHEFA	CHESLA	CSLF
Invested in capital assets	\$ 124	\$ -	\$ -
Restricted:			
Child care facilities loan program	4,320	-	-
State budget Act 15-244	3,500	-	-
Student loan guarantee program	318	-	-
Bond funds	-	18,502	-
Trust Estate	-	-	7,557
Total restricted	8,138	18,502	7,557
Unrestricted	6,021	8,569	17,668
Total net position	\$ 14,283	\$ 27,071	\$ 25,225

**Child Care Facilities Loan Program** - CHEFA's net position is restricted to be used for loan guarantees under this program, if borrowers default on their loans. As of June 30, 2016, outstanding loan balances totaled \$6,933.

CHEFA is under no obligation to provide additional funds for loan guarantees.



**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements  
June 30, 2016  
(in thousands)**

**II. Detailed notes**

**F. Net position classification**

**Student Loan Programs** - Pursuant to Public Act 09-110, which established the Connecticut Credit Union Student Loan Program, CHEFA was required to fund a first loss loan guarantee of 20% on the outstanding balance on each loan. The current amount of the guarantee is \$318.

**State Budget Act** - Public Act 15-244 requires CHEFA to transfer to the State of Connecticut general fund \$3,500 during fiscal year 2017.

**Trust Estate** - For CSLF, the Bond Indenture requires that CSLF maintain a parity of 102.5% (Trust Estate asset to Trust Estate liability ratio), which represents its restricted net position. If parity exceeds 102.5%, CSLF is able, but not required, to transfer funds above the parity ratio to operations. At June 30, 2016, the ratio was 108.31%. At June 30, 2016, the Board has not authorized any funds to be transferred to operations; however, the amount available to transfer is \$17,552.

Both CHEFA and CHESLA Board of Director's have designated internal amounts for operations and the remainder for programs that are part of each entity's mission and purpose, as well as for contingencies.

**III. Other information**

**A. Risk management**

The Authority is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disaster; and officer and director liability. The Authority generally obtains commercial insurance for these risks. The Authority has not had any claims against their commercial insurance in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

**Connecticut Health and Educational Facilities Authority  
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements**

**June 30, 2016**

**(in thousands)**

**III. Other information**

**B. Related party transactions**

During the fiscal year, CHEFA charged CHESLA an annual fee of \$155 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. CHEFA charged CLSF an annual fee of \$50 for providing management, accounting, legal and other services. In addition, CHESLA and CSLF reimbursed CHEFA directly for specific general and administrative expenses incurred. The amount due from CSLF at year end was \$27. CSLF contributed \$9,889 to CHESLA which included \$6,000 for the Refinance Pilot Program, \$2,000 equity contribution to the CHESLA 1990 Trust, and \$1,889 to CHESLA for scholarships.

**C. Operating leases**

CHEFA leases office space and other office equipment for use in operations. Lease expense was \$243. As of June 30, 2016, minimum future rental commitments of the leases are as follows:

2017	\$ 239,766
2018	244,080
2019	123,444

**D. Pension plan**

The Authority administers a single employer defined contribution plan, which covers certain employees of the Authority. The Board of Director's approved and adopted this plan on January 1, 1971, and they have the authority to make any subsequent amendments.

CHEFA maintains a defined contribution money purchase plan (the Plan) covering all employees with three months of continuous service and 1,000 anticipated hours of service annually. The Plan is administered by CHEFA and can be amended by the trustees of the Plan. CHEFA and CHESLA contribute annually to the Plan an amount equal to 10% of each qualified employee's annual salary. For the year ended June 30, 2016, retirement plan expense was \$221.

There were 23 employees covered under the Plan. All employees can participate in the Plan after three months of service. A participant's employer contribution account fully vests after four years of service. At age 65, participants are entitled to begin receiving benefits based upon the option selected.

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## **Supplemental Schedules**

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## Connecticut Higher Education Supplemental Loan Authority

**Combining Schedule of Net Position**  
**June 30, 2016**  
**(In Thousands)**

	Agency operating fund	Non-bond fund	Bond funds		Total CHESLA
			1990 resolution	2003 resolution	
<u>Assets</u>					
Current assets:					
Unrestricted assets:					
Cash	\$ 472	\$ 2,000	\$ -	\$ -	\$ 2,472
Investments	2,593	-	20	8	2,621
Prepaid expenses and other assets	66	-	-	41	107
Total unrestricted assets	3,131	2,000	20	49	5,200
Restricted assets:					
Bond indenture trusts	-	5,503	31,571	3,546	40,620
Current portion of loans receivable	-	-	17,620	3,660	21,280
Interest receivable on investments	-	4	61	40	105
Loan interest receivable	-	-	370	76	446
Total restricted assets	-	5,507	49,622	7,322	62,451
Total current assets	3,131	7,507	49,642	7,371	67,651
Noncurrent assets:					
Restricted assets:					
Restricted investments	-	-	16,570	5,300	21,870
Loans receivable, net of current portion	-	-	79,117	16,499	95,616
Total noncurrent assets	-	-	95,687	21,799	117,486
Total assets	\$ 3,131	\$ 7,507	\$ 145,329	\$ 29,170	\$ 185,137
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 56	\$ -	\$ 246	\$ 23	\$ 325
Accrued expenses	10	114	44	-	168
Accrued interest payable	-	-	561	143	704
Current portion of bonds payable	-	-	6,960	3,555	10,515
Total current liabilities	66	114	7,811	3,721	11,712
Noncurrent liabilities:					
Bonds payable, net of current portion	-	-	124,744	19,721	144,465
Total liabilities	66	114	132,555	23,442	156,177
<u>Deferred Inflows of Resources</u>					
Unearned revenue	-	1,889	-	-	1,889
Net position:					
Restricted	-	-	12,774	5,728	18,502
Unrestricted	3,065	5,504	-	-	8,569
Total net position	3,065	5,504	12,774	5,728	27,071
Total liabilities, deferred inflows of resources and net position	\$ 3,131	\$ 7,507	\$ 145,329	\$ 29,170	\$ 185,137

## Connecticut Higher Education Supplemental Loan Authority

**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2016**  
(In Thousands)

	Agency operating fund	Non-bond fund	Bond funds		Total CHESLA
			1990 resolution	2003 resolution	
Operating revenues:					
Interest income on loans receivable	\$ -	\$ -	\$ 6,005	\$ 1,571	\$ 7,576
Administrative fees	758	-	555	-	1,313
Contributions from CSLF	500	5,500	-	-	6,000
Total operating revenues	1,258	5,500	6,560	1,571	14,889
Operating expenses					
Interest expense	-	-	4,704	1,360	6,064
Salaries and related expenses	118	-	-	-	118
General and administrative	272	2	736	221	1,231
Refinance pilot program	171	-	-	-	171
Loan service fees	-	-	492	69	561
Contracted services	43	-	-	-	43
Bond issuance and insurance costs	13	-	716	11	740
Other expenses	-	-	148	-	148
Provision for loan losses (net of recoveries)	-	-	444	(101)	343
Total operating expenses	617	2	7,240	1,560	9,419
Operating income (loss)	641	5,498	(680)	11	5,470
Nonoperating income (expenses):					
Investment income	7	6	951	297	1,261
Contribution from CSLF	-	-	2,000	-	2,000
Total nonoperating income (expenses)	7	6	2,951	297	3,261
Increase in net position	648	5,504	2,271	308	8,731
Net position, July 1, 2015	2,417	-	10,503	5,420	18,340
Net position, June 30, 2016	\$ 3,065	\$ 5,504	\$ 12,774	\$ 5,728	\$ 27,071

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## Compliance

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Independent Auditor's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards*

Board of Directors  
Connecticut Health and Educational Facilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of Connecticut Health and Educational Facilities Authority, which comprise the statement of net position as of June 30, 2016, and the related statement of revenues, expenses and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Connecticut Health and Educational Facilities Authority's basic financial statements and have issued our report thereon dated September 22, 2016.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Connecticut Health and Educational Facilities Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
September 22, 2016



**State of Connecticut Health and Educational Facilities Authority**  
**Report to the Governor – Fiscal Year 2016**

**Grant Programs**

During FY 2016, the Authority awarded grants totaling \$2,000,235 through two competitive programs: the Client and Nonprofit Grant programs. No awards were made through the Targeted Grant Program.

**Fiscal Year 2016 Grants**

Client Grant Program	\$875,235
Nonprofit Grant Program	\$1,125,000
Targeted Grant Program	<u>\$0</u>
<b>Total Grants</b>	<b>\$2,000,235</b>

**Client Grant Program**

<b>Grantee</b>	<b>Location</b>	<b>Purpose</b>	<b>Amount</b>
Bridgeport Hospital	Bridgeport	Staffing costs for Sickle Cell Disease Management Program	\$56,250
Catholic Charities - Archdiocese of Hartford	Hartford	Roof and gymnasium renovations at Groton Street Campus	\$56,250
Central Connecticut Coast YMCA	New Haven	To repair the pool HV Unit at the Stratford YMCA	\$26,222
Community Renewal Team	Hartford	Improve efficiency of nutrition program with new equipment	\$56,242
Danbury Hospital	Danbury	COPE program for neonatal intensive care families	\$45,000
Day Kimball Healthcare	Putnam	Capital equipment for safe patient handling and care	\$23,376
Fairfield University	Fairfield	Advancing EMR Training for Nursing Students with Sim Cart RX & EMR system	\$51,183
Hamden Hall Country Day School	Hamden	To fund a new Maker Space program - equipment purchase	\$5,000
Middlesex Hospital	Middletown	To purchase an intravascular ultrasound machine	\$56,250
Mount Olive Child Development Center	Hartford	Reliable telephone system, drainage/masonry and flooring repair	\$50,926
New Opportunities	Waterbury	Repair/replace Meals on Wheels kitchen equipment & truck	\$56,250
Quinnipiac University	Hamden	Purchase ultrasound technology	\$55,911
Sacred Heart University	Fairfield	Capacity building and new curriculum for Horizons kindergarten	\$55,500
Saint Francis Hospital and Medical Center	Hartford	High technology equipment and upgrades for the Sim Studio	\$56,194
The University of Connecticut Foundation	Storrs	Improve Hartford patient/community health through training	\$56,250
The Village for Families & Children	Hartford	Align early childhood center with CT therapeutic standards	\$56,250
The Waterbury Young Men's Christian Association	Waterbury	Replacement of small pool dehumidification system	\$56,250
Trinity College	Hartford	Pilot curriculum development, teacher training & middle school	\$55,931
<b>Total Client Grants</b>			<b>\$875,235</b>

**State of Connecticut Health and Educational Facilities Authority  
Report to the Governor – Fiscal Year 2016**

**Nonprofit Grant Program**

<b>Grantee</b>	<b>Location</b>	<b>Purpose</b>	<b>Amount</b>
American National Red Cross	Farmington	Capital expense of new boiler for Blood Processing Center	\$75,000
Brass City Harvest	Waterbury	Purchase of a delivery vehicle for food distribution	\$32,631
Catholic Charities of Fairfield County	Bridgeport	Electronic medical record technology for Behavioral Health	\$72,045
Child Guidance Center of Southern Connecticut	Stamford	7-day-a-week crisis stabilization and suicide prevention	\$75,000
Connecticut 4-H Development Fund	Bloomfield	Update the classroom space and community kitchen	\$62,676
Connecticut Science Center	Hartford	Next Generation Science Standards-aligned curriculum	\$15,936
Eastern AHEC	New London	Expansion of CT Medical Interpretation Certificate program	\$75,000
FISH/Friends in Service to Humanity of NW CT	Torrington	Installation of walk-in cooler for food pantry	\$14,854
Foodshare	Bloomfield	Program staff, transportation costs, supplies	\$75,000
Hartford Food System	Hartford	Subsidize urban-farm shares to low-income Hartford households	\$8,125
Integrated Health Services	East Hartford	Health Center equipment; Electronic Health Records	\$75,000
Jewish Family Service of New Haven	New Haven	Support for the Nutritional Health and Wellness Program	\$53,000
Malta House of Care	Hartford	Free blood tests and radiology/readings clinic	\$75,000
Person-to-Person	Darien	Funds will purchase fresh foods to support the Food Pantry	\$35,000
Regional YMCA of Western Connecticut	Brookfield	Diabetes prevention programming for Greater Danbury area	\$25,292
Rushford	Middletown	Purchase of two new vans to transport clients	\$68,048
The Artists Collective	Hartford	Program staff and related arts program expenses	\$32,899
The Bethel Visiting Nurse Association	Bethel	Purchase and installation of new phone system and computers	\$25,000
The Children's Museum	West Hartford	Statewide educational exhibit on CT in Jurassic Period	\$35,000
The Cornerstone Foundation	Rockville	Staff, furniture, computers and van for pantry	\$43,860
The Riverfront Children's Center	Groton	Replace 2 boilers and 1 indirect water tank	\$14,800
United Way of Central and Northeastern CT	Hartford	Volunteer program to help struggling young readers improve literacy	\$75,000
YWCA of the Hartford Region	Hartford	Program helping low-income women obtain a college degree and employment	\$60,834
<b>Total Nonprofit Grants</b>			<b>\$1,125,000</b>

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
**(In Thousands of Dollars)**

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>		<u>Outstanding Total Debt</u>
										<u>Current</u>	<u>Long-Term</u>	
University of Hartford	A*	7/1/1966	N/A	N/A	N/A	1997	4.97%	N/A	4,100	-	-	-
Middlesex Hospital	A*	7/1/1967	N/A	N/A	N/A	2000	5.79%	N/A	9,300	-	-	-
Rockville General Hospital	A*	7/1/1968	N/A	N/A	N/A	1994	5.97%	N/A	3,400	-	-	-
Danbury Hospital	A*	7/1/1968	N/A	N/A	N/A	2000	5.88%	N/A	8,500	-	-	-
Mount Sinai Hospital	A*	7/1/1968	N/A	N/A	N/A	2000	5.98%	N/A	11,450	-	-	-
New Britain General Hospital	A*	7/1/1968	N/A	N/A	N/A	1999	5.57%	N/A	5,540	-	-	-
New Haven College	A*	7/1/1968	N/A	N/A	N/A	2000	5.99%	N/A	2,950	-	-	-
University of Hartford	B*	7/1/1969	N/A	N/A	N/A	2000	6.92%	N/A	6,680	-	-	-
Lawrence and Memorial Hospital	A*	7/1/1969	N/A	N/A	N/A	2000	7.97%	N/A	5,380	-	-	-
Danbury Hospital	B*	7/1/1970	N/A	N/A	N/A	1976	4.50%	N/A	1,500	-	-	-
Yale University	A*	7/1/1970	N/A	N/A	N/A	1978	4.44%	N/A	2,440	-	-	-
Waterbury Hospital	A*	7/1/1970	N/A	N/A	N/A	2002	7.19%	N/A	10,950	-	-	-
Windham Hospital	A*	7/1/1970	N/A	N/A	N/A	2003	6.61%	N/A	3,860	-	-	-
Yale University	B*	7/1/1970	N/A	N/A	N/A	2002	5.76%	N/A	12,300	-	-	-
Saint Francis Hospital	A*	7/1/1971	N/A	N/A	N/A	2003	6.75%	N/A	16,700	-	-	-
Yale-New Haven Hospital	A*	7/1/1971	N/A	N/A	N/A	2003	5.56%	N/A	9,250	-	-	-
University of Bridgeport	A*	7/1/1971	N/A	N/A	N/A	2003	5.96%	N/A	7,500	-	-	-
Charlotte Hungerford Hospital	A*	7/1/1970	N/A	N/A	N/A	1982	4.32%	N/A	2,400	-	-	-
Wesleyan University	A*	7/1/1972	N/A	N/A	N/A	2003	5.44%	N/A	30,550	-	-	-
Yale University	C*	7/1/1972	N/A	N/A	N/A	2004	5.33%	N/A	2,780	-	-	-
Saint Vincent's Hospital	A*	7/1/1973	N/A	N/A	N/A	2006	6.26%	N/A	23,450	-	-	-
Middlesex Hospital	B*	7/1/1974	N/A	N/A	N/A	2007	8.82%	N/A	8,220	-	-	-
Norwalk Hospital	A*	3/1/1976	N/A	N/A	N/A	2009	7.06%	N/A	13,800	-	-	-
Danbury Hospital	C*	7/1/1976	N/A	N/A	N/A	2009	7.76%	N/A	19,750	-	-	-
Yale University	D*	7/1/1976	N/A	N/A	N/A	2006	5.34%	N/A	16,400	-	-	-
Fairfield University	A*	7/1/1977	N/A	N/A	N/A	2003	5.52%	N/A	4,150	-	-	-
Trinity College	A*	7/1/1977	N/A	N/A	N/A	2009	6.42%	N/A	6,000	-	-	-
Yale-New Haven Hospital	B*	7/1/1979	N/A	N/A	N/A	2012	6.88%	N/A	59,500	-	-	-
Hartford Hospital	A*	9/12/1979	N/A	N/A	N/A	1998	6.38%	N/A	1,800	-	-	-
Saint Mary's Hospital	A*	1/1/1980	N/A	N/A	N/A	2010	8.72%	N/A	25,985	-	-	-
Connecticut Hospice	A*	7/16/1980	N/A	N/A	N/A	2000	9.75%	N/A	1,450	-	-	-
Fairfield University	B*	7/1/1980	N/A	N/A	N/A	2006	9.75%	N/A	4,680	-	-	-
Quinnipiac University	A*	10/22/1980	N/A	N/A	N/A	2007	9.75%	N/A	1,900	-	-	-
University of New Haven	B*	4/15/1981	N/A	N/A	N/A	2006	11.63%	N/A	5,210	-	-	-
Manchester Memorial Hospital	A*	6/1/1981	N/A	N/A	N/A	2012	11.76%	N/A	14,800	-	-	-
Fairfield University	C*	11/12/1981	N/A	N/A	N/A	2002	Variable	N/A	3,500	-	-	-
Yale-New Haven Hospital	C*	3/1/1981	N/A	N/A	N/A	2002	Variable	N/A	6,500	-	-	-
Meriden-Wallingford Hospital	A*	7/1/1982	N/A	N/A	N/A	2012	14.94%	N/A	24,200	-	-	-
Community Health Care Center Plan	A*	12/22/1982	N/A	N/A	N/A	2007	6.22%	N/A	2,500	-	-	-
Yale University	E*	2/9/1983	N/A	N/A	N/A	1998	Variable	N/A	28,500	-	-	-
Yale University	F*	3/1/1983	N/A	N/A	N/A	2013	8.78%	N/A	30,250	-	-	-
Wesleyan University	B*	3/15/1983	N/A	N/A	N/A	2013	7.11%	15,723	16,175	-	-	-
Danbury Hospital	D*	4/15/1983	N/A	N/A	N/A	2014	8.74%	48,753	49,995	-	-	-
William W. Backus Hospital	A*	11/22/1983	N/A	N/A	N/A	1994	Variable	2,974	3,060	-	-	-
Connecticut College	A*	1/1/1984	N/A	N/A	N/A	1992	6.60%	4,136	4,250	-	-	-
Stamford Hospital	A*	5/1/1984	N/A	N/A	N/A	1994	8.25%	18,884	19,410	-	-	-
Hospital of Saint Raphael	A*	10/1/1984	N/A	N/A	N/A	2024	10.01%	N/A	45,030	-	-	-
Fairfield University	D*	11/20/1984	N/A	N/A	N/A	2009	Variable	2,224	2,300	-	-	-
Hospital Equipment	A*	3/1/1985	N/A	N/A	N/A	1995	6.66%	14,107	14,530	-	-	-
University of New Haven	C*	6/27/1985	N/A	N/A	N/A	2010	Variable	N/A	2,275	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding Current</u>	<u>Outstanding Long-Term</u>	<u>Outstanding Total Debt</u>
Yale-New Haven Hospital	D*	7/1/1985	N/A	N/A	N/A	2012	8.00%	44,882	45,900	-	-	-
Yale University	G-J*	10/15/1985	N/A	N/A	N/A	2015	Variable	90,400	90,400	-	-	-
William W. Backus Hospital	B*	11/15/1985	N/A	N/A	N/A	2005	Variable	4,733	4,860	-	-	-
Hartford Graduate Center	A	11/20/1985	N/A	N/A	N/A	2006	Variable	5,558	5,700	-	-	-
Yale-New Haven Hospital	E*	11/1/1985	N/A	Kidder Peabody	PaineWebber	2012	Variable	14,964	15,000	-	-	-
Trinity College	B*	12/30/1985	Negotiated	Chemical Bank	PaineWebber	2010	Variable	10,590	10,700	-	-	-
Center for Continuing Care of Greater Stamford	A*	5/1/1986	Negotiated	Merrill Lynch	PaineWebber	2001	6.22%	7,780	8,015	-	-	-
Manchester Memorial Hospital	B*	11/15/1986	Negotiated	Merrill Lynch	PaineWebber	2012	6.52%	14,865	15,325	-	-	-
Hebrew Home & Hospital	A*	1/1/1987	Negotiated	Merrill Lynch	PaineWebber	2030	6.98%	21,760	21,760	-	-	-
Yale University	K*	3/1/1987	Negotiated	Merrill Lynch	PaineWebber	2013	6.10%	34,140	34,290	-	-	-
Fairfield University	E*	7/1/1987	Negotiated	Goldman Sachs	PaineWebber	2007	7.07%	15,385	15,575	-	-	-
Capital Asset	A*	2/1/1988	Negotiated	Merrill Lynch/CNB	PaineWebber	1997	5.81%	N/A	10,930	-	-	-
University of Hartford	C*	4/1/1988	Private	N/A	PaineWebber	2018	8.89%	57,014	61,915	-	-	-
Yale University	L-O*	7/28/1988	Negotiated	Shearson Lehman	Advest	2028	Variable	89,644	90,000	-	-	-
Saint Mary's Hospital	B*	8/15/1988	Negotiated	J.P. Morgan	Dillon Read	2019	7.56%	33,425	33,645	-	-	-
Wesleyan University	C*	9/22/1988	Negotiated	Goldman Sachs	Advest	2019	Variable	37,917	38,300	-	-	-
Bradley Health Care	A*	12/1/1988	Negotiated	Herbert J. Sims	Dillon Read	2018	8.93%	7,278	7,385	-	-	-
Hospital of Saint Raphael	B & C*	12/1/1988	Negotiated	Merrill Lynch	Dillon Read	2014	7.68%	71,425	72,440	-	-	-
Kingswood-Oxford School	A*	5/17/1989	Private	N/A	Dillon Read	2009	Variable	2,800	2,800	-	-	-
Lutheran General Health Care System	A*	5/17/1989	Negotiated	Morgan Stanley	Dillon Read	2019	7.37%	10,587	10,650	-	-	-
Stamford Hospital	B*	6/1/1989	Negotiated	Merrill Lynch	Dillon Read	2004	6.82%	10,473	10,450	-	-	-
Yale University	P*	9/27/1989	Negotiated	Shearson Lehman	Dillon Read	2028	6.10%	N/A	6,350	-	-	-
Fairfield University	F*	10/1/1989	Negotiated	Goldman Sachs	Dillon Read	2014	7.03%	11,436	11,700	-	-	-
Bridgeport Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,766	2,795	-	-	-
Middlesex Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,420	2,455	-	-	-
Norwalk Health Care	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1998	6.79%	760	780	-	-	-
Norwalk Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	7,146	7,195	-	-	-
University of New Haven	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	1,775	1,795	-	-	-
Waterbury Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	8,184	8,255	-	-	-
Quinnipiac University	B*	11/15/1989	Negotiated	Ehrlich Bober	Dillon Read	2019	7.36%	11,049	11,340	-	-	-
Manchester Memorial Hospital	C*	1/15/1990	Negotiated	Merrill Lynch	Dillon Read	2010	6.96%	4,908	5,005	-	-	-
Lawrence and Memorial Hospital	B*	2/1/1990	Negotiated	Drexel Burnham	Dillon Read	2020	7.03%	9,058	9,295	-	-	-
Bristol Hospital	A*	3/1/1990	Negotiated	Cain Brothers	Dillon Read	2020	7.03%	18,016	18,250	-	-	-
Taft School, The	A*	4/15/1990	Negotiated	Salomon Smith Barney	Dillon Read	2003	7.39%	11,701	11,870	-	-	-
Windham Hospital	B*	6/13/1990	Negotiated	Merrill Lynch	Dillon Read	2020	Variable	20,425	20,600	-	-	-
Loomis Chaffee School	A*	6/28/1990	Private	N/A	Dillon Read	2010	7.00%	6,965	7,000	-	-	-
Saint Mary's Hospital	C*	8/1/1990	Negotiated	J.P. Morgan	P.G. Corbin	2020	7.44%	18,694	18,980	-	-	-
Charlotte Hungerford Hospital	B*	9/20/1990	Negotiated	Bank of Boston	P.G. Corbin	2010	Variable	10,787	10,900	-	-	-
Quinnipiac University	C*	11/1/1990	Negotiated	Dillon Read	P.G. Corbin	2020	7.91%	3,784	4,000	-	-	-
Waterbury Hospital	B*	11/1/1990	Negotiated	First Boston	P.G. Corbin	2020	7.10%	19,727	20,130	-	-	-
Yale-New Haven Hospital	F*	11/1/1990	Negotiated	Goldman Sachs	P.G. Corbin	2025	7.11%	123,529	124,395	-	-	-
Danbury Hospital	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	7,408	7,520	-	-	-
Independent Day School	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	832	845	-	-	-
University of New Haven	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	4,743	4,815	-	-	-
Kent School	A*	12/1/1990	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	Variable	25,792	26,000	-	-	-
Hospital of Saint Raphael	D*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	16,492	17,125	-	-	-
Hospital of Saint Raphael	E*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	3,062	3,155	-	-	-
Stamford Hospital	C*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	15,307	15,585	-	-	-
Stamford Hospital	D*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	5,590	5,690	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
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Stamford Hospital	E*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	939	965	-	-	-
Connecticut College	B*	8/31/1991	Negotiated	Advest	P.G. Corbin	2011	6.63%	5,704	5,800	-	-	-
Danbury Hospital	E**	9/1/1991	Negotiated	Cain Brothers	P.G. Corbin	2014	5.99%	36,708	37,620	-	-	-
Sharon Health Care, Inc.	A*	11/1/1991	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.92%	7,568	7,290	-	-	-
New Britain Memorial Hospital	A*	12/1/1991	Negotiated	Dillon Read	P.G. Corbin	2022	7.70%	43,703	44,805	-	-	-
Tolland County Health Care, Inc.	A*	12/1/1991	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.90%	8,762	8,900	-	-	-
Johnson Evergreen Corporation	A*	1/1/1992	Negotiated	Herbert J. Sims	P.G. Corbin	2022	8.24%	8,354	8,590	-	-	-
Saint Francis Hospital	B*	1/1/1992	Negotiated	Salomon Smith Barney	P.G. Corbin	2022	5.52%	27,301	27,845	-	-	-
Hospital of Saint Raphael	F*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.24%	20,249	20,570	-	-	-
Hospital of Saint Raphael	G*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.75%	7,338	7,455	-	-	-
Middlesex Hospital	C-G*	3/1/1992	Negotiated	Dillon Read	P.G. Corbin	2022	5.44%	37,481	38,940	-	-	-
Bridgeport Hospital	A*	3/1/1992	Negotiated	Kidder Peabody	P.G. Corbin	2018	5.51%	25,486	25,890	-	-	-
Yale-New Haven Hospital	G*	4/1/1992	Negotiated	Dillon Read	P.G. Corbin	2012	6.41%	33,842	34,315	-	-	-
Lawrence and Memorial Hospital	C*	4/1/1992	Negotiated	PaineWebber	P.G. Corbin	2022	6.14%	50,069	51,950	-	-	-
Norwalk Health Care	A*	5/1/1992	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.25%	12,809	13,060	-	-	-
Norwalk Hospital	B-D*	5/15/1992	Negotiated	Dillon Read	P.G. Corbin	2022	4.89%	22,555	23,100	-	-	-
Trinity College	C*	7/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.07%	20,033	20,370	-	-	-
Yale University	Q-R*	8/3/1992	Negotiated	Lehman Brothers	P.G. Corbin	2030	5.93%	86,972	87,600	-	-	-
William W. Backus Hospital	C*	9/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.44%	14,270	14,700	-	-	-
University of Hartford	D*	10/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.82%	75,871	76,720	-	-	-
Sacred Heart University	A*	11/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.77%	6,084	6,160	-	-	-
Manchester Memorial Hospital	D*	2/1/1993	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.05%	8,058	8,430	-	-	-
Griffin Hospital	A*	3/1/1993	Negotiated	Alex Brown	P.G. Corbin	2023	6.22%	28,911	30,285	-	-	-
Taft School, The	B*	7/1/1993	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.34%	13,204	13,425	-	-	-
Quinnipiac University	D*	8/1/1993	Negotiated	Dillon Read	P.G. Corbin	2023	6.12%	49,839	50,700	-	-	-
Fairfield University	G*	9/15/1993	Negotiated	Goldman Sachs	PFM	2018	4.74%	24,679	25,255	-	-	-
Sacred Heart University	B*	10/1/1993	Negotiated	Advest	PFM	2023	5.73%	12,342	12,500	-	-	-
Saint Francis Hospital	C	10/1/1993	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	5.12%	108,253	110,505	-	-	-
Forman School , The	A*	11/12/1993	Negotiated	Cain Brothers	PFM	2014	Variable	3,098	4,000	-	-	-
Hospital of Saint Raphael	H*	11/1/1993	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.19%	72,597	73,575	-	-	-
Lawrence and Memorial Hospital	D*	12/1/1993	Negotiated	PaineWebber	P.G. Corbin	2022	5.46%	55,795	58,165	-	-	-
New Britain General Hospital	B*	4/1/1994	Negotiated	Salomon Smith Barney	PFM	2024	6.01%	46,620	48,870	-	-	-
Trinity College	D*	4/1/1994	Negotiated	Advest	PFM	2024	6.23%	16,707	17,000	-	-	-
Newington Children's Hospital	A*	8/15/1994	Negotiated	US Securities	P.G. Corbin	2021	6.00%	52,767	53,750	-	-	-
Choate Rosemary Hall	A*	11/15/1994	Negotiated	Salomon Smith Barney	PFM	2025	6.91%	24,752	25,070	-	-	-
Pomfret School	A*	1/25/1995	Negotiated	Alex Brown	PFM	2024	Variable	7,670	7,785	-	-	-
Loomis Chaffee School	B*	1/1/1995	Negotiated	First Albany	PFM	2025	6.43%	9,830	10,260	-	-	-
Bridgeport Hospital	B*	4/12/1995	Negotiated	Merrill Lynch	P.G. Corbin	2010	Variable	31,258	31,500	-	-	-
Kent School	B*	7/27/1995	Negotiated	Salomon Smith Barney	PFM	2023	5.64%	26,297	26,915	-	-	-
Day Kimball Hospital	A*	11/3/1995	Negotiated	Alex Brown	P.G. Corbin	2026	5.71%	18,336	19,150	-	-	-
Bridgeport Hospital	C*	12/20/1995	Negotiated	Merrill Lynch	P.G. Corbin	2025	5.57%	53,174	54,805	-	-	-
Danbury Hospital	F*	1/24/1996	Negotiated	First Union	PFM	2023	5.36%	19,831	20,000	-	-	-
Greenwich Academy	A*	3/1/1996	Negotiated	Advest	PFM	2026	5.60%	15,705	16,000	-	-	-
Greenwich Hospital	A*	3/1/1996	Negotiated	Goldman Sachs	P.G. Corbin	2026	5.93%	61,632	62,905	-	-	-
Sacred Heart University	C*	4/1/1996	Negotiated	Advest	PFM	2026	6.65%	34,821	35,395	-	-	-
Westminster School	A*	5/1/1996	Negotiated	Salomon Smith Barney	P.G. Corbin	2026	5.96%	9,417	10,195	-	-	-
University of New Haven	D*	5/1/1996	Negotiated	Advest	PFM	2026	6.79%	23,839	24,400	-	-	-
Taft School, The	C*	6/1/1996	Negotiated	Salomon Smith Barney	PFM	2026	6.27%	15,893	16,730	-	-	-
Trinity College	E*	7/1/1996	Negotiated	Advest	PFM	2026	5.97%	34,034	35,000	-	-	-
Yale-New Haven Hospital	H*	7/1/1996	Negotiated	Morgan Stanley	PFM	2025	5.78%	118,073	120,240	-	-	-

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Veterans Memorial Medical Center	A*	8/1/1996	Negotiated	Roosevelt & Cross	P.G. Corbin	2026	5.50%	67,745	69,785	-	-	-
Loomis Chaffee School	C*	8/1/1996	Negotiated	First Albany	P.G. Corbin	2026	5.67%	10,938	11,435	-	-	-
Stamford Hospital	F*	10/15/1996	Negotiated	Merrill Lynch	PFM	2004	5.36%	22,899	23,645	-	-	-
Windham Hospital	C*	12/1/1996	Negotiated	Merrill Lynch	N/A	2020	6.29%	19,235	20,200	-	-	-
Connecticut College	C*	1/1/1997	Negotiated	Advest	P.G. Corbin	2017	6.04%	32,307	33,620	-	-	-
Yale University	S	4/3/1997	Negotiated	Lehman Brothers	N/A	2027	Variable	135,649	135,865	-	135,865	135,865
Sacred Heart University	D*	4/1/1997	Negotiated	Advest	PFM	2027	6.44%	6,045	6,185	-	-	-
William W. Backus Hospital	D*	4/1/1997	Negotiated	Advest	PFM	2027	6.01%	16,724	17,240	-	-	-
Saint Mary's Hospital	D* & E*	5/1/1997	Negotiated	Roosevelt & Cross	P.G. Corbin	2014	5.94%	45,886	47,150	-	-	-
Choate Rosemary Hall	B*	7/8/1997	Negotiated	Lehman Brothers	PFM	2027	5.20%	31,474	33,075	-	-	-
Edgehill Retirement Community	A&B*	7/23/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2027	6.87%	83,471	84,370	-	-	-
Suffield Academy	A*	9/24/1997	Negotiated	Advest	PFM	2027	5.41%	7,775	8,070	-	-	-
Sharon Hospital	A*	9/30/1997	Private	Bank Boston	N/A	2027	Variable	7,568	7,610	-	-	-
Middlesex Hospital	H*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	45,500	46,990	-	-	-
Middlesex Health Services	I*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	8,160	8,450	-	-	-
Yale University	T***	11/5/1997	Negotiated	Goldman Sachs	N/A	2029	4.80%	249,488	250,000	-	250,000	250,000
Hospital for Special Care	B*	12/17/1997	Negotiated	Advest	P.G. Corbin	2027	5.68%	68,103	69,795	-	-	-
Masonicare	A*	12/18/1997	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.21%	51,353	53,045	-	-	-
Bradley Health Care	B*	12/22/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2029	Variable	19,532	19,630	-	-	-
Jerome Home	C*	12/22/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2019	Variable	3,761	3,780	-	-	-
Hospital of Saint Raphael	J*	1/8/1998	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	19,978	20,100	-	-	-
Hospital of Saint Raphael	K*	1/8/1998	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	8,647	8,700	-	-	-
Trinity College	F	4/30/1998	Negotiated	Advest	P.G. Corbin	2028	5.07%	41,350	41,570	1,425	8,380	9,805
Masonicare	B*	5/5/1998	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.30%	10,670	11,085	-	-	-
Taft School, The	D*	5/6/1998	Negotiated	A.G. Edwards	PFM	2022	6.01%	16,577	17,060	-	-	-
Hopkins School, The	A*	6/18/1998	Negotiated	PaineWebber	PFM	2028	4.99%	9,772	10,000	-	-	-
Canterbury School	A*	8/12/1998	Negotiated	BankBoston	PFM	2028	5.16%	10,164	10,230	-	-	-
Charlotte Hungerford Hospital	C*	8/14/1998	Negotiated	BankBoston	PFM	2013	Variable	14,261	14,340	-	-	-
William W. Backus Hospital	E*	8/26/1998	Negotiated	Advest	P.G. Corbin	2022	4.99%	13,566	13,655	-	-	-
Fairfield University	H*	8/27/1998	Negotiated	J.P. Morgan	PFM	2028	5.70%	27,860	28,000	-	-	-
Salisbury School	A*	10/21/1998	Negotiated	A.G. Edwards	PFM	2028	4.81%	16,038	16,135	-	-	-
Sacred Heart University	E*	12/9/1998	Negotiated	Advest	PFM	2028	5.06%	75,488	76,020	-	-	-
Quinnipiac University	E*	12/22/1998	Negotiated	J.P. Morgan	P.G. Corbin	2028	4.81%	59,303	59,660	-	-	-
Charity Obligated Group-St. Vincent's	1999B*	2/4/1999	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	45,000	45,000	-	-	-
Hebrew Home & Hospital	B*	2/4/1999	Negotiated	Herbert J. Sims	P.G. Corbin	2038	5.19%	19,053	19,215	-	-	-
Stamford Hospital	G*	3/24/1999	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.99%	66,975	67,440	-	-	-
Stamford Hospital	H*	3/24/1999	Negotiated	Merrill Lynch	P.G. Corbin	2024	Variable	29,880	30,000	-	-	-
Norwalk Hospital	E* & F*	4/20/1999	Negotiated	First Union	PFM	2022	4.84%	31,238	31,480	-	-	-
Westminster School	B*	4/22/1999	Negotiated	A.G. Edwards	PFM	2029	4.96%	7,904	7,960	-	-	-
Yale University	U-1&2	4/29/1999	Negotiated	Lehman Brothers	N/A	2033	Variable	249,503	250,000	-	250,000	250,000
Saint Joseph College	A*	5/5/1999	Negotiated	Roosevelt & Cross	PFM	2024	5.20%	11,360	11,400	-	-	-
Brunswick School	A*	5/20/1999	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.00%	43,287	44,635	-	-	-
UCONN Foundation	A*	8/11/1999	Negotiated	Advest	PFM	2029	5.34%	7,925	8,000	-	-	-
Miss Porter's School	A*	9/1/1999	Negotiated	State Street	P.G. Corbin	2029	5.69%	9,931	10,000	-	-	-
Fairfield University	I*	9/9/1999	Negotiated	J.P. Morgan	PFM	2029	5.47%	66,490	70,000	-	-	-
Horace Bushnell Memorial Hall	A*	9/22/1999	Negotiated	Advest	PFM	2029	5.62%	14,887	15,000	-	-	-
Danbury Hospital	G*	9/29/1999	Negotiated	Roosevelt & Cross	PFM	2029	5.62%	41,754	43,240	-	-	-
Catholic Health East	F*	10/19/1999	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.81%	17,927	18,610	-	-	-
Ascension Health	1999	11/1/1999	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	44,375	44,500	1,500	25,000	26,500
Covenant Retirement Community	1999A*	12/2/1999	Negotiated	B.C. Ziegler	N/A	2029	Variable	9,916	10,040	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
**(In Thousands of Dollars)**

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Waterbury Hospital	C*	12/3/1999	Negotiated	First Union	PFM	2029	6.12%	26,474	27,140	-	-	-
SummerWood at University Park	A*	2/3/2000	Negotiated	Herbert J. Sims	Lamont Financial Services	2030	Variable	11,075	11,200	-	-	-
Gaylord Hospital	A*	2/22/2000	Negotiated	Fleet Securities	P.G. Corbin	2020	Variable	12,888	12,920	-	-	-
Eastern CT Health Network	A**	2/24/2000	Negotiated	PaineWebber	P.G. Corbin	2030	5.92%	58,029	58,170	965	6,415	7,380
Ethel Walker School	A*	3/1/2000	Negotiated	Gates Capital	PFM	2029	Variable	8,468	8,500	-	-	-
Community Renewal Team	A*	3/16/2000	Negotiated	Fleet Securities	PFM	2019	Variable	4,290	4,325	-	-	-
Taft School, The	E	4/27/2000	Negotiated	A.G. Edwards	PFM	2030	Variable	11,944	12,000	-	12,000	12,000
Lauralton Hall	A*	6/14/2000	Ltd Public	Gates Capital	P.G. Corbin	2030	Variable	3,353	3,400	-	-	-
Connecticut College	D*	6/22/2000	Negotiated	Advest	P.G. Corbin	2030	6.54%	11,915	12,000	-	-	-
Marvelwood School	A*	6/29/2000	Negotiated	First Union	N/A	2030	Variable	5,482	5,535	-	-	-
Hotchkiss School	A	8/3/2000	Negotiated	State Street	Lamont Financial Services	2030	Variable	34,867	35,000	-	35,000	35,000
Hartford Hospital	B*	8/3/2000	Negotiated	Fleet Securities	PFM	2030	Variable	31,105	31,175	-	-	-
Rectory School	A*	11/9/2000	Negotiated	Gates Capital	Lamont Financial Services	2030	Variable	7,047	7,100	-	-	-
Westover School	A*	12/7/2000	Negotiated	Advest	P.G. Corbin	2030	5.70%	9,957	10,000	-	-	-
Edgehill Retirement Community	C*	12/13/2000	Negotiated	Merrill Lynch	P.G. Corbin	2027	Variable	21,641	22,000	-	-	-
Kent School	C*	2/15/2001	Negotiated	A.G. Edwards	PFM	2030	Variable	10,260	10,500	-	-	-
Trinity College	G*	3/28/2001	Negotiated	Advest	P.G. Corbin	2031	4.98%	49,399	50,000	-	-	-
Loomis Chaffee School	D*	5/23/2001	Negotiated	First Albany	Lamont Financial Services	2031	5.33%	27,561	27,625	-	-	-
Gunnery School, The	A*	5/24/2001	Negotiated	A.G. Edwards	PFM	2031	5.09%	10,956	11,455	-	-	-
Greenwich Academy	B*	5/31/2001	Negotiated	Salomon Smith Barney	PFM	2032	5.31%	31,603	32,920	-	-	-
United Methodist Home of Sharon	A*	6/1/2001	Negotiated	First Union	Lamont Financial Services	2031	Variable	7,671	7,740	-	-	-
Wesleyan University	D*	6/7/2001	Negotiated	Lehman Brothers	P.G. Corbin	2035	Variable	92,498	93,000	-	-	-
Yale University	V	7/12/2001	Negotiated	Lehman Brothers	N/A	2036	Variable	199,592	200,000	-	200,000	200,000
Middlesex Hospital	J*	7/25/2001	Negotiated	First Union	PFM	2026	Variable	11,815	11,895	-	-	-
Whitby School	A*	8/3/2001	Negotiated	Bank of New York	PFM	2021	Variable	6,000	6,000	-	-	-
Fairfield University	J*	8/7/2001	Negotiated	J.P. Morgan	PFM	2029	4.95%	17,280	18,000	-	-	-
Taft School, The	F*	9/20/2001	Negotiated	A.G. Edwards	PFM	2020	4.55%	11,405	11,480	-	-	-
Williams School	A*	10/18/2001	Negotiated	Advest	PFM	2031	Variable	5,445	5,500	-	-	-
Loomis Chaffee School	E*	10/25/2001	Negotiated	First Albany	Lamont Financial Services	2025	4.94%	11,308	11,155	-	-	-
Quinnipiac University	F*	10/31/2001	Negotiated	J.P. Morgan	P.G. Corbin	2031	Variable	58,293	60,000	-	-	-
Washington Montessori School	A*	11/30/2001	Negotiated	Wachovia Securities	Lamont Financial Services	2031	Variable	7,914	7,990	-	-	-
Bristol Hospital	B	1/8/2002	Negotiated	Cain Brothers	P.G. Corbin	2032	5.55%	35,880	38,000	1,045	24,855	25,900
Westminster School	C	2/20/2002	Negotiated	A.G. Edwards	PFM	2032	Variable	8,143	8,250	100	6,950	7,050
YMCA of Greater Hartford	A*	3/28/2002	Negotiated	State Street	PFM	2032	Variable	15,802	16,180	-	-	-
University of Hartford	E*	4/3/2002	Negotiated	Advest	Lamont Financial Services	2032	5.27%	72,627	75,000	-	-	-
Yale University	W*	5/14/2002	Negotiated	Lehman Brothers	N/A	2027	5.23%	87,358	89,520	-	-	-
Health Care Capital Asset	A**	5/16/2002	Negotiated	Quick & Reilly	PFM	2031	Variable	36,029	36,110	-	-	-
Saint Francis Hospital	D*	5/17/2002	Negotiated	Wachovia Securities	P.G. Corbin	2022	4.92%	25,371	25,250	-	-	-
Kingswood-Oxford School	C	6/5/2002	Negotiated	Advest	Lamont Financial Services	2030	Variable	11,880	12,000	-	5,000	5,000
Connecticut College	E*	7/18/2002	Negotiated	Advest	P.G. Corbin	2032	4.81%	17,931	17,785	-	-	-
The Village for Families & Children	A*	11/8/2002	Negotiated	Wachovia Securities	P.G. Corbin	2033	4.94%	13,772	13,660	-	-	-
The Village for Families & Children	B*	11/8/2002	Negotiated	Wachovia Securities	P.G. Corbin	2032	4.94%	335	340	-	-	-
Middlesex Hospital	K*	11/15/2002	Negotiated	Wachovia Securities	Lamont Financial Services	2027	Variable	15,500	15,500	-	-	-
Klingberg Family	A*	12/4/2002	Negotiated	Quick & Reilly	PFM	2032	Variable	4,750	6,750	-	-	-
Yale University	X1*	1/8/2003	Negotiated	Goldman Sachs	N/A	2042	5.00%	100	100,000	-	-	-
Yale University	X2	1/8/2003	Negotiated	Goldman Sachs	N/A	2037	Variable	125	125,000	-	125,000	125,000
Yale University	X3***	1/8/2003	Negotiated	Goldman Sachs	N/A	2037	4.80%	125	125,000	-	125,000	125,000
Brunswick School	B*	4/30/2003	Negotiated	Merrill Lynch	Lamont Financial Services	2033	4.88%	17,863	17,500	-	-	-
Boys & Girls Club of Greenwich	A*	5/29/2003	Negotiated	Gates Capital	P.G. Corbin	2034	Variable	14,800	14,800	-	-	-
Wesleyan University	E*	7/17/2003	Negotiated	Lehman Brothers	P.G. Corbin	2038	Variable	61,665	62,000	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**

*(CHEFA)*

**SCHEDULE OF INDEBTEDNESS**

**at June 30, 2016**

*(In Thousands of Dollars)*

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King Low Heywood School	A*	8/27/2003	Negotiated	Gates Capital	Lamont Financial Services	2033	Variable	10,922	11,005	-	-	-
Central Connecticut Coast YMCA	A	9/11/2003	Negotiated	Advest	Lamont Financial Services	2033	Variable	4,433	4,500	145	2,770	2,915
Quinnipiac University	G*	11/18/2003	Negotiated	J.P. Morgan	P.G. Corbin	2023	Variable	16,214	16,340	-	-	-
Sacred Heart University	F	12/11/2003	Negotiated	Advest	PFM	2033	Variable	21,581	21,700	535	17,100	17,635
Salisbury School	B*	2/19/2004	Negotiated	Quick & Reilly	PFM	2034	Variable	5,469	5,510	-	-	-
Fairfield University	K*	4/14/2004	Negotiated	J.P. Morgan	PFM	2034	Variable	37,820	38,075	-	-	-
University of Hartford	F*	5/6/2004	Negotiated	Advest	Lamont Financial Services	2034	Variable	24,851	25,000	-	-	-
Connecticut Children's Medical Center	B*	5/13/2004	Negotiated	Advest	PFM	2021	1.05%	21,287	21,285	-	-	-
Connecticut Children's Medical Center	C*	5/13/2004	Negotiated	Advest	PFM	2018	Variable	22,510	23,700	-	-	-
Lawrence & Memorial Hospital	E*	6/24/2004	Negotiated	UBS Financial Services	PFM	2034	Variable	22,086	22,990	-	-	-
Greenwich Academy	C*	6/25/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2037	Variable	11,676	11,770	-	-	-
Norwich Free Academy	A*	6/30/2004	Negotiated	Banc of America Securities	Lamont Financial Services	2034	4.91%	18,015	18,740	-	-	-
Trinity College	H*	7/5/2004	Negotiated	Advest	P.G. Corbin	2026	4.74%	33,720	33,370	-	-	-
Eastern CT Health Network	B*	7/21/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	20,000	20,000	-	-	-
Greenwich Academy	D*	9/16/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2026	4.20%	15,366	15,490	-	-	-
Kent School	D*	10/6/2004	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2023	4.14%	22,697	21,725	-	-	-
Trinity College	I*	12/9/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	15,000	15,000	-	-	-
Hospital of Saint Raphael	L*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	29,525	29,525	-	-	-
Hospital of Saint Raphael	M*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	30,420	30,420	-	-	-
Griffin Hospital	B	2/1/2005	Negotiated	Wachovia Securities	PFM	2023	4.56%	25,770	24,800	1,400	11,990	13,390
Eagle Hill School	A	5/11/2005	Negotiated	Gates Capital	P.G. Corbin	2035	Variable	5,990	5,990	160	4,535	4,695
Avon Old Farms School	A*	5/12/2005	Negotiated	Banc of America Securities	P.G. Corbin	2034	Variable	21,670	21,670	-	-	-
Westminster School	D*	6/1/2005	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2026	4.06%	9,288	9,260	-	-	-
Ridgefield Academy	A*	6/17/2005	Negotiated	Advest	Lamont Financial Services	2035	Variable	12,000	12,000	-	-	-
Greenwich Family YMCA	A*	8/4/2005	Negotiated	Gates Capital	Lamont Financial Services	2035	Variable	20,165	20,165	-	-	-
William W. Backus Hospital ***	F*	8/10/2005	Negotiated	UBS Financial Services	PFM	2035	5.03%	29,916	30,100	-	-	-
William W. Backus Hospital	G*	8/10/2005	Negotiated	UBS Financial Services	PFM	2035	4.63%	28,435	28,035	-	-	-
University of New Haven	E	8/17/2005	Negotiated	Wachovia Securities	Lamont Financial Services	2035	Variable	27,460	27,460	920	19,320	20,240
University of New Haven	F*	8/17/2005	Negotiated	Wachovia Securities	Lamont Financial Services	2021	4.05%	4,890	4,890	-	-	-
Wesleyan University	F*	9/1/2005	Negotiated	Lehman Brothers	P.G. Corbin	2040	Variable	48,000	48,000	-	-	-
Yale University	Y1*	10/5/2005	Negotiated	Lehman Brothers	N/A	2035	4.83%	211,030	200,000	-	-	-
Yale University	Y2*	10/5/2005	Negotiated	Lehman Brothers	N/A	2035	Variable	50,000	50,000	-	-	-
Yale University	Y3*	10/5/2005	Negotiated	Lehman Brothers	N/A	2035	Variable	50,000	50,000	-	-	-
Loomis Chaffee School	F	10/27/2005	Negotiated	First Albany	Lamont Financial Services	2031	4.59%	37,326	34,135	1,300	26,575	27,875
Fairfield University	L1*	11/3/2005	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	47,725	47,725	-	-	-
Fairfield University	L2*	11/3/2005	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	58,850	58,850	-	-	-
Eastern CT Health Network	C	11/9/2005	Negotiated	Advest	P.G. Corbin	2030	4.95%	37,579	37,065	815	31,060	31,875
Mansfield Center for Nursing and Rehab	B*	12/15/2005	Negotiated	Herbert J. Sims	Lamont Financial Services	2022	Variable	7,095	7,095	-	-	-
Fairfield University	L1 2nd Tranche*	12/15/2005	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	10,000	10,000	-	-	-
Avon Old Farms School	B*	3/9/2006	Negotiated	Banc of America Securities	Lamont Financial Services	2035	Variable	7,000	7,000	-	-	-
Danbury Hospital	H	3/16/2006	Negotiated	Citigroup Global Markets	PFM	2036	4.49%	40,925	41,560	-	39,615	39,615
Danbury Hospital	I*	3/16/2006	Negotiated	UBS Financial Services	PFM	2036	Variable	40,000	40,000	-	-	-
Greenwich Hospital	B*	4/6/2006	Negotiated	UBS Financial Services	P.G. Corbin	2026	Variable	56,600	56,600	-	-	-
Yale-New Haven Hospital	I1*	4/7/2006	Negotiated	Lehman Brothers	PFM	2025	Variable	55,900	55,900	-	-	-
Yale-New Haven Hospital	I2*	4/7/2006	Negotiated	Lehman Brothers	PFM	2025	Variable	55,900	55,900	-	-	-
Miss Porter's School	B*	6/16/2006	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2036	4.69%	18,621	18,130	-	-	-
University of Hartford	G*	6/22/2006	Negotiated	Advest	P.G. Corbin	2036	5.03%	50,375	50,000	-	-	-
Greenwich Adult Day Care	A*	6/29/2006	Negotiated	Gates Capital	N/A	2036	Variable	4,030	4,030	-	-	-
The Children's School	A*	7/24/2006	Negotiated	Gates Capital	N/A	2036	Variable	6,835	6,835	-	-	-
Canterbury School	B*	7/27/2006	Negotiated	Bank of America	PFM	2036	4.99%	11,814	11,805	-	-	-



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University of New Haven	G	8/26/2006	Negotiated	Wachovia Bank NA	Lamont Financial Services	2036	Variable	15,797	15,890	640	10,880	11,520
Yale-New Haven Hospital	J-1*	9/25/2006	Negotiated	Lehman Brothers	PFM	2031	4.69%	184,574	174,430	-	-	-
Yale-New Haven Hospital	J-2*	9/25/2006	Negotiated	Lehman Brothers	PFM	2036	Variable	40,000	40,000	-	-	-
Yale-New Haven Hospital	J-3*	9/25/2006	Negotiated	Lehman Brothers	PFM	2036	Variable	66,425	66,425	-	-	-
Middlesex Hospital	L*	12/7/2006	Negotiated	Wachovia Bank NA	P.G. Corbin	2036	4.54%	23,614	22,760	-	-	-
Middlesex Hospital	M*	12/7/2006	Negotiated	Wachovia Bank NA	P.G. Corbin	2027	4.50%	16,620	16,620	-	-	-
Quinnipiac University	H*	12/13/2006	Negotiated	J.P. Morgan	PFM	2036	4.72%	72,974	67,495	-	-	-
UConn Foundation	B	1/23/2007	Negotiated	A.G. Edwards	PFM	2029	4.19%	7,253	7,290	285	4,955	5,240
Trinity College	J	3/7/2007	Negotiated	RBC Dain Rauscher	Lamont Financial Services	2037	4.47%	49,541	49,805	-	49,805	49,805
Trinity College	K*	3/7/2007	Negotiated	RBC Dain Rauscher	Lamont Financial Services	2037	4.32%	24,994	25,000	-	-	-
Greenwich Academy	E	3/22/2007	Negotiated	Citigroup Global Markets	Lamont Financial Services	2032	4.49%	30,457	26,435	715	24,320	25,035
Jerome Home	D	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	280	9,835	10,115
Mulberry Gardens	E*	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	4,155	4,155	-	-	-
Connecticut College	F	4/4/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2030	4.31%	28,748	28,855	-	28,855	28,855
Connecticut College	G	4/4/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	4.80%	12,127	12,000	-	12,000	12,000
The Stanwich School	A*	5/3/2007	Private	Merrill Lynch	N/A	2037	Variable	15,500	15,500	-	-	-
Griffin Hospital ***	C	5/15/2007	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	23,125	23,125	600	19,850	20,450
Griffin Hospital ***	D	5/15/2007	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	10,925	10,925	225	9,675	9,900
Chase Collegiate School	A	6/7/2007	Negotiated	Stifel, Nicolaus	P.G. Corbin	2037	4.80%	11,296	11,060	260	9,255	9,515
Choate Rosemary Hall	C*	6/21/2007	Negotiated	Lehman Brothers	PFM	2037	Variable	42,000	42,000	-	-	-
Hospital for Special Care	C	6/28/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	5.12%	47,786	46,635	1,005	38,915	39,920
Hospital for Special Care	D*	6/28/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	Variable	15,000	15,000	-	-	-
Gaylord Hospital	B	7/3/2007	Negotiated	Banc of America Securities	Lamont Financial Services	2037	Variable	21,530	21,530	790	15,490	16,280
Westover School	B	7/11/2007	Negotiated	RBC Capital	N/A	2030	Variable	9,180	9,180	340	6,625	6,965
University of Bridgeport	B*	8/10/2007	Negotiated	RBC Capital	N/A	2037	Variable	21,175	21,175	-	-	-
Renbrook School, The	A*	9/13/2007	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.83%	8,306	8,000	-	-	-
Yale University	Z1	10/4/2007	Negotiated	Lehman Brothers	N/A	2042	4.44%	414,292	400,000	-	400,000	400,000
Yale University	Z2***	10/4/2007	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	100,000	100,000
Yale University	Z3***	10/4/2007	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	100,000	100,000
Masonicare	C	10/31/2007	Negotiated	Merrill Lynch	P.G. Corbin & Co.	2037	Variable	81,065	81,065	1,940	66,370	68,310
Masonicare	D*	10/31/2007	Negotiated	Merrill Lynch	P.G. Corbin & Co.	2037	Variable	35,000	35,000	-	-	-
SummerWood	B	11/7/2007	Negotiated	Herbert J. Sims & Co.	N/A	2037	Variable	17,055	17,055	405	14,890	15,295
Suffield Academy	B*	11/8/2007	Negotiated	Stifel, Nicolaus & Company	P.G. Corbin Group	2027	4.11%	13,048	12,640	-	-	-
Westminster School	E	11/9/2007	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.82%	19,983	19,230	220	230	450
Windham Hospital	D*	11/15/2007	Negotiated	Cain Brothers & Company	PFM	2037	7.50%	19,745	19,745	-	-	-
Quinnipiac University	I	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2028	3.55%	142,823	134,570	6,285	5,735	12,020
Quinnipiac University ***	J	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2037	5.23%	165,545	165,545	-	3,745	3,745
Quinnipiac University ***	K-1	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2031	4.69%	64,650	64,650	2,350	6,315	8,665
Quinnipiac University ***	K-2	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2028	4.63%	51,700	51,700	2,050	22,495	24,545
Pierce Memorial Baptist	A*	1/17/2008	Negotiated	Ziegler Capital Markets Group	N/A	2042	Variable	8,575	8,575	-	-	-
Choate Rosemary Hall	D	4/2/2008	Negotiated	Morgan Stanley	PFM	2037	Variable	42,415	42,415	-	-	-
St. Joseph College	B*	4/3/2008	Negotiated	RBC Capital	Lamont Financial Services	2038	Variable	15,000	15,000	-	-	-
Fairfield University	M	4/10/2008	Negotiated	J.P. Morgan Securities	Lamont Financial Services	2034	4.80%	39,446	39,440	1,660	8,060	9,720
Greenwich Hospital	C	5/7/2008	Negotiated	UBS Financial Services	N/A	2026	Variable	53,630	53,630	2,675	32,430	35,105
Yale New Haven	K-1*	5/14/2008	Negotiated	Lehman Brothers	PFM	2025	Variable	54,555	54,555	-	-	-
Yale New Haven	K-2*	5/14/2008	Negotiated	Lehman Brothers	PFM	2025	Variable	54,550	54,550	-	-	-
Yale New Haven	L-1*	5/14/2008	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	-	-
Yale New Haven	L-2*	5/14/2008	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	-	-
Salisbury School	C*	5/22/2008	Negotiated	Stifel, Nicolaus & Company	P.G. Corbin Group	2038	4.73%	49,782	48,160	-	-	-
St. Francis Hospital	E*	5/29/2008	Negotiated	Cain Brothers & Company	Lamont Financial Services	2027	6.11%	39,745	39,745	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
**(In Thousands of Dollars)**

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>		<u>Outstanding Total Debt</u>
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Mid State Medical Center	HEI B-1*	6/18/2008	Negotiated	Banc of America Securities	PFM	2038	Variable	30,000	30,000	-	-	-
Hopkins School	B	6/26/2008	Negotiated	Lehman Brothers	P.G. Corbin Group	2038	4.73%	9,240	9,240	215	7,910	8,125
Danbury Hospital	J*	6/27/2008	Negotiated	Wachovia Securites	PFM	2036	Variable	35,580	35,580	-	-	-
St. Francis Hospital	F*	6/30/2008	Negotiated	Cain Brothers & Company	Lamont Financial Services	2047	Variable	175,000	175,000	-	-	-
University of New Haven	H	7/2/2008	Negotiated	Wachovia	Lamont Financial Services	2038	Variable	46,000	46,000	1,085	40,120	41,205
Loomis Chaffee School	G	7/22/2008	Negotiated	RBC Capital	Lamont Financial Services	2038	4.95%	25,745	25,745	245	24,035	24,280
Hamden Hall	A	7/31/2008	Negotiated	RBC Capital	N/A	2038	Variable	18,235	18,235	460	15,700	16,160
Trinity College	L	8/5/2008	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	525	11,465	11,990
Hospital of Central Connecticut	A*	8/8/2008	Negotiated	RBC Capital	N/A	2024	Variable	33,690	33,690	-	-	-
Taft School, The	G	8/13/2008	Negotiated	Stifel, Nicolaus & Company	P. G. Corbin	2016	3.56%	16,905	16,905	2,935	-	2,935
Fairfield University	N	8/21/2008	Negotiated	J. P. Morgan	Lamont Financial Services	2029	4.73%	108,210	108,210	4,095	83,290	87,385
Greater Hartford YMCA	B*	12/1/2008	Negotiated	Bank of America	PFM	2038	Variable	26,580	26,580	-	-	-
Kent School	E*	12/17/2008	Negotiated	Stifel, Nicolaus & Company	N/A	2030	Variable	10,155	10,155	-	-	-
Taft School, The	H*	12/23/2008	Negotiated	Stifel, Nicolaus & Company	P. G. Corbin	2022	Variable	8,500	8,500	-	-	-
Eastern CT Health Network	D	5/14/2009	Private	RBC Capital	N/A	2039	Variable	15,228	15,250	172	13,004	13,176
Ethel Walker School	B*	10/5/2009	Negotiated	Stifel, Nicolaus & Company	Acacia Financial	2039	6.05%	8,220	8,220	-	-	-
Hopkins School	C	12/10/2009	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2028	3.70%	7,930	7,930	380	5,630	6,010
Yale University	2010 A-1	2/24/2010	Negotiated	Barclays Capital	PFM	2025	4.26%	79,975	79,975	-	79,975	79,975
Yale University	2010 A-2	2/24/2010	Negotiated	Barclays Capital	PFM	2040	4.22%	150,000	150,000	-	150,000	150,000
Yale University	2010 A-3	2/24/2010	Negotiated	Barclays Capital	PFM	2049	4.22%	150,000	150,000	-	150,000	150,000
Yale University	2010 A-4	2/24/2010	Negotiated	Barclays Capital	PFM	2049	4.22%	150,000	150,000	-	150,000	150,000
Fairfield University	O	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2040	5.03%	73,820	73,820	-	73,820	73,820
Fairfield University	P	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2028	4.50%	11,095	11,095	335	8,910	9,245
Ascension Health	2010	3/25/2010	Negotiated	Morgan Stanley	N/A	2040	4.96%	93,265	93,265	-	93,265	93,265
Catholic Health East	2010	4/7/2010	Negotiated	Merrill Lynch	N/A	2029	4.71%	19,560	19,560	115	18,870	18,985
Westminster School	F	4/14/2010	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2029	4.04%	6,350	6,350	275	4,775	5,050
Wesleyan University	G*	5/18/2010	Negotiated	Goldman Sachs	PFM	2039	Variable	186,475	186,475	-	-	-
Wesleyan University	H	5/18/2010	Negotiated	Goldman Sachs	PFM	2040	Variable	20,105	20,105	-	20,105	20,105
Stamford Hospital	I	5/27/2010	Negotiated	Goldman Sachs	Acacia Financial	2030	4.80%	132,990	132,990	5,260	104,755	110,015
Trinity College	M	6/29/2010	Negotiated	Stifel, Nicolaus & Company	Public Financial	2028	4.10%	22,230	22,230	90	16,960	17,050
Hospital for Special Care	E	7/15/2010	Negotiated	RBC Capital	Lamont Financial Services	2041	Variable	20,185	20,185	-	10,550	10,550
St. Francis Hospital	G*	9/30/2010	Private	Cain Brothers & Company	N/A	2027	Variable	29,870	29,870	-	-	-
Mitchell College	A	11/2/2010	Private	RBC Capital	N/A	2040	Variable	14,300	14,300	161	12,524	12,685
University of Bridgeport	C	12/9/2010	Private	RBC Capital	N/A	2040	3.98%	30,000	30,000	336	26,670	27,006
Norwalk Hospital	G	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2025	5.12%	25,000	25,000	1,470	17,165	18,635
Norwalk Hospital	H	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.49%	10,040	10,040	1,015	4,440	5,455
Norwalk Hospital	I	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.40%	11,800	11,800	1,195	5,205	6,400
Eastern CT Health Network	E	12/21/2010	Negotiated	RBC Capital	N/A	2034	Variable	20,145	20,145	450	16,150	16,600
Waterbury Hospital	D	12/22/2010	Private	RBC Capital	N/A	2020	4.54%	25,918	25,918	262	23,142	23,404
Yale New Haven	M*	12/22/2010	Negotiated	Barclays Capital	PFM	2040	5.44%	104,390	104,390	-	-	-
Seabury Retirement Community	A*	12/23/2010	Private	Herbert J. Sims & Co.	N/A	2020	Variable	21,000	21,000	-	-	-
CIL Community Resources	A	6/9/2011	Negotiated	Prager, Sealy & Co. LLC	N/A	2041	Variable	12,020	12,020	180	8,685	8,865
Western CT Healthcare	K*	6/17/2011	Private	Morgan Keegan & Company, Inc	N/A	2036	Variable	33,035	33,035	-	-	-
Sacred Heart University	G	6/29/2011	Negotiated	RBC Capital	Lamont Financial Services	2041	5.46%	43,905	43,905	1,040	39,025	40,065
Connecticut College	H-1	6/30/2011	Negotiated	RBC Capital	Lamont Financial Services	2041	4.99%	12,110	12,110	-	12,110	12,110
Connecticut College	H-2	6/30/2011	Negotiated	RBC Capital	Lamont Financial Services	2031	5.79%	3,985	3,985	145	3,310	3,455
Connecticut Children's Medical Center	D	6/30/2011	Private	Cain Brothers & Company	N/A	2032	Variable	41,580	41,580	710	35,270	35,980
Western CT Healthcare	L*	7/13/2011	Private	Morgan Keegan & Company, Inc	N/A	2041	Variable	96,000	96,000	-	-	-
Western CT Healthcare	M	7/13/2011	Negotiated	Morgan Keegan & Company, Inc	Acacia Financial	2041	5.44%	46,030	46,030	-	46,030	46,030
Middlesex Hospital	N	7/26/2011	Negotiated	Piper Jaffray & Co.	PFM	2027	4.26%	37,360	37,360	2,390	26,220	28,610

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>		<u>Outstanding Total Debt</u>
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Loomis Chaffee School	H	8/23/2011	Negotiated	RBC Capital	N/A	2024	3.72%	7,740	7,740	510	5,370	5,880
Lawrence & Memorial Hospital	F	9/15/2011	Negotiated	Morgan Stanley	PFM	2036	4.14%	58,940	58,940	2,975	44,895	47,870
Hartford HealthCare Corporation	A	9/29/2011	Negotiated	Citigroup Global Markets	N/A	2041	4.90%	254,730	254,730	3,750	245,075	248,825
Hartford HealthCare Corporation	B	9/29/2011	Negotiated	Merrill Lynch	N/A	2049	Variable	71,085	71,085	-	71,085	71,085
Western CT Healthcare	N	11/22/2011	Negotiated	Morgan Keegan & Company, Inc	Acacia Financial	2029	4.43%	39,880	39,880	1,580	35,505	37,085
Rectory School	B	1/5/2012	Private	George K. Baum & Company	N/A	2041	Variable	7,500	7,500	85	6,731	6,816
Sacred Heart University	H	2/14/2012	Negotiated	RBC Capital	Lamont Financial Services	2028	3.73%	47,740	47,740	2,130	36,760	38,890
Bushnell Memorial Hall	B	3/16/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	12,800	12,800	149	11,501	11,650
Brunswick School	C	3/19/2012	Negotiated	Bank of America Merrill Lynch	Acacia Financial	2033	3.76%	38,470	38,470	1,305	33,265	34,570
Connecticut College	I	4/4/2012	Negotiated	RBC Capital	PFM	2032	3.74%	12,240	12,240	1,005	7,970	8,975
Winston Preparatory School	A	4/13/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	11,378	11,378	134	10,814	10,948
University of Hartford	H	4/26/2012	Private	RBC Capital	N/A	2032	Variable	30,000	30,000	628	24,744	25,372
University of Hartford	I	4/26/2012	Private	RBC Capital	N/A	2032	2.85%	28,600	28,600	1,172	23,023	24,195
Greater Hartford YMCA	C*	4/27/2012	Private	Union Bank, NA	N/A	2038	Variable	26,660	26,660	-	-	-
Bridgeport Hospital	D	5/31/2012	Negotiated	Barclays Capital	P. G. Corbin	2025	3.33%	36,415	36,415	2,380	27,400	29,780
Pomfret School	B-1	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.59%	2,200	2,200	70	2,055	2,125
Pomfret School	B-2	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	6.09%	15,550	15,550	475	14,585	15,060
Stamford Hospital	J	6/20/2012	Negotiated	Goldman Sachs	Lamont Financial Services	2042	4.83%	250,000	250,000	-	250,000	250,000
Westminster School	G	6/29/2012	Private	Stifel, Nicolaus & Company	N/A	2042	2.50%	6,125	6,125	75	5,560	5,635
Renbrook School, The	B	8/22/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.69%	8,600	8,600	135	7,475	7,610
Masonicare	E	9/5/2012	Private	Ziegler Capital Markets Group	N/A	2037	Variable	33,000	33,000	445	29,493	29,938
Gunnery School, The	B	9/28/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.65%	8,855	8,855	140	7,860	8,000
University of Bridgeport	D	11/2/2012	Private	RBC Capital	N/A	2042	Variable	12,000	12,000	276	11,290	11,566
Taft School, The	I	11/7/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2032	2.58%	18,462	18,060	-	18,060	18,060
Norwalk Hospital	J	12/7/2012	Private	Hammond Hanlon Camp LLC	N/A	2039	Variable	82,000	82,000	1,105	77,500	78,605
Canterbury School	C	12/28/2012	Private	Stifel, Nicolaus & Company	N/A	2036	Variable	7,160	7,160	-	7,160	7,160
Washington Montessori School	B	1/25/2013	Private	N/A	N/A	2036	Variable	6,339	6,339	217	5,421	5,638
Yale New Haven	N	2/14/2013	Negotiated	Barclays Capital	Acacia Financial	2048	3.43%	49,999	44,815	-	44,815	44,815
Yale New Haven	O	2/14/2013	Negotiated	Barclays Capital	Acacia Financial	2053	Variable	50,000	50,000	-	50,000	50,000
Norwich Free Academy	B	3/1/2013	Negotiated	Piper Jaffray & Co.	A.C. Advisory	2034	3.28%	15,770	14,640	505	12,935	13,440
Pierce Memorial Baptist	B	3/13/2013	Private	Ziegler Capital Markets Group	N/A	2038	3.44%	11,454	11,454	163	10,323	10,486
Kent School	F	3/28/2013	Private	Stifel, Nicolaus & Company	N/A	2038	2.82%	17,490	17,490	270	15,820	16,090
Forman School , The	B	3/28/2013	Private	Wye River Group, Inc.	N/A	2038	Variable	4,700	4,700	193	3,912	4,105
Ethel Walker School	C	4/3/2013	Private	Stifel, Nicolaus & Company	N/A	2040	Variable	8,665	8,665	120	8,185	8,305
UCONN Foundation	C	4/24/2013	Private	Wells Fargo	N/A	2023	1.90%	20,000	20,000	2,500	15,000	17,500
King Low Heywood School	B	4/30/2013	Private	N/A	A.C. Advisory	2033	2.17%	9,100	9,100	170	7,885	8,055
Day Kimball Hospital	B	6/6/2013	Private	Piper Jaffray & Co.	N/A	2043	5.78%	30,330	30,330	1,050	27,705	28,755
Yale University	2013A	7/2/2013	Negotiated	J.P. Morgan	N/A	2042	Variable	100,000	100,000	-	100,000	100,000
Williams School	B	8/13/2013	Private	N/A	N/A	2031	Variable	4,195	4,195	95	3,605	3,700
South Kent School	A	8/29/2013	Private	Stifel, Nicolaus & Company	N/A	2039	Variable	7,300	7,300	97	7,109	7,206
Saint Joseph Living Center	B*	9/20/2013	Private	N/A	Fairmount Capital	2023	Variable	5,000	5,000	-	-	-
Village for Families & Children	C	10/2/2013	Private	Fairmount		2032	Variable	9,987	9,987	422	8,459	8,881
Lawrence & Memorial Hospital	G	10/10/2013	Private	Morgan Stanley	Fairmount Capital	2038	3.25%	30,000	30,000	850	27,525	28,375
University of New Haven	I	10/11/2013	Private	RBC	PFM	2040	Variable	28,670	28,670	782	26,816	27,598
Avon Old Farms School	C	11/1/2013	Private	Stifel, Nicolaus & Company	N/A	2036	4.16%	24,606	24,606	366	22,854	23,220
University of Saint Joseph	C	11/1/2013	Private	RBC	N/A	2038	Variable	10,800	10,800	304	9,729	10,033
University of Saint Joseph	D	11/1/2013	Private	RBC	N/A	2043	3.55%	10,800	10,800	252	9,989	10,241
Lawrence & Memorial Hospital	H	11/5/2013	Negotiated	Morgan Stanley	Fairmount Capital	2034	Variable	21,405	21,405	-	21,405	21,405
Suffield Academy	C	11/20/2013	Private	Stifel, Nicolaus & Company	N/A	2038	Variable	13,750	13,750	201	12,628	12,829
University of New Haven	J	11/22/2013	Private	N/A	PFM	2033	Variable	10,000	10,000	450	8,945	9,395

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding Current</u>	<u>Outstanding Long-Term</u>	<u>Outstanding Total Debt</u>
Stanwich School	B	12/06/13	Private	Merrill Lynch	N/A	2037	Variable	10,000	10,000	104	9,888	9,992
Saint Francis Hospital	H*	1/24/2014	Private	N/A	N/A	2043	3.04%	50,000	50,000	-	-	-
Saint Francis Hospital	I*	1/24/2014	Private	N/A	N/A	2043	Variable	60,000	60,000	-	-	-
Saint Francis Hospital	J*	1/24/2014	Private	N/A	N/A	2043	Variable	40,000	40,000	-	-	-
Saint Francis Hospital	K*	1/24/2014	Private	N/A	N/A	2043	Variable	35,000	35,000	-	-	-
Saint Francis Hospital	L*	1/24/2014	Private	N/A	N/A	2043	Variable	20,000	20,000	-	-	-
Saint Francis Hospital	M*	1/24/2014	Private	N/A	N/A	2043	Variable	8,215	8,215	-	-	-
Xavier High School	A	2/14/2014	Private	N/A	N/A	2029	Variable	5,575	5,575	192	5,127	5,319
Hartford HealthCare Corporation	E	3/26/2014	Negotiated	Citigroup Global Markets	Fairmount Capital	2042	4.82%	85,959	83,790	-	83,790	83,790
Yale-New Haven Hospital	A	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2034	4.14%	117,127	102,300	-	102,300	102,300
Yale-New Haven Hospital	B	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2049	Variable	168,275	168,275	-	168,275	168,275
Yale-New Haven Hospital	C	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2025	Variable	83,625	83,625	6,610	70,625	77,235
Yale-New Haven Hospital	D	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2048	Variable	108,275	108,275	-	108,275	108,275
Yale-New Haven Hospital	E	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2037	3.82%	91,157	80,935	2,375	76,335	78,710
Trinity College	N	7/15/2014	Private	N/A	A.C. Advisory	2026	2.67%	22,535	22,535	939	18,153	19,092
Yale University	2014A	7/23/2014	Negotiated	Barclays Capital	N/A	2048	0.81%	250,000	250,000	-	250,000	250,000
Westminster School	H	9/24/2014	Negotiated	Stifel, Nicolaus & Company	Fairmount Capital	2036	3.56%	20,605	19,930	150	19,465	19,615
Duncaster Incorporated	A	9/24/2014	Negotiated	Ziegler Capital Markets Group	A.C. Advisory	2044	5.09%	11,881	12,000	-	12,000	12,000
University of Bridgeport	E	9/30/2014	Private	Oppenheimer & Co, Inc.	N/A	2024	1.45%	25,000	25,000	89	24,911	25,000
Connecticut College	J	9/30/2014	Private	RBS Citizens, N.A.	N/A	2044	3.17%	9,200	9,200	-	9,200	9,200
Connecticut College	K	9/30/2014	Private	RBS Citizens, N.A.	N/A	2044	TBD	3,300	3,300	-	3,300	3,300
Our Piece of the Pie	A	9/30/2014	Private	N/A	N/A	2044	3.78%	5,600	5,600	96	4,852	4,948
Kent School	G	11/13/2014	Negotiated	Stifel, Nicolaus & Company	A.C. Advisory	2023	1.92%	12,765	11,545	1,350	9,310	10,660
Cherry Brook Health Care Center	B	12/11/2014	Private	N/A	Acacia Financial	2024	3.03%	4,200	4,200	371	3,275	3,646
Greater Hartford YMCA	D	12/23/2014	Private	N/A	N/A	2044	2.24%	27,500	27,500	825	26,325	27,150
Choate Rosemary Hall	E	3/27/2015	Private	N/A	N/A	2037	3.64%	36,110	36,110	1,025	34,025	35,050
Westminster School	I	4/30/2015	Private	Stifel, Nicolaus & Company	N/A	2026	2.03%	5,556	5,556	215	4,836	5,051
Western CT Healthcare	O	5/8/2015	Private	N/A	N/A	2041	0.97%	122,120	122,120	-	122,120	122,120
Hartford HealthCare Corporation	G	5/12/2015	Negotiated	Morgan Stanley	N/A	2045	4.59%	76,203	71,965	-	71,965	71,965
Hartford HealthCare Corporation	F	5/12/2015	Negotiated	Morgan Stanley	N/A	2049	1.10%	50,665	50,665	-	50,665	50,665
Middlesex Hospital	O	5/19/2015	Negotiated	Piper Jaffray & Co.	Acacia Financial	2036	3.90%	19,492	18,275	590	17,685	18,275
Yale University	2015A	7/1/2015	Negotiated	Barclays Capital	N/A	2035	Variable	300,000	300,000	-	300,000	300,000
Canterbury School	D	7/14/2015	Private	Stifel Nicolaus	Acacia Financial	2035	4.05%	10,757	10,757	20	10,726	10,746
Trinity College	O	7/15/2015	Private	N/A	A.C. Advisory	2037	2.71%	22,890	22,890	405	22,090	22,495
University of Hartford	J	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2045	Variable	20,450	20,515	284	19,731	20,015
University of Hartford	K	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	14,935	15,000	274	14,219	14,493
University of Hartford	L	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	Variable	9,935	10,000	183	9,478	9,661
University of Hartford	M	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	9,935	10,000	183	9,479	9,662
Miss Porter's School	C-1	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.47%	9,388	9,388	-	9,264	9,264
Miss Porter's School	C-2*	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.56%	7,643	7,643	-	-	-
Miss Porter's School	D	8/18/2015	Private	George K. Baum & Company	N/A	2022	2.13%	6,000	6,000	-	6,000	6,000
Westminster School	J	8/19/2015	Private	Stifel Nicolaus	N/A	2040	3.07%	10,000	10,000	-	10,000	10,000
Taft School, The	J	8/28/2015	Private	Sifel Nicolaus	N/A	2037	1.01%	10,300	10,300	-	10,300	10,300
Quinnipiac University	L	9/22/2015	Negotiated	Barclays Capital	N/A	2045	4.27%	350,140	324,995	-	324,995	324,995
Church Homes	B	11/18/2015	Private	N/A	N/A	2030	2.62%	15,282	15,282	374	14,908	15,282
Ridgefield Academy	B	12/3/2015	Private	Piper Jaffray & Co.	N/A	2035	Variable	9,736	9,736	249	9,238	9,487
Salisbury School	D	12/10/2015	Private	Stifel Nicolaus	N/A	2046	3.09%	48,194	48,194	496	47,540	48,036
Trinity College	P	12/17/2015	Private	Stifel Nicolaus	N/A	2025	Variable	23,000	23,000	266	22,512	22,778
Trinity Health	2016	1/26/2016	Negotiated	Bank of America Merrill Lynch	N/A	2045	4.28%	248,808	220,325	-	220,325	220,325
Charlotte Hungerford Hospital	D	2/23/2016	Private	N/A	N/A	2036	2.24%	13,000	13,000	325	12,675	13,000

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
**(In Thousands of Dollars)**

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>		<u>Outstanding Total Debt</u>
										<u>Current</u>	<u>Long-Term</u>	
Fairfield University	Q1	2/25/2016	Negotiated	J.P. Morgan	Acacia Financial	2046	4.48%	53,425	46,600	-	46,600	46,600
Fairfield University	Q2	3/30/2016	Negotiated	J.P. Morgan	Acacia Financial	2034	3.03%	20,007	17,645	-	17,645	17,645
Church Home of Hartford (Seabury)	2016A	4/21/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2053	4.91%	54,155	52,515	-	52,515	52,515
Church Home of Hartford (Seabury)	2016B-1	4/21/2016	Ltd Public	Ziegler Capital Markets Group	Fairmount Capital	2021	4.91%	9,250	9,250	-	9,250	9,250
Church Home of Hartford (Seabury)	2016B-2	4/21/2016	Ltd Public	Ziegler Capital Markets Group	Fairmount Capital	2020	4.91%	13,500	13,500	-	13,500	13,500
Quinnipiac University	M	4/28/2016	Negotiated	Barclays Capital	N/A	2036	3.62%	116,513	98,585	1,575	97,010	98,585
Miss Porter's School	C-2 (C)	4/4/2016	Private	George K. Baum & Company	Acacia Financial	2045	3.56%	7,567	7,567	-	7,542	7,542
Middlesex Hospital	P	6/10/2016	Private	Piper Jaffray & Co.	N/A	2027	2.03%	9,610	9,683	437	9,246	9,683
Ethel Walker School	D-1	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	8,145	8,145	-	8,145	8,145
Ethel Walker School	D-2	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	5,000	5,000	-	5,000	5,000
Saint Joseph's Living Center	B(R)	6/15/2016	Private	N/A	N/A	2023	Variable	2,840	2,840	36	2,804	2,840
<b>Total Hospital, Education &amp; Other</b>								13,109,586	17,595,608	108,145	7,847,925	7,956,070
<b><u>Child Care Program</u></b>												
Child Care Program	A & B*	11/01/98	Negotiated	First Union	PFM	2028	5.02%	10,331	10,520	-	-	-
Child Care Program	C*	09/09/99	Negotiated	First Union	PFM	2029	5.61%	18,029	18,690	-	-	-
Child Care Program	D*	08/16/00	Negotiated	First Union	PFM	2029	5.59%	3,761	3,940	-	-	-
Child Care Program	E*	04/25/01	Negotiated	First Union	PFM	2030	5.09%	3,746	3,865	-	-	-
Child Care Program	F	12/20/06	Negotiated	Wachovia Bank NA	PFM	2036	4.71%	20,168	19,165	-	-	-
Child Care Program	G	10/23/08	Negotiated	Bank of America	Lamont Financial Services	2038	6.12%	16,875	16,875	-	-	-
Child Care Program	H	08/19/11	Negotiated	Piper Jaffray & Co.	Lamont Financial Services	2031	4.29%	28,840	28,840	1,410	21,990	23,400
Child Care Program	2015	04/01/15	Negotiated	Piper Jaffray & Co.	Acacia	2038	3.67%	35,709	33,475	970	31,590	32,560
New Opportunities for Waterbury	A*	05/13/98	Private	Greenwich Partners	N/A	2028	6.78%	4,706	5,795	-	-	-
<b>Total Child Care Program</b>								142,165	141,165	2,380	53,580	55,960
<b><u>Special Capital Reserve Fund Program (SCRF)</u></b>												
Noble Horizons	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	6,270	6,435	-	-	-
Cherry Brook Nursing Center	SCRF	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,154	9,380	-	-	-
Mansfield Center for Nursing and Reh	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,807	10,045	-	-	-
St. Joseph's Living Center	SCRF	01/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2019	5.08%	13,070	13,385	-	-	-
Sharon Health Care	SCRF*	04/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2021	6.28%	8,832	8,975	-	-	-
St. Joseph's Manor	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	6.24%	12,632	12,805	-	-	-
Pope John Paul II Center for Health C	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2013	6.11%	9,361	9,450	-	-	-
St. Camillus Health Center	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2018	6.27%	13,819	14,020	-	-	-
Jewish Home for the Elderly	SCRF*	08/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2020	6.28%	7,591	7,750	-	-	-
Wadsworth Glen	SCRF*	10/13/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.55%	7,403	7,445	-	-	-
Highland View Manor	SCRF*	10/13/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.52%	9,955	10,010	-	-	-
AHF Hartford	SCRF*	11/15/94	Negotiated	J. P. Morgan/ US Sec	P.G. Corbin	2024	7.40%	43,880	45,495	-	-	-
AHF Windsor	SCRF*	11/15/94	Negotiated	J. P. Morgan/ US Sec	P.G. Corbin	2024	7.35%	15,439	16,020	-	-	-
New Horizons Village	SCRF	11/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.15%	9,975	10,050	855	-	855
Maefair Health Care	SCRF*	06/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	9.15%	12,688	12,705	-	-	-
Shady Knoll	SCRF*	09/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	8.83%	10,410	10,460	-	-	-
Laurelwood	SCRF*	11/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	9.35%	13,766	13,800	-	-	-
Sheriden Woods	SCRF*	03/15/95	Negotiated	Herbert J. Sims	P.G. Corbin	2017	8.70%	9,925	9,915	-	-	-
Abbott Terrace Health Center	SCRF*	04/15/96	Negotiated	Herbert J. Sims	P.G. Corbin	2014	6.41%	13,235	13,430	-	-	-
3030 Park Fairfield	SCRF*	05/15/96	Negotiated	Herbert J. Sims	P.G. Corbin	2021	6.90%	18,383	18,825	-	-	-
Connecticut State University System	A**	11/05/95	Competitive	First Albany	PFM	2015	5.12%	44,449	44,580	-	-	-
Connecticut State University System	B**	03/15/97	Competitive	Merrill Lynch	PFM	2017	5.31%	38,757	38,995	-	-	-
Connecticut State University System	C**	11/01/99	Competitive	Merrill Lynch	PFM	2019	5.20%	22,394	23,000	-	-	-
Connecticut State University System	D**	03/26/02	Competitive	Goldman Sachs	PFM	2022	4.73%	76,879	76,150	-	-	-

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2016**  
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding Current</u>	<u>Outstanding Long-Term</u>	<u>Outstanding Total Debt</u>
Connecticut State University System	E**	05/29/03	Competitive	CitiGroup Global Market	PFM	2033	4.35%	146,897	142,090	-	-	-
Connecticut State University System	F**	02/18/04	Competitive	CitiGroup Global Market	PFM	2015	3.38%	53,303	49,475	-	-	-
Connecticut State University System	G**	06/17/05	Competitive	Wachovia Bank, NA	PFM	2035	3.94%	51,108	50,595	2,025	2,905	4,930
Connecticut State University System	H	06/17/05	Competitive	CitiGroup Global Market	PFM	2019	4.10%	53,285	48,515	11,070	14,705	25,775
Connecticut State University System	I	04/18/07	Competitive	Wachovia Bank, NA	PFM	2033	4.20%	62,416	62,760	110	61,925	62,035
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,105	21,700	22,805
Connecticut State University System	K	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	5	13,985	13,990
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	15	47,205	47,220
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	1,195	29,765	30,960
Connecticut State University System	N	10/23/2013	Competitive	Competitive	PFM	2033	3.94%	89,171	80,340	2,680	72,755	75,435
Connecticut State University System	O	9/16/2014	Competitive	Roosevelt & Cross	PFM	2030	2.63%	23,228	21,240	1,960	16,850	18,810
<b>Total SCRF</b> (SCRF total represents a contingent liability of the State of Connecticut)								1,047,936	1,020,640	21,020	281,795	302,815
<b>Total CHEFA Issued Debt</b>								14,299,687	18,757,413	131,545	8,183,300	8,314,845

**Summary of Indebtedness  
at June 30, 2016**

**Health, Education & Other**

**SCRF - Nursing Home**

**SCRF - Connecticut State University**

**Childcare**

**Total CHEFA Debt Outstanding**

<u>Amount Issued</u>	<u>Outstanding Current</u>	<u>Outstanding Long-Term</u>	<u>Outstanding Total Debt</u>
17,595,608	108,145	7,847,925	7,956,070
260,400	855	-	855
760,240	20,165	281,795	301,960
141,165	2,380	53,580	55,960
<b>18,757,413</b>	<b>131,545</b>	<b>8,183,300</b>	<b>8,314,845</b>

Definitions:

Current - Bonds payable after June 30, 2016 but prior to June 30, 2017

Long-term - Bonds payable after June 30, 2017

\*Defeased issue

\*\*Partially defeased issue

\*\*\* Converted to Fixed Rate

**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**Construction Fund Account Disbursements**  
**Fiscal Year Ended June 30, 2016**

**Vendor**

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A. Secondino & Son, Inc.	Ethel Walker School
A.C. Advisory, Inc.	Facility Support Services, LLC
Acacia Financial Group Inc.	Fairfield University
Adtech Systems, LLC	Fairmount Capital Advisors
Alta Environmental Corporation	Farmington Bank
Altura Communications	Fidelity National Title Insurance Company
Amtec	First American Title Insurance Company
Aztech Engineers, Inc.	First Niagra Bank
Barresi Associates, LLC	Fitch Ratings
Bartholomew Contract Interiors	Foley & Lardner, LLP
BHV Integrated Services, Inc.	Fuss & O'Neill Inc.
Bowditch & Dewey	G. Donovan Associates, Inc
C Squared Systems, LLC	George K. Baum & Company
Campus Televideo, Inc.	Graybar
Canterbury School	Greater Hartford YMCA
Carmody & Torrance	GreenbergTraurig
CATIC	Greenbrier Development
Causey Demgen & Moore	Harris Beach PLLC
Chapman and Cutler, LLP	Hartford Healthcare
Charlotte Hungerford Hospital	Hawkins Delafield & Wood
Cherry Brook Nursing Home	Hinckey Allen & Snyder, LLP
Choate Rosemary Hall	ImageMaster
Church Home of Hartford, Inc.	Johnson Controls
Church Homes Inc. Congregation	Joseph J Blake & Associates, Inc.
Citibank N.A. New York	Kone Inc.
City of New Britain	KPMG, LLP
Comnet Communications, LLC	Logicalis
Connecticut Boiler Repair & Manufacturing Co., Inc.	M.D. Stetson Company
Consulting Engineering Services, Inc.	Marcum, LLP
Creative Office Interiors	Martin Laviero Contractor, Inc.
CT Children's Medical Center	McCarter & English, LLP
CWPM, LLC	M.E. O'Brien & Sons, Inc.
Day Kimball Hospital	Mercury Cabling Systems, LLC
Day Pitney, LLP	Miss Porter's School
Desman Associates	Moody's Investor Service
Dimeo Construction Company	Morganti Group
DJ Products, Inc.	Murtha Cullina LLP
East Side Welding	Nabors Giblin & Nickerson PA
Electrical Wholesalers, Inc.	Nasi Group, LLC

**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**Construction Fund Account Disbursements**  
**Fiscal Year Ended June 30, 2016**

**Vendor**

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Nathan L Jacobson & Associates Inc.	St. Joseph's Living Center
New England Fitness District Inc.	Standard & Poors
Norwalk Hospital	Stantec Consulting Services
Oak Park Architects LLC	Stifel, Nicolaus & Co, Inc.
Olsen Construction Services LLC	Strategic Building Solutions
Omni Data	Sun Services, LLC
Oppenheimer & Co., Inc.	Symmes Maini & McKee
Owens, Schine & Nicola, P.C.	Taft School
PAC Group LLC	Tai Soo Kim Partners
PFM Asset Management, LLC	TD Bank N.A.
Piper Jaffray	The Arbitrage Group, Inc.
Public Financial Management Inc.	The CBORD Group, Inc.
Pullman & Comley LLC	The Pellegrino Law Firm
Quinnipiac University	ThyssenKrupp Elevator Corporation
Quisenberry Arcari Architects, LLC	Tilcon Connecticut, Inc.
R&C Electric	Town of Bloomfield
RD Weis Companies, Inc.	Tradesmen New England, LLC
Reid and Reige, P.C.	Treasurer, State of Connecticut
Rivco Construction, LLC	Trinity College
Roadstone Construction	University of Bridgeport
Robert A. Eick Quality Bookbinding, LLC	University of Hartford
Robinson & Cole	University of Saint Joseph
Rome McGuigan P.C.	Updike, Kelly & Spellacy
Salisbury Bank & Trust	US Bank
Shipman & Goodwin	Wastequip, LLC
Sign Pro, Inc.	Westminster School
Siracusa Moving & Storage	Wise Components, Inc.
Sound Title, LLC	Yale New-Haven Hospital
Spec-Clean, LLC	Yale University
Special Testing Labs Inc.	ZumBrunnen, Inc.
Squire Patton Briggs, (US) LLP	



**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**General Account Disbursements**  
**Fiscal Year Ended June 30, 2016**

<b>Vendor</b>	
A&A Office Systems Inc.	Iron Mountain Records
Ains, LLC	Jewish Family Service of New Haven, Inc.
American National Red Cross	Kaplan Early Learning Company
American School for the Deaf	Klingberg Family Centers, Inc.
Aniello Associates, Inc.	Local Initiatives Support Corp.
Bank of America	Malta House of Care, Inc.
Bethel Visiting Nurse Association, Inc.	Mercy Housing and Shelter Corporation
Bloomberg Finance LP	Metlife-Group Benefits
Brass City Harvest, Inc.	Middlesex Hospital
Bridgeport Hospital	Mid-Fairfield AIDS Project, Inc.
Catholic Charities of Fairfield County, Inc.	Mount Olive Child Development Center, Inc.
Catholic Charities, Inc.	Net Access
CBIA Health Connections	New Opportunities
CDW Government, Inc.	Paul Taylor
Central Connecticut Coast YMCA	People's United Bank
Child Guidance Center of Southern CT, Inc.	Person-to-Person Inc.
Cologix, Inc.	Ponder & Co.
Columbus House, Inc.	Premier Global Services
Community Health Center, Inc.	Principal Mutual Life
Community Health Services, Inc.	Quinnipiac University
Community Partners In Action	Regional Hospice and Home Care of Western CT, Inc
Community Renewal Team	Regional YMCA of Western Connecticut, Inc.
Connecticut 4-H Development Fund, Inc.	RMI Associates, LLC
Connecticut Business Systems	Robert Half Technology
Connecticut Coalition Against Domestic Violence	Rushford Center, Inc.
Connecticut Food Bank Inc.	Sacred Heart University
Connecticut Science Center Inc.	Saint Francis Hospital and Medical Center
Cornell Scott Hill Health Corporation	Sheraton Hartford South Hotel
Covenant Soup Kitchen, Inc.	Shoreline Soup Kitchens
Crowe Horwath LLP	Standard Insurance Company RD
CT Computer Service, Inc & CASE Partners	Stepping Stones Museum for Children, Inc.
Danbury Hospital	Suburban Stationers Inc.
Day Kimball Healthcare	The Artists Collective, Inc.
Eastern AHEC, Inc.	The Bank of New York Mellon
Estuary Council of Seniors Inc.	The Bridge Family Center, Inc.
Fairfield University	The Children's Museum, Inc.
Farm to Family, Inc.	The Cornerstone Foundation, Inc.
Fish/Friends in Service to Humanity of Northwestern CT	The Pond House Café
Foodshare, Inc.	The Riverfront Children's Center, Inc.
GCCFC 2007-GG9 Columbus Boulevard, LLC	The University of Connecticut Foundation, Inc.
Greater Waterbury Interfaith Ministries, Inc.	The Village for Families & Children, Inc.
Harris Beach PLLC	The Waterbury YMCA
Hartford Food System, Inc.	Theurkauf Consulting, LLC
Hartford Gay & Lesbian Health Collective, Inc.	Tom Virgin d.b.a. Studio Tom
Hartford Hospital	Treasurer, State of CT
Hartford Square North	Trinity College
Integrated Health Services, Inc.	United Community and Family Services, Inc.

**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**General Account Disbursements**  
**Fiscal Year Ended June 30, 2016**

**Vendor**

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United Way, Inc.	Visiting Nurse Services of Connecticut, Inc.
US Bank	Willis of Connecticut, LLC
Verizon Business	Yale University
Visiting Nurse Association of Ridgefield, Inc.	YWCA of the Hartford Region, Inc.

**C H E F A**  
**Loans, Grants or Services Over \$5,000**  
**Bonds Issued**  
**Fiscal Year Ended June 30, 2016**

<b>Institution</b>	<b>Series</b>	<b>Amount</b>
Yale University	2015A	300,000,000
Canterbury School	D	10,757,000
Trinity College	O	22,890,000
University of Hartford	J	20,515,000
University of Hartford	K	15,000,000
University of Hartford	L	10,000,000
University of Hartford	M	10,000,000
Miss Porter's School	C-1	9,388,000
Miss Porter's School	C-2	7,643,000
Miss Porter's School	D	6,000,000
Westminster School	J	10,000,000
Taft School	J	10,300,000
Quinnipiac University	L	324,995,000
Church Homes, Inc	B	15,282,000
Ridgefield Academy	B	9,736,000
Salisbury School	D	48,194,000
Trinity College	P	23,000,000
Trinity Health Corporation	2016	220,325,000
Charlotte Hungerford Hospital	D	13,000,000
Fairfield University	Q-1	46,600,000
Fairfield University	Q-2	17,645,000
Miss Porter's School	C-2 (C)	7,567,214
Seabury Retirement Community	A	52,515,000
Seabury Retirement Community	B-1	9,250,000
Seabury Retirement Community	B-2	13,500,000
Quinnipiac University	M	98,585,000
Middlesex Hospital	P	9,683,000
Ethel Walker School	D-1	8,145,000
Ethel Walker School	D-2	5,000,000
Saint Joseph's Living Center	B (R)	2,840,000

**CHEFA Budget Summary**  
**Budget for the Twelve Months Ending June 30, 2017**

	<i>With CHESLA Adj</i>	<i>As Approved Prior to CHESLA Adj. <sup>1</sup></i>
	<b>FYE June 30, 2017 Budget</b>	<b>FYE June 30, 2017 Budget</b>
<b>Revenues</b>		
CHEFA Fees	\$ 7,345,468	\$ 7,345,468
Investment Income	39,086	39,095
Up-Front fees	35,000	35,000
Support Services - CHESLA & CSLF	234,038	234,038
Misc Income & Recovery	0	
<b>Total Revenues</b>	<b>\$ 7,653,591</b>	<b>\$ 7,653,601</b>
<b>Expenses</b>		
Compensation	\$ 2,157,195	\$ 2,157,195
Employee Benefits	694,934	694,934
General and Administrative	549,743	543,735
Depreciation	58,321	58,321
Business Education, Board and Reimbursable	46,100	46,100
Membership Dues	14,240	14,240
Outside Services	129,402	129,402
<b>Total Expenses</b>	<b>\$ 3,649,935</b>	<b>\$ 3,643,927</b>
<b>Excess Revenue from Operations</b>	<b>\$ 4,003,656</b>	<b>\$ 4,009,674</b>
<b>Program Related Expense</b>	<b>2,181,940</b>	<b>2,181,940</b>
<b>Change in Net Position before Transfer</b>	<b>\$ 1,821,716</b>	<b>\$ 1,827,733</b>
<b>Use of Net Position</b>	<b>1,678,284</b>	<b>1,672,267</b>
<b>Non Operating Revenue (Expense)</b>		
State of Connecticut - Transfer PA 15-244	(3,500,000)	(3,500,000)
<b>Change in net position after Transfer</b>	<b>\$ 0</b>	<b>\$ 0</b>

\* Revised budget for Consultant increase per Board approval July 2014

\*\* Projected Actual 2016 is based on Actual Financials as of March 31, 2016, plus 3 months of projected amounts.

<sup>1</sup> - CHESLA percent allocation change from 11% to 9%; additional staff hiring will not occur in FY 2017

**CHEFA Salary & Benefits Expense**  
**Budget for the Twelve Months Ending June 30, 2017**

	<b>FYE June 30, 2015 Actual</b>	<b>FYE June 30, 2016 Budget</b>	<b>FYE June 30, 2016 Proj Actual</b>	<b>FYE June 30, 2017 Budget</b>
<b>Staff Compensation (inc Labor Grade)</b>	\$ 2,190,276	\$ 2,190,893	\$ 2,024,065	\$ 2,157,195
Temporary Salaries	4,263	0	847	0
<b>Total Compensation</b>	<b>\$ 2,194,539</b>	<b>\$ 2,190,893</b>	<b>\$ 2,024,912</b>	<b>\$ 2,157,195</b>
<b>Payroll Taxes</b>	\$ 156,344	\$ 155,106	\$ 145,220	\$ 150,489
<b>Medical &amp; Life Insurance</b>				
CBIA Medical w/CBIA Life	211,738	221,411	174,985	202,497
Deductible Funding HSA (CHEFA)	54,375	52,500	50,057	53,625
Less: CBIA Co-insurance	(50,243)	(52,215)	(39,858)	(45,402)
Net Medical Insurance	215,870	221,696	185,184	210,720
CHEFA Alternative Insurance	11,200	11,200	11,434	11,200
Life Insurance	8,102	7,450	6,765	7,189
Dental	27,356	26,047	22,699	27,201
<b>Total Medical, Life Insurance &amp; Other</b>	<b>262,528</b>	<b>266,393</b>	<b>226,082</b>	<b>256,310</b>
<b>Pension</b>				
Contributions	216,869	219,089	205,615	215,719
Administrative Fee	6,006	6,006	7,706	6,006
<b>Pension</b>	<b>222,875</b>	<b>225,095</b>	<b>213,321</b>	<b>221,725</b>
<b>Flex Spending Account Administrative Fee</b>	0	0	0	0
<b>457 Plan &amp; Administrative Fee</b>	29,403	30,155	26,888	28,500
<b>Vacation</b>	0	5,000	5,000	5,000
<b>Disability Insurance - Long Term</b>	7,248	6,136	5,671	6,103
<b>Disability Insurance - Short Term</b>	9,042	9,064	8,354	8,902
<b>Workers Compensation</b>	8,155	6,792	7,030	6,405
<b>Tuition</b>	5,490	11,500	3,855	11,500
<b>Total Employee Benefits</b>	<b>701,085</b>	<b>715,241</b>	<b>641,421</b>	<b>694,934</b>
<b>Total Employment</b>	<b>\$ 2,895,624</b>	<b>\$ 2,906,134</b>	<b>\$ 2,666,333</b>	<b>\$ 2,852,129</b>
<b>Benefit % to Compensation</b>	31.95%	32.65%	31.68%	32.21%

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2017**

	FYE June 30, 2015 Actual	FYE June 30, 2016 Budget	FYE June 30, 2016 Proj Actual	FYE June 30, 2017 Budget
<b>Lease &amp; Storage</b>				
Lease - Office Space	\$ 214,390	\$ 220,192	\$ 220,163	\$ 225,480
Lease - Common area fee & Taxes	5,231	17,786	15,692	3,972
Offsite Storage & Filesanywhere (electronic storage)	7,204	7,500	6,490	7,500
<b>Total Lease &amp; Storage</b>	<b>226,825</b>	<b>245,478</b>	<b>242,345</b>	<b>236,952</b>
<b>Business Insurance</b>				
Office Package	6,158	6,849	5,372	5,908
Cyber Policy	650	715	781	788
Fiduciary, Performance Bond, Crime & Terrorism	2,797	3,286	2,796	2,874
Directors and Officers Liability / Public Officials Policy	55,096	60,606	56,614	62,274
<b>Total Business Insurance</b>	<b>64,701</b>	<b>71,456</b>	<b>65,563</b>	<b>71,844</b>
<b>Office Supplies and Non Capital Equipment</b>				
General Office/Computer/Network & Printer supplies	7,252	10,000	6,810	10,000
Non-Capital furniture, Equipment & Software Licensing	1,888	9,620	8,695	13,607
<b>Total Office Supplies and Non Capital Equip</b>	<b>9,140</b>	<b>19,620</b>	<b>15,505</b>	<b>23,607</b>
<b>Communications: Telephone &amp; Internet</b>				
Phone (Voice & Data Svc) & Conferencing	19,517	21,975	19,442	21,975
Cable TV (ComCast)		0	0	0
Business Continuity (CLAR svc)		0	0	0
Email (McAfee)	843	1,510	1,104	1,618
Bloomberg - Securities	24,001	25,080	24,902	25,080
<b>Total Communications: Phone &amp; Internet</b>	<b>44,361</b>	<b>48,565</b>	<b>45,448</b>	<b>48,673</b>
<b>Postage Expense</b>				
Postage & Courier Expense	3,388	4,000	3,114	4,000
Postage -Ascom meter rental & New Eng. Mail Mach.	2,712	2,900	2,631	2,639
<b>Total Postage Expense</b>	<b>6,100</b>	<b>6,900</b>	<b>5,745</b>	<b>6,639</b>
<b>Maintenance Service &amp; Contracts</b>				
Copiers - Leases & Network Charge	13,411	20,354	13,118	11,989
Copiers - Usage	5,077	6,720	5,801	6,720
Copiers - Miscellaneous Maintenance & Taxes	0	0	0	0
Printer, Fax & Phone Support	3,592	1,615	1,427	8,510
Co-location Svcs and Point to Point T1 (Bus Continuity)	21,975	24,734	23,579	19,566
Plant Service	2,160	2,700	2,160	2,700
Maintenance (Systems, Software & General)	12,543	18,623	16,833	22,129
<b>Total Maintenance Service &amp; Contracts</b>	<b>58,758</b>	<b>74,746</b>	<b>62,918</b>	<b>71,613</b>
<b>Publications &amp; Resource Materials</b>	<b>5,189</b>	<b>7,515</b>	<b>2,852</b>	<b>7,515</b>
<b>Bond Issuance Cost</b>	<b>25,608</b>	<b>22,000</b>	<b>19,364</b>	<b>22,000</b>
<b>Marketing Costs</b>				
Signs	2,390	3,500	1,810	3,500
Client Conferences & Education	8,569	7,500	14,626	20,000
Advertising and Miscellaneous	1,833	6,000	0	5,000
<b>Total Marketing Costs</b>	<b>12,792</b>	<b>17,000</b>	<b>16,436</b>	<b>28,500</b>

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2017**

	FYE June 30, 2015 Actual	FYE June 30, 2016 Budget	FYE June 30, 2016 Proj Actual	FYE June 30, 2017 Budget
<b>Miscellaneous</b>				
Kitchen supplies, soda, Sam's Club	5,126	5,000	5,011	<b>6,000</b>
ADP Payroll Service	2,829	3,500	2,925	<b>9,900</b>
Triple Springs Water Cooler	1,000	1,000	837	<b>1,000</b>
Staff Activities - Holiday, Summer & Team Building	2,487	2,500	1,207	<b>2,500</b>
Bank Fees & Safe Deposit Box	4,768	6,000	4,661	<b>6,000</b>
Acknowledgement Fund	967	1,500	3,722	<b>2,500</b>
Miscellaneous	210	1,000	251	<b>1,000</b>
<b>Total Miscellaneous</b>	<b>17,387</b>	<b>20,500</b>	<b>18,614</b>	<b>28,900</b>
<b>Contributions</b>	<b>3,917</b>	<b>5,000</b>	<b>2,951</b>	<b>3,500</b>
<b>Provision for Uncollectibles</b>	<b>12,354</b>		<b>1,989</b>	<b>0</b>
<b>Total General and Administrative Expenses</b>	<b>\$ 487,132</b>	<b>\$ 538,780</b>	<b>\$ 499,730</b>	<b>\$ 549,743</b>

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2017**

	<b>FYE June 30, 2015 Actual</b>	<b>FYE June 30, 2016 Budget</b>	<b>FYE June 30, 2016 Proj Actual</b>	<b>FYE June 30, 2017 Budget</b>
<b>Depreciation</b>	\$ 71,011	\$ 57,798	\$ 63,241	\$ <b>58,321</b>
<b>Employee Reimbursable</b>				
Staff Business expenses	1,463	3,500	1,395	<b>3,500</b>
Validated Parking	334	600	437	<b>600</b>
<b>Total Employee Reimbursable</b>	1,797	4,100	1,832	<b>4,100</b>
<b>Board Expense</b>				
Monthly Board Lunches	1,713	2,600	2,068	<b>2,000</b>
Board Business expenses	1,705	1,200	1,444	<b>1,500</b>
<b>Total Board Expense</b>	3,418	3,800	3,512	<b>3,500</b>
<b>Conference &amp; Education Expense</b>				
Conferences (including expenses)	9,179	23,500	3,300	<b>20,500</b>
Applications-Staff Education (non tuition, computer and	1,125	13,250	11,259	<b>18,000</b>
<b>Total Conference &amp; Education Expense</b>	10,304	36,750	14,559	<b>38,500</b>
<b>Education - Board</b>	0	375	0	<b>0</b>
<b>Total Business Education, Board and Reimbursable</b>	\$ 15,519	\$ 45,025	\$ 19,903	\$ <b>46,100</b>
<b>Memberships Dues</b>	\$ 11,173	\$ 14,050	\$ 10,544	\$ <b>14,240</b>



**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2017**

	FYE June 30, 2015 Actual	FYE June 30, 2016 Budget	FYE June 30, 2016 Proj Actual	FYE June 30, 2017 Budget
<b>Accounting Systems</b>				
Special programming-Accounting	2,813	10,000	3,996	<b>10,000</b>
Service Contract-Accounting	3,165	3,352	3,179	<b>3,352</b>
<b>Total Accounting Systems</b>	<b>5,978</b>	<b>13,352</b>	<b>7,175</b>	<b>13,352</b>
<b>Consultant Others</b>				
Placement Fees - Staff	0	2,000	2,000	<b>2,000</b>
Arbitrage Calculation, Review or Legal	0	20,000	0	<b>20,000</b>
Other - Consultant	99,253	316,300	150,865	<b>56,300</b>
<b>Consultant - Others</b>	<b>99,253</b>	<b>338,300</b>	<b>152,865</b>	<b>78,300</b>
<b>Legal</b>	0	10,000	0	<b>10,000</b>
<b>Audit</b>				
Independent Auditors	30,633	28,875	27,500	<b>26,250</b>
State Audit	0	1,500	0	<b>1,500</b>
<b>Total Accounting, Audit, Consultants &amp; Other</b>	<b>\$ 135,864</b>	<b>\$ 392,027</b>	<b>\$ 187,540</b>	<b>\$ 129,402</b>
<b>Transfer of Reserves - Due to State of CT</b>	0	3,500,000	3,500,000	<b>3,500,000</b>
<b>Program Related Expense</b>				
<b>Grant Programs</b>				
Non Client	1,325,022	875,000	1,125,000	<b>875,000</b>
Client	1,250,000	875,000	875,235	<b>875,000</b>
Target Investment	418,222	250,000	0	<b>250,000</b>
<b>Grant Programs</b>	<b>2,575,022</b>	<b>2,000,000</b>	<b>2,000,235</b>	<b>2,000,000</b>
<b>Child Care Programs</b>				
Guar. Loan Fund - Administrative Expense	144,095	142,140	122,138	<b>37,140</b>
Guar. Loan Fund Investment Earnings	(1,717)	(2,000)	(3,678)	<b>(5,200)</b>
<b>Net Guaranteed Loan Fund Expense</b>	<b>142,378</b>	<b>140,140</b>	<b>118,460</b>	<b>31,940</b>
3% Child Care Interest Subsidy	151,108	165,000	148,381	<b>150,000</b>
<b>Child Care Programs</b>	<b>293,486</b>	<b>305,140</b>	<b>266,841</b>	<b>181,940</b>
<b>Total Program Related Expense</b>	<b>\$ 3,286,730</b>	<b>\$ 2,305,140</b>	<b>\$ 2,267,076</b>	<b>\$ 2,181,940</b>

CHEFA Revenue Budget FY 2017

		Refinance	New Money	Totals	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17			
Estimated Closings FY 2017				7															
Up-Front Fees (Closings @ \$5,000 each)				35,000													9 basis Points	8 Basis points	7 Basis points
# Expect Close	CHEFA Fees Income (@ 9 basis points)																		
by June 30 2016	Stamford		50,000,000	50,000,000	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	40,000	35,000
by June 30 2016	Ethel Walker		5,000,000	5,000,000	375	375	375	375	375	375	375	375	375	375	375	375	4,500	4,000	3,500
1	Jul-16 Eagle Hill		5,000,000	5,000,000		375	375	375	375	375	375	375	375	375	375	375	4,125	3,667	3,208
2	Feb-17 Yale University		250,000,000	250,000,000									18,750	18,750	18,750	18,750	75,000	66,667	58,333
3	Issues Sector - Independent Schools		10,000,000	10,000,000				750	750	750	750	750	750	750	750	750	0	-	-
4	Issues Sector - Healthcare		50,000,000	50,000,000					3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	6,750	6,000	5,250
5	Issues Sector - Higher Education		50,000,000	50,000,000								3,750	3,750	3,750	3,750	3,750	30,000	26,667	23,333
Projected Closings through FYE 2017		-	420,000,000	420,000,000													18,750	16,667	14,583
		Full 12 months	378,000																
		Partial Year (2017)		184,125	4,125	4,500	4,500	5,250	9,000	9,000	9,000	12,750	31,500	31,500	31,500	31,500	184,125	163,667	143,208
																	(20,458)		(40,917)
Bond Issues - Current Portfolio (Reg. CSU & Childcare)				7,160,944	596,745	596,745	596,745	596,745	596,745	596,745	596,745	596,745	596,745	596,745	596,745	596,745	7,160,944	6,365,284	5,569,623
Bond Issues - Current Portfolio (SCRIF Nursing Home)				399	100	100	100	99									399	399	399
Total FY 2017 Accrued CHEFA Fees				7,345,468	600,970	601,345	601,345	602,094	605,745	605,745	605,745	609,495	628,245	628,245	628,245	628,245	7,345,468	6,529,349	5,713,230
																	7,345,468	(816,119)	(1,632,238)
Average Investment balance		\$ 14,476,260		0.270%	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	39,086	962,000	922,914
Total Estimated Interest Income				\$39,086	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	3,257	39,086	962,000	922,914
Total FYE 2017 Revenue Budget				\$7,419,553	604,227	604,602	604,602	605,351	609,002	609,002	609,002	612,752	631,502	631,502	631,502	631,502			

Investments - 7/01/16 13,615,261 (see exhibit A)

Upfront fees	35,000
Estimated Payroll and Operating expenses FY 2016	(5,831,875)
Semi-annual fees (Dec 2016 & June 2017)	7,345,468
Projected Investment balance before interest - 6/30/2017	15,163,854
Interest 0.27%	40,942
Projected Investment balance plus interest - 6/30/2017	15,204,797
Net Change	1,589,536
Average Change	132,461

Exhibit A

Balance 3/31/16	15,777,769	Investments
Plus: CHEFA Fees 5/20	3,652,040	
Less: Operations (April, May, Jun)	1,189,548	3 months plus \$60,000 LISC GLF + \$11,000 Peoples GLF+\$25,000 Consulting Searches
Grants (Non client)	875,000	Remaining Grant
Grants (Target-repurpose to Non	250,000	
Transfer to the State of CT	3,500,000	
	5,814,548	
Est. Beginning Investment 7/1/16	13,615,261	

Avg Activity	Est Balances	
132,461	13,747,722	jul 1
132,461	13,880,184	aug 2
132,461	14,012,645	sept 3
132,461	14,145,106	oct 4
132,461	14,277,568	nov 5
132,461	14,410,029	dec 6
132,461	14,542,490	jan 7
132,461	14,674,952	feb 8
132,461	14,807,413	mar 9
132,461	14,939,874	april 10
132,461	15,072,335	may 11
132,461	15,204,797	june 12
	14,476,260	Average Balance

# CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

## NON-DISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY AND SEXUAL HARASSMENT POLICIES

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### NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Authority is an Equal Opportunity Employer and it is the Authority's policy not to tolerate discrimination or sexual harassment in any form. The Authority does not discriminate against any person in regard to any term or condition of employment based on race, color, religious creed, age, gender, sexual orientation, gender identity or expression, marital status or civil union status, national origin, ancestry, pregnancy, present or past history of mental disorder, intellectual disability, mental or physical disability (including, but not limited to, blindness), veteran's status, prior conviction of a crime, or any other reason prohibited by any applicable law or regulation. Further, it bases its employment decisions, including recruiting, hiring, training and promoting, on this nondiscriminatory principle.

If at any time an employee feels that she or he has been discriminated against or that the above guidelines have been in any way violated, the employee should immediately inform any officer of the Authority. Any employee found to have engaged in discriminatory conduct in violation of the above may be subject to disciplinary action up to and including dismissal. The ultimate responsibility for the implementation of this policy rests with the Executive Director.

Please be advised that, in addition to the above, the Authority will not tolerate disparaging comments about any of the above classes of individuals even if the person to whom the comments are made is not a member of such a class. Any Authority employee found to have made such comments or to have exhibited discriminatory behavior based on any of these or any other classifications may be subject to disciplinary measures up to and including dismissal.

### SEXUAL HARASSMENT POLICY

It is the policy of the Authority that all employees have the right to work in an environment free from all types of discrimination including that of sexual harassment. The Authority's policy on this subject is as follows:

1. The Authority prohibits sexual harassment of employees in any form. Such conduct may result in disciplinary action up to and including dismissal.
2. Specifically, no supervisor or member of management shall threaten or insinuate, either explicitly or implicitly, that an employee's refusal to submit to sexual advances will adversely affect the employee's employment, assigned duties, or any other condition of employment or career development.
3. Other sexually harassing conduct at the workplace, whether committed by supervisors or non-supervisory personnel, is also prohibited. This includes: repeated offensive sexual flirtation; advances; propositions; continued or repeated verbal abuse of a sexual nature; graphic verbal commentaries about an individual's body; sexually oriented words used to describe an individual; and displays in the workplace of sexually suggestive objects or pictures.

Employees who feel they have been subjected to acts of sexual harassment or who feel their rights under the Sexual Harassment Policy have been violated should immediately inform any officer of the Authority. The officer(s) shall promptly investigate the complaint. Complaints will be examined impartially and, to the extent possible, confidentially. When merited, appropriate disciplinary action will be taken.

**Connecticut Health and Educational Facilities Authority**  
**Composition of Workforce**  
**as of June 30, 2016**

<b><u>Occupation</u></b>	<b><u>Race</u></b>	<b><u>Gender</u></b>
Executive Director	African American	Female
General Counsel	White	Female
Managing Director	African American	Female
Managing Director	White	Male
Controller	White	Female
Senior Transaction Specialist	White	Female
Manager, Administrative Services	White	Female
Government Programs Specialist	White	Male
Legal Services Specialist	White	Female
Grants and Marketing Program Coordinator	White	Female
Network and Data Architect	African American	Male
Senior Accountant	White	Female
Senior Systems and Data Analyst	White	Male
Compliance Specialist	White	Female
System & Data Analyst	White	Male
Administrative Assistant	African American	Female
Financial Analyst	White	Male
Junior Accountant/Analyst	White	Female

**Sec. 1-122. Compliance audit.** The Auditors of Public Accounts shall biennially conduct a compliance audit of each quasi-public agency's activities during the agency's two fiscal years preceding each such audit or contract with a person, firm or corporation for any such audit or audits. Each such audit shall determine whether the quasi-public agency 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, grants and other financial assistance. Each audit shall include a review of all or a representative sample of the agency's activities in such areas during the relevant fiscal years. The Auditors of Public Accounts shall submit each audit report to the Governor and two copies of the audit report to the Legislative Program Review and Investigations Committee. Not later than thirty days after receiving copies of an audit report from the Auditors of Public Accounts, the Legislative Program Review and Investigations Committee shall prepare an assessment of whether the audit report complies with the requirements of this section and shall submit the assessment and a copy of the audit report to the joint standing committee of the General Assembly having cognizance of matters relating to the quasi-public agency. Each quasi-public agency shall pay the cost of conducting such biennial compliance audit of the agency.

**Sec. 1-123. Reports.** (a) The board of directors of each quasi-public agency shall annually submit a report to the Governor and the Auditors of Public Accounts and two copies of such report to the Legislative Program Review and Investigations Committee. Such report shall include, but not be limited to, the following: (1) A list of all bond issues for the preceding fiscal year, including, for each such issue, the financial advisor and underwriters, whether the issue was competitive, negotiated or privately placed, and the issue's face value and net proceeds; (2) a list of all projects other than those pertaining to owner-occupied housing or student loans receiving financial assistance during the preceding fiscal year, including each project's purpose, location, and the amount of funds provided by the agency; (3) a list of all outside individuals and firms receiving in excess of five thousand dollars in the form of loans, grants or payments for services, except for individuals receiving loans for owner-occupied housing and education; (4) a balance sheet showing all revenues and expenditures; (5) the cumulative value of all bonds issued, the value of outstanding bonds, and the amount of the state's contingent liability; (6) the affirmative action policy statement, a description of the composition of the agency's work force by race, sex, and occupation and a description of the agency's affirmative action efforts; and (7) a description of planned activities for the current fiscal year. Not later than thirty days after receiving copies of such report from the board of a quasi-public agency, the Legislative Program Review and Investigations Committee shall prepare an assessment of whether the report complies with the requirements of this section and shall submit the assessment and a copy of the report to the joint standing committee of the General Assembly having cognizance of matters relating to the quasi-public agency.

(b) For the quarter commencing July 1, 2010, and for each quarter thereafter, the board of directors of each quasi-public agency shall submit a report to the Office of Fiscal Analysis. Such report shall include, but not be limited to, for each fund and account of the agency: (1) The beginning fiscal year balance; (2) all funds expended and all revenue collected by the end of the quarter; and (3) total expenditures and revenues estimated at the end of the fiscal year. For the purposes of this subsection, "expenditures" and "revenues" have the same meaning as provided in section 4-69.

(c) For the quarter commencing July 1, 2010, and for each quarter thereafter, the board of directors of each quasi-public agency shall submit a personnel status report to the Office of Fiscal Analysis. Such report shall include, but not be limited to: (1) The total number of employees by the end of the quarter; (2) the positions vacated and the positions filled by the end of the quarter; and (3) the positions estimated to be vacant and the positions estimated to be filled at the end of the fiscal year.

**Sec. 10a-194. (Formerly Sec. 10-353). Report to Governor by authority.** Within the first ninety days of each fiscal year of the authority, the authority shall make a report to the Governor of its activities for the preceding fiscal year. Each such report shall set forth a complete operating and financial statement covering its operations during such year. The authority shall cause an audit of its books and accounts to be made at least once each year by certified public accountants and the cost thereof shall be paid by the authority from funds available to it pursuant to this chapter.