

CHEFA

CONNECTICUT HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY



September 27, 2017

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, 2017, 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, 2017. |
| Tab 2 | Grant dollars provided by CHEFA in FY 2017, including the name of the recipient, the project's purpose, and location. |
| Tab 3 | <p>Schedule of Indebtedness as of June 30, 2017.</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">• The State's total contingent liability for these SCRF bonds is now exclusively on behalf of the Connecticut State University System and as of June 30, 2017 was \$338,745,000 as compared to the June 30, 2016 figure of \$302,815,000. Fiscal year 2016 included one nursing home that fully redeemed on 11/1/2016. |
| 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, 2017. |
| Tab 5 | Affirmative Action Policy Statement for 2017. |
| Tab 6 | Agency Workforce Composition as of June 30, 2017. |
| Tab 7 | Connecticut General Statutes §1-122, §1-123, and §10a-194. |

A FY 2017 update on activities and the description of planned activities for the current fiscal year follows.

Connecticut Health and Educational Facilities Authority
FY 2017 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 and www.csulf.com.

Grant Programs – In FY 2017, the Authority disbursed \$1,096,945 in grant dollars through its Client Grant and Targeted Grant Programs. A listing of grant dollars disbursed in FY 2017 is included under Tab 2.

Bond Issuance – In FY 2017, approximately \$1.41 billion of bonds were issued by CHEFA, representing 27 bond offerings. In FY 2017, approximately 52% of CHEFA's total issues were unenhanced public offerings with the balance being private placements. Other statistics for FY 2017 are as follows:

- Approximately 12% of dollar volume in FY 2017 represented new money financings;
- Approximately 44% of dollar volume represented variable rate transactions;

Borrower Education – On November 17, 2016, the Authority held its 4th Annual Client Conference. There were 61 attendees. The agenda included the following.

- Liquid Asset Investment Options
- Continuing Disclosure
- The Future of Tax-Exempt Bonds Post Election
- You May Also Like: Taste in an Age of Endless Choice

Connecticut Health and Educational Facilities Authority
FY 2018 Description of Planned Activities

In order to fulfill the requirements of Connecticut General Statute (C.G.S.) §1-123 regarding planned activities for FY 2018, the Authority submits the following:

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 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. Support Continued Availability of Tax-Exempt Financing
 - B. Provide Sector Expertise to State Officials Concerning Client Financing Needs
 - C. Work Collaboratively With Other State Entities and Advocacy Groups
- 4. Sustainable Organization**
 - A. Expand Opportunities for Continuous Personnel Development
 - B. Continue Process of Board Development
 - C. Increase Awareness of the Authority's Programs
 - D. Ensure Effective Management Processes
- 5. Ethical Culture**
 - A. Promote Staff and Board Compliance with Ethics Policies
 - B. Promote Adherence to Organizational Identity

Governor Dannel P. Malloy
September 27, 2017
Page 4

During FY 2018, 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 are in compliance with reporting and tax requirements;
- Strengthen client relations;
- Evolve and update existing products;
- Explore development and/or implementation of new programs and technologies;
- Identify new sectors to be served;
- Strengthen investor relations ;
- Provide sector expertise to State officials concerning client financing needs;
- Work collaboratively with other State entities and advocacy groups active in the sectors served by CHEFA;
- Expand opportunities for continuous personnel development;
- Continue the process of Board development and oversight
- Increase awareness of the Authority's programs
- Ensure effective management processes that promote a sustainable organization;
- Promote continued 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, 2017. CHEFA had a workforce of 19 full-time equivalent employees (FTEs, excluding two CHESLA employees) as of June 30, 2017, with 21% 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
(With Supplementary Information)
and Independent Auditor's Reports**

June 30, 2017

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

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Financial Section

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, 2017, 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, 2017, 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 16 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.

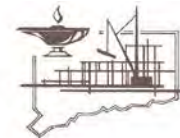
The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 26, 2017, 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 26, 2017



Management's Discussion and Analysis For the Year Ended June 30, 2017 (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, 2017. 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 \$1,175 for the fiscal year, due to the statutorily required payments of \$3,500 and \$875 to the State of Connecticut general fund. The former represents the final of two equal required payments totaling \$7M and the latter is an additional transfer established by Public Act 17-51, in June 2017.
- CHESLA's net position increased by \$432 for the fiscal year. The increase was due primarily to investment income.
- CSLF's net position increased by \$588 for the fiscal year. The increase was due primarily to loan interest revenue net of \$2,000 contributed to CHESLA for the scholarship program authorized by the Board.
- CHESLA's loan activity during the fiscal year was the issuance of new loans totaling \$22,082 from the In-School loan program and \$2,815 from the RefiCT program, which began in July 2016. Payments received of \$20,409, include \$20,158 from the In-School loans and the remainder from the RefiCT loans.
- CSLF's loan activity for the fiscal year resulted in principal payments received of \$46,628.

Management's Discussion and Analysis (Continued)

- CHESLA issued debt of \$27,880 for new loans and \$5,460 of the proceeds were used to defease the 2006A bonds.
- CSLF's bonds payable decreased by \$42,582 from voluntary redemptions made during the year.

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, 2017. Net position may serve over time as a useful indicator of financial position. Due to the nature of operations, a significant portion of net position is subject to specific bond resolution restrictions. The restricted net position for CHEFA at fiscal year end was 34.8% of total net position. CHEFA's net position invested in capital assets was 0.6%.

Management's Discussion and Analysis (Continued)

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

Summary Statement of Net Position (in thousands)

	CHEFA	
	2017	2016
Current and other assets	\$ 232,380	\$ 335,173
Capital assets (net)	81	124
Total assets	<u>\$ 232,461</u>	<u>\$ 335,297</u>
Assets held on behalf of the State of CT	\$ 2,176	\$ 2,174
Other liabilities	217,177	318,840
Total liabilities	<u>\$ 219,353</u>	<u>\$ 321,014</u>
Net investment in capital assets	\$ 81	\$ 124
Restricted	4,563	8,138
Unrestricted	8,464	6,021
Total net position	<u>\$ 13,108</u>	<u>\$ 14,283</u>

The remaining portion of net position is unrestricted and is 64.6%.

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 \$1,175.

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

Statement of Changes in Net Position (in thousands)

	CHEFA	
	2017	2016
Operating revenues:		
Administrative fees	\$ 7,458	\$ 7,498
General and administrative fees	234	205
Bond issuance fees	60	86
Other revenues	41	13
Total operating revenues	7,793	7,802
Operating expenses:		
Salaries and related expenses	2,777	2,664
General and administrative	545	549
Contracted services	129	279
Total operating expenses	3,451	3,492
Operating income	4,342	4,310
Nonoperating income (expenses):		
Investment income	84	43
Payment to State	(4,375)	(3,500)
Grants and child care subsidy expense	(1,226)	(2,260)
Total nonoperating expenses	(5,517)	(5,717)
Change in net position	(1,175)	(1,407)
Net position, July 1, 2016	14,283	15,690
Net position, June 30, 2017	\$ 13,108	\$ 14,283

Net position decreased by \$1,175 due substantially to the statutorily required transfers to the State of Connecticut general fund consisting of, 1) \$3,500, the second of two required payments and 2) \$875, an additional transfer mandated by Public Act 17-51, issued in June 2017.

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.

Management's Discussion and Analysis (Continued)

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 \$7,793 for fiscal year 2017. Administrative fees are the largest revenue source and represent 95.7% of total revenues. General and administrative service fees for support services provided to CHESLA and CSLF totaled \$234, representing 3% 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 \$40 to \$7,458 during the year. The decrease is due to the change in the par value of loans outstanding at June 30, 2017 compared to June 30, 2016. 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, 2017 was \$8,219,002 as compared to \$8,314,847 at June 30, 2016.

During the year, CHEFA had 27 issues of new conduit debt totaling \$1,354,278 in par value, of which 88% was the refinancing of pre-existing debt.

- Nonoperating investment income increased by \$41 to \$84 from the \$43 recognized in fiscal year 2016. This is a result of interest rate increases as compared to the prior year.

Expenses

Expenses totaled \$3,451 for the fiscal year. Of the expenses, 80.5% or \$2,777 was for salaries and related expenses. General and administrative expenses amounted to \$545, or 15.8%, while contracted services amounted to \$129 or 3.7% of the total expenses.

Significant changes from the prior year are as follows:

- Salaries and related expenses increased by \$113 from fiscal year 2016 to \$2,777 as vacant positions were filled.
- Contracted services decreased by \$150 from fiscal year 2016 to \$129. The prior year provided for a specialty research project, required per state mandate.
- Grant and child care subsidy expense decreased from fiscal year 2016 by \$1,034. The decrease was a result of the reduction in grants issued as well as the decrease in the loan amounts outstanding.

Capital Assets

At June 30, 2017, CHEFA's capital assets amounted to \$81, net of depreciation. This includes leasehold improvements, furniture and fixtures, and computer and office equipment. Capital assets decreased by \$43 due to capital asset additions of \$9, offset by depreciation of \$52. Capital asset purchases during the year included \$9 for board room audio/visual equipment upgrades.

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

Economic Factors

The significant factors impacting CHEFA include the interest rate environment and potential tax reform. In developing the 2018 budget, CHEFA is expecting a 2.3% increase in revenues as compared to fiscal year 2017. An increase of \$48 in the support fees charged to CHESLA and CSLF is also being anticipated. Operating expenses were projected to be relatively flat as compared to the fiscal year 2017 projected 7.8% decrease.

Connecticut Higher Education Supplemental Loan Authority (CHESLA)**Financial Analysis**

For CHESLA, assets exceeded liabilities at June 30, 2017. Due to the nature of operations, a significant portion of net position is subject to specific bond resolution restrictions. The restricted net position for CHESLA at fiscal year end was 69.4%. The remaining portion of net position (30.6%) is unrestricted.

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

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

	CHESLA	
	2017	2016
Current and other assets	<u>\$ 191,085</u>	<u>\$ 185,137</u>
Total assets	<u>\$ 191,085</u>	<u>\$ 185,137</u>
Long-term liabilities outstanding	\$ 160,702	\$ 154,980
Other liabilities	<u>880</u>	<u>1,197</u>
Total liabilities	<u>\$ 161,582</u>	<u>\$ 156,177</u>
Deferred inflows of resources	<u>\$ 2,000</u>	<u>\$ 1,889</u>
Restricted	\$ 19,076	\$ 18,502
Unrestricted	<u>8,427</u>	<u>8,569</u>
Total net position	<u>\$ 27,503</u>	<u>\$ 27,071</u>

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 \$432.

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

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

	CHESLA	
	2017	2016
Operating revenues:		
Interest income on loans receivable	\$ 7,433	\$ 7,576
Administrative fees	655	555
Contribution from CSLF	1,889	6,000
Total operating revenues	9,977	14,131
Operating expenses:		
Interest expense	5,743	6,064
Salaries and related expenses	217	118
General and administrative	541	473
Refinance pilot program	201	171
Scholarships	1,887	-
Loan service fees	574	561
Contracted services	37	43
Bond issuance costs	555	888
Provision for loan losses	73	343
Total operating expenses	9,828	8,661
Operating income (loss)	149	5,470
Nonoperating income (expenses):		
Investment income	283	1,261
Contribution revenue/expense	-	2,000
Total nonoperating income (expenses)	283	3,261
Change in net position	432	8,731
Net position, July 1, 2016	27,071	18,340
Net position, June 30, 2017	\$ 27,503	\$ 27,071

The prior year 2016 revenue and expenses were reclassified by \$758 to reflect the elimination of Interfund revenue. Net position increased by \$432 for the fiscal year 2017. The increase reflects no significant change in the course of operations.

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 charged on the loans.

In fiscal year 2017, CHESLA disbursed \$22,082 of In-School loan dollars as compared to \$18,692 in fiscal year 2016, an increase of approximately 18% over fiscal year 2016. In addition, the RefiCT loan program began disbursing loans in July 2016, totaling \$2,815 in FY 2017.

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

- Administrative fees increased by \$100 to \$655 during the year.
- Contributions from CSLF totaled \$1,889 as compared to \$8,000 in fiscal year 2016. The current year contributions were authorized by the Board for the FY 2016 scholarship program, disbursed throughout FY 2017. The monies authorized in FY 2017 for the scholarship program (\$2,000), are recorded as a deferred inflow, to be disbursed in FY 2018.
- Nonoperating investment income decreased by \$978 primarily due to the market value of the Treasury-notes held in the SCRF investment accounts of the 2009A and 2010A Bond issues.

Expenses

Expenses totaled \$9,828 for the fiscal year. The largest expense, 58.4% or \$5,743 was for interest payments on debt. This represents a decrease from the 70% in fiscal year 2016. Scholarship expenses amounted to \$1,887 or 19.2%. General and administrative expenses amounted to \$541, or 5.5%. Bond issue costs totaled \$555, or 5.6%, loan service fees totaled \$574 or 5.8% and provision for loan losses totaled \$73 or .7% of the total expenses.

Significant changes from the prior year are as follows:

- Interest expense decreased by \$321 as compared to fiscal year 2016 due to a reduction in the principal balance of outstanding debt as compared to fiscal year 2016, due to the refunding bonds issued at June 30, 2016 in addition to the early redemption of bonds throughout the fiscal year totaling \$7,245.
- Salaries and related expenses increased by \$99, due in part to a return to the full staff complement.
- General and administrative expenses increased by \$68.
- The refinance pilot program expenses increased by \$30. The program was funded during the FY 2016 by a contribution from CSLF (\$6,000). \$500 of the program funding was designated for the administrative costs for the program. \$171 was spent in FY 2016, \$201 in the current year with the remainder for this program to be spent in future years.
- Bond issuance and insurance cost decreased by \$333. One bond issue was issued this fiscal year as compared to two in FY 2016.
- Provision for loan losses decreased by \$270 reflecting a reduction in loans required to be written off.

Management's Discussion and Analysis (Continued)

Debt Administration

Long-term debt

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

Bonds Payable (in thousands)	CHESLA	
	2017	2016
Revenue Bonds	\$ 157,465	\$ 152,785
Premiums/Discounts	3,237	2,195
Total Long-term liabilities	<u>\$ 160,702</u>	<u>\$ 154,980</u>

CHESLA's increase in the principal revenue bonds outstanding is a result of new issuances totaling \$27,880, net of the refunding of the 2006A bonds of \$5,460 and the annual payments totaling \$10,495 and early redemptions of \$7,245.

CHESLA maintains an "A" rating from Fitch and an A1 rating from Moody's Investors Service for its state supported revenue bonds.

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

Economic Factors

The general economic conditions, direction of the economy and unemployment rates affect CHESLA as they may impact the ability of individuals to repay their loans and the rate of loan origination.

Connecticut Student Loan Foundation (CSLF)

Financial Analysis

For CSLF, assets exceeded liabilities at June 30, 2017. Due to the nature of CSLF operations, a portion of net position is subject to bond resolution restrictions. The restricted net position for CSLF at fiscal year-end was \$6,381 and is 24.7%. The remaining portion of net position is unrestricted and represents 75.3% of the total net position.

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	
	2017	2016
Current and other assets	<u>\$ 258,719</u>	<u>\$ 301,107</u>
Total assets	<u><u>\$ 258,719</u></u>	<u><u>\$ 301,107</u></u>
Long-term liabilities outstanding	<u>\$ 231,508</u>	<u>\$ 274,090</u>
Other liabilities	<u>1,398</u>	<u>1,792</u>
Total liabilities	<u><u>\$ 232,906</u></u>	<u><u>\$ 275,882</u></u>
Restricted	<u>\$ 6,381</u>	<u>\$ 7,557</u>
Unrestricted	<u>19,432</u>	<u>17,668</u>
Total net position	<u><u>\$ 25,813</u></u>	<u><u>\$ 25,225</u></u>

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 increased by \$588.

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

Statement of Changes in Net Position (in thousands)

	CSLF	
	2017	2016
Operating revenues:		
Interest income on loans receivable	\$ 10,224	\$ 10,749
Not-for-profit servicing income	188	176
Total operating revenues	10,412	10,925
Operating expenses:		
Interest expense	4,493	3,974
General and administrative	258	295
Loan service fees	1,003	1,192
Consolidation rebate fees	1,604	1,797
Contracted services	503	517
Provision for loan losses	-	100
Total operating expenses	7,861	7,875
Operating income	2,551	3,050
Nonoperating income (expenses):		
Investment income	37	29
Contribution revenue/expense	(2,000)	(9,889)
Total nonoperating income (expenses)	(1,963)	(9,860)
Change in net position	588	(6,810)
Net position, July 1, 2016	25,225	32,035
Net position, June 30, 2017	\$ 25,813	\$ 25,225

CSLF's net position increased by \$588 for the fiscal year. The increase was due primarily to loan interest revenue net of \$2,000 contributed to CHESLA for the scholarship program 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.

Management's Discussion and Analysis (Continued)

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 2017 totaled \$10,224 (98.2%) compared to \$10,749 for fiscal year ended June 30, 2016. 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, 2017, CSLF paid \$5,381 to the US Department of Education relating to excess yield compared to \$7,120 paid during fiscal year 2016.

The balance of CSLF revenues is the not-for-profit service fee of \$188 and 1.8% 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 \$10,224, a decrease of \$525 from the prior year amount of \$10,749. The decrease is due to the reduction in the loan balances and the fact that CSLF is no longer issuing new loans.
- Not-for-profit servicing income totaled \$188 for the fiscal year ended 2017, an increase of \$12 as compared to fiscal year 2016. The increase is due to the change in the number of loans serviced in the program.

Expenses

Expenses totaled \$7,861 for the fiscal year. The largest expense was for interest expense on the Auction Rate Certificates (ARCs) 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 Treasury-Bill plus 1.20%, the maximum rate defined in the Indenture based upon the current ratings of the bonds. Interest expense totaled \$4,493 or 57.2%. Consolidation rebate fees paid to the U.S. Department of Education totaled \$1,604 or 20.4% of total expenses and loan service fees totaled \$1,003 or 12.8% of total expenses.

Nonoperating expenses of \$2,000 were for Board authorized contributions to CHESLA for a scholarship program.

Significant changes from the prior year are as follows:

- Bond interest expense increased in 2017 by \$519. The increase is due to the rising interest rates and the variable nature of the bonds during the fiscal year.
- Loan service fees decreased by \$189 reflecting the decrease in the number of loans serviced due to loan repayments.
- Consolidation rebate fees decreased by \$193 reflecting the decrease in the principal balance of federal consolidation loans outstanding as the portfolio matures.
- There was no change in the loan loss provision. 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 and loss rates have declined.
- Nonoperating expense decreased by \$7,897, relating to the contribution of investable assets to CHESLA. The amounts paid totaled \$2,000 in fiscal year 2017 and \$9,889 in fiscal year 2016.

Management's Discussion and Analysis (Continued)

Debt Administration

Long-term debt

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

Bonds Payable (in thousands)	CSLF	
	2017	2016
Revenue Bonds	\$ 232,050	\$ 274,800
Premiums/Discounts	(542)	(710)
Total Long-term liabilities	<u>\$ 231,508</u>	<u>\$ 274,090</u>

CSLF's decrease in long-term debt was due to the redemption of \$42,750 of bonds during the fiscal year.

CSLF maintains an AAA (senior debt) and AA+ (subordinate debt) rating from Standard & Poor's. CSLF maintains an AAA (senior debt) and AA (subordinate debt) rating from Fitch Ratings.

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 06106-19.

Basic Financial Statements

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

Statement of Net Position
June 30, 2017
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 767	\$ 1,362	\$ 598	\$ 2,727
Investments	7,588	2,835	-	10,423
Receivables (net of allowance for uncollectibles):				
Accounts	87	-	16	103
Related parties	31	-	-	31
Prepaid expenses and other assets	64	71	1	136
Total unrestricted assets	8,537	4,268	615	13,420
Restricted assets				
Investments				
Institutions	216,998	-	-	216,998
Bond indenture trusts	-	40,275	9,958	50,233
Other	-	3,785	-	3,785
Loans receivable	-	20,755	15,911	36,666
Interest receivable on investments	-	134	-	134
Loan interest receivable	-	416	4,129	4,545
Total restricted assets	216,998	65,365	29,998	312,361
Total current assets	225,535	69,633	30,613	325,781
Noncurrent assets				
Unrestricted assets				
Capital assets (net of accumulated depreciation)	81	-	-	81
Restricted assets				
Investments	6,845	21,416	-	28,261
Loans receivable (net of allowance for uncollectibles)	-	100,036	228,106	328,142
Total noncurrent assets	6,926	121,452	228,106	356,484
Total assets	\$ 232,461	\$ 191,085	\$ 258,719	\$ 682,265

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

**Statement of Net Position
June 30, 2017
(In Thousands)**

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 17	\$ 63	\$ 47	\$ 127
Accrued expenses	162	10	66	238
Amounts held for institutions	216,998	-	-	216,998
Accrued interest payable	-	807	-	807
U.S. Department of Education payable	-	-	1,001	1,001
Trust Estate payable	-	-	284	284
Current portion of bonds payable	-	10,000	-	10,000
Total current liabilities	217,177	10,880	1,398	229,455
Noncurrent liabilities				
Bonds payable and related liabilities, net of current portion	-	150,702	231,508	382,210
Amount held for the State of Connecticut	2,176	-	-	2,176
Total noncurrent liabilities	2,176	150,702	231,508	384,386
Total liabilities	219,353	161,582	232,906	613,841
<u>Deferred Inflows of Resources</u>				
Unearned revenue	-	2,000	-	2,000
<u>Net Position</u>				
Net investment in capital assets	81	-	-	81
Restricted	4,563	19,076	6,381	30,020
Unrestricted	8,464	8,427	19,432	36,323
Total net position	13,108	27,503	25,813	66,424
Total liabilities, deferred inflows of resources and net position	\$ 232,461	\$ 191,085	\$ 258,719	\$ 682,265

See Notes to Financial Statements.

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

Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2017
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
Operating revenues				
Interest income on loans receivable	\$ -	\$ 7,433	\$ 10,224	\$ 17,657
Administrative fees	7,458	655	-	8,113
General and administrative fees	234	-	-	234
Contribution from CSLF (scholarships)	-	1,889	-	1,889
Bond issuance fees	60	-	-	60
Not-for-profit servicing income	-	-	188	188
Other revenues	41	-	-	41
Total operating revenues	7,793	9,977	10,412	28,182
Operating expenses				
Interest expense	-	5,743	4,493	10,236
Salaries and related expenses	2,777	217	-	2,994
General and administrative	545	541	258	1,344
Refinance pilot program	-	201	-	201
Scholarships	-	1,887	-	1,887
Loan service fees	-	574	1,003	1,577
Consolidation rebate fees	-	-	1,604	1,604
Contracted services	129	37	503	669
Bond issuance costs	-	555	-	555
Provision for loan losses	-	73	-	73
Total operating expenses	3,451	9,828	7,861	21,140
Operating income	4,342	149	2,551	7,042
Nonoperating income (expenses)				
Investment income	84	283	37	404
Payment to State (legislative mandate)	(4,375)	-	-	(4,375)
Grants and child care subsidy expense	(1,226)	-	-	(1,226)
Contribution to CHESLA	-	-	(2,000)	(2,000)
Total nonoperating income (expenses)	(5,517)	283	(1,963)	(7,197)
Change in net position	(1,175)	432	588	(155)
Net position, July 1, 2016	14,283	27,071	25,225	66,579
Net position, June 30, 2017	\$ 13,108	\$ 27,503	\$ 25,813	\$ 66,424

See Notes to Financial Statements.

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

**Statement of Cash Flows
For the Year Ended June 30, 2017
(In Thousands)**

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Cash flows from operating activities			
Cash received from loan payments	\$ -	\$ 20,409	\$ 46,628
Interest received on loans	-	7,463	9,814
Fees received on loans	-	-	230
Contributions received from CSLF	-	2,000	-
Cash received for administrative fees	8,020	-	-
Cash received for recovery of loans	-	207	-
Cash received for general administrative fees	234	-	-
Cash received for not-for-profit servicing	-	-	188
Cash received for other revenues	41	-	-
Cash received for bond issuance fees	60	-	-
Cash payments for employee wages and benefits	(2,744)	(217)	-
Cash payments for interest on bonds	-	(5,768)	(4,325)
Cash payments for excess interest	-	-	(5,381)
Cash payments for loans issued	-	(23,927)	-
Cash payments for loans repurchased	-	-	(1,097)
Cash payments for loan servicing fees	-	(574)	(1,003)
Cash payments for consolidation fees	-	-	(1,604)
Cash payments for contracted services	(129)	(544)	(503)
Cash payments for refinance pilot program	-	(201)	-
Cash payments for other operating expenses	(481)	(821)	(262)
Cash payments for scholarships	-	(2,003)	-
Net cash provided by (used in) operating activities	<u>5,001</u>	<u>(3,976)</u>	<u>42,685</u>
Cash flows from noncapital financing activities			
Proceeds from bond sales	1,354,278	27,880	-
Proceeds from bond premiums	77,472	1,132	-
Proceeds from institutions	1,828	-	-
Proceeds from investment income			
for amounts held for others	1,793	-	-
Proceeds from amounts held on behalf of child care	2	-	-
Releases from amounts held for institutions	(1,537,067)	-	-
Cash paid to State (legislative mandate)	(4,375)	-	-
Cash paid to grantees and childcare subsidy	(1,226)	-	-
Payments of bond principal	-	(17,740)	(42,750)
Payment to refunded bond escrow agent	-	(5,460)	-
Contributions to CHESLA	-	-	(2,000)
Net cash provided by (used in) noncapital financing activities	<u>(107,295)</u>	<u>5,812</u>	<u>(44,750)</u>

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

Statement of Cash Flows
For the Year Ended June 30, 2017
(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Cash flows from investing activities			
Proceeds from sale of investments	\$ 622,939	\$ 97,117	\$ 1,292
Purchase of investments	(520,091)	(100,317)	-
Investment income	84	254	37
Net cash provided by (used in) investing activities	102,932	(2,946)	1,329
Cash flows from capital and related financing activities			
Purchase of capital assets	(9)	-	-
Net increase (decrease) in cash	629	(1,110)	(736)
Cash (including restricted cash), July 1, 2016	138	2,472	1,334
Cash (including restricted cash), June 30, 2017	<u>\$ 767</u>	<u>\$ 1,362</u>	<u>\$ 598</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income	\$ 4,342	\$ 149	\$ 2,551
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	52	-	-
Bond discount/premium amortization	-	(90)	168
Provision for loan losses	-	286	-
Interest on loans paid through loan advances	-	-	(5,331)
Loan advances to capitalize interest to loans	-	-	5,331
(Increase) decrease in:			
Accounts receivable	562	-	9
Accounts receivable - related party	(4)	-	-
Prepaid expenses and other assets	16	36	14
Loans receivable	-	(4,181)	40,241
Loan interest receivable	-	30	96
Increase (decrease) in:			
Accounts payable	(28)	(262)	(17)
Accrued expenses	61	(158)	(1)
Accrued interest payable	-	103	-
U.S. Department of Education payable	-	-	(50)
Trust Estate payable	-	-	(326)
Unearned revenue	-	111	-
Net adjustments to operating income (loss)	659	(4,125)	40,134
Net cash provided by (used in) operating activities	<u>\$ 5,001</u>	<u>\$ (3,976)</u>	<u>\$ 42,685</u>
Noncash activities:			
Issuance of loans receivable used to pay origination fees	<u>\$ -</u>	<u>\$ 655</u>	<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, 2017
(In Thousands)**

History and organization

The Connecticut Health and Educational Facilities Authority (CHEFA or the "Authority") - 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). The financial statements include Connecticut Higher Education Supplemental Loan Authority (CHESLA) and Connecticut Student Loan Foundation (CSLF) as component units.

Reporting Entity

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 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, 2017
(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, 2017
(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.

Loan reserve fee revenue

CHESLA charges 3% reserve fee on loans governed by the 1990 Revenue Bond Resolution. This fee is recognized as an origination fee to the loans and is included in administrative fees 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, 2017
(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. 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, 2017
(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, 2017
(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, 2017
(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.

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.

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

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 150 days delinquent.

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 statement 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.

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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.

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 include 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 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, 2014, 2015, 2016 and 2017 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.

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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, 2017, 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.

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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 \$2,500 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.

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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.

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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.

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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, 2017, \$577 of CHEFA's bank balance of \$827 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 494
Uninsured and collateral held by the pledging bank's trust department, not in CHEFA's name	<u>83</u>
Total amount subject to custodial credit risk	<u>\$ 577</u>

CHESLA

As of June 30, 2017, \$1,141 of CHESLA's bank balance of \$1,563 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,002
Uninsured and collateral held by the pledging bank's trust department, not in CHESLA's name	<u>139</u>
Total amount subject to custodial credit risk	<u>\$ 1,141</u>

CSLF

As of June 30, 2017, \$350 of CSLF's bank balance of \$600 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 290
Uninsured and collateral held by the pledging bank's trust department, not in CSLF's name	<u>60</u>
Total amount subject to custodial credit risk	<u>\$ 350</u>

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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	\$ 188,659	\$ 188,659	\$ -	\$ -	\$ -
Short-Term U.S.					
Government Securities	21,761	21,761	-	-	-
Pooled Fixed Income	8,886	8,886	-	-	-
U.S. Government Securities	7,183	-	7,183	-	-
Municipal Bonds	4,942	4,121	395	-	426
Total	<u>\$ 231,431</u>	<u>\$ 223,427</u>	<u>\$ 7,578</u>	<u>\$ -</u>	<u>\$ 426</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
Mutual Funds:					
Money Market	\$ 5	\$ 5	\$ -	\$ -	\$ -
Bond	2	-	-	-	2
Bank Money Market Funds	191	191	-	-	-
Pooled Fixed Income	53,950	53,950	-	-	-
U.S. Government Securities	7,006	-	-	-	7,006
Guaranteed Investment Contracts	7,157	-	1,857	5,300	-
Total	<u>\$ 68,311</u>	<u>\$ 54,146</u>	<u>\$ 1,857</u>	<u>\$ 5,300</u>	<u>\$ 7,008</u>

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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	\$ 8,209	\$ 8,209
Pooled Fixed Income	1,749	1,749
	<u>\$ 9,958</u>	<u>\$ 9,958</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:

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Government Agency Mutual Funds	\$ 188,659	\$ 188,659	\$ -	\$ -
Short-Term U.S. Government Securities	21,761	21,761	-	-
U.S. Government Securities	7,183	-	7,183	-
Municipal Bonds	4,942	-	4,942	-
Total investments by fair value level	222,545	<u>\$ 210,420</u>	<u>\$ 12,125</u>	<u>\$ -</u>
<u>Other Investments</u>				
Pooled Fixed Income	8,886			
Total Investments	<u>\$ 231,431</u>			

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A. Cash and investments

CHESLA

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 5	\$ 5	\$ -	\$ -
Bond Mutual Funds	2	2	-	-
U.S. Government Securities	7,006	-	7,006	-
Total investments by fair value level	7,013	\$ 7	\$ 7,006	\$ -

Other Investments

Money Market (bank)	191
Guaranteed Investment Contracts	7,157
Pooled Fixed Income	53,950
Total other investments	61,298
Total Investments	\$ 68,311

CSLF

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Short-Term U.S. Government Agency Securities	\$ 8,209	\$ -	\$ 8,209	\$ -
Other Investments				
Pooled Fixed Income	1,749			
Total Investments	\$ 9,958			

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
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II. Detailed notes

A. Cash and investments

Interest rate risk

To minimize interest rate risk, CHEFA, CHESLA and CSLF'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.

CHESLA and CSLF follow Section 10a-238 of the Connecticut General Statutes for its investment policy, which allows investments as follows: obligations issued or guaranteed by the U.S. Government or the State of Connecticut; obligations which are legal investments for savings banks in the State of Connecticut including deposits which are insured by the Federal Deposit Insurance Corporation (FDIC); deposits with federal chartered savings and loan association which are insured by the Federal Savings and Loan Insurance Corporation; 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; investment agreements fully secured by obligations of, or guaranteed by, the United States or agencies or instrumentalities of the United States; and 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 market place, provided the authority 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.

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A. Cash and investments

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

Average Rating	Pooled Fixed Income	Municipal Bonds	Government Agency Mutual Funds
AAA	\$ 8,886	\$ 1,681	\$188,659
AA	-	2,461	-
Total	<u>\$ 8,886</u>	<u>\$ 4,942</u>	<u>\$188,659</u>

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	<u>\$ 53,950</u>	<u>\$ 7,157</u>	<u>\$ 2</u>	<u>\$ 5</u>

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	<u>\$ 1,749</u>	<u>\$ 8,209</u>

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.

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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

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
Short Term U.S. Government Securities	\$ 21,761	\$ -	\$ 21,761
U.S. Government Securities	7,183	-	7,183
Municipal Bonds	4,942	500	4,442
Total	<u>\$ 33,886</u>	<u>\$ 500</u>	<u>\$ 33,386</u>

CHESLA

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
U.S. Government Securities	<u>\$ 7,006</u>	<u>\$ 500</u>	<u>\$ 6,506</u>

CSLF

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
Short-Term U.S. Government Agency Securities	<u>\$ 8,209</u>	<u>\$ 500</u>	<u>\$ 7,709</u>

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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, 2017 for the Authority's financial statements by type are as follows:

CHESLA makes loans to students from the proceeds of bonds issued by CHESLA. CHESLA also refinances CHESLA and other lenders' student loans. Loans receivable as of June 30, 2017 are as follows:

	Active Loans	Loans in Collection	Total
Current portion	\$ 20,755	\$ -	\$ 20,755
Long-term portion	100,556	2,152	102,708
Less Allowance	(2,209)	(463)	(2,672)
Net Long-term portion	98,347	1,689	100,036
Total Net Receivables	\$ 119,102	\$ 1,689	\$ 120,791

During the fiscal year, CHESLA wrote off loans receivable of \$308 which had previously been provided for through the allowance for loan losses.

During the fiscal year, CHESLA recovered \$242 in loans receivable and other credits that were written off in previous years.

Connecticut Health and Educational Facilities Authority
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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	\$ 15,562	\$ 349	\$ 15,911
Long-term portion	223,785	5,198	228,983
Less Allowance	(569)	(308)	(877)
Net Long-term portion	223,216	4,890	228,106
Total Net Receivables	\$ 238,778	\$ 5,239	\$ 244,017

During the fiscal year, CSLF wrote off Federal loans receivable of \$172 (CSLF risk share only), and \$185 of private loans, which is net of \$112 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 2.65% 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.

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B. Receivables

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

June 30, 2018	\$	15,911
2019		16,953
2020		17,996
2021		19,103
2022		20,280
2023-2027		105,568
2028-2032		<u>49,083</u>
Total	\$	<u>244,894</u>

C. Capital assets

CHEFA capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July, 1 2016	Increases	Decreases	Balance June 30, 2017
Capital assets being depreciated:				
Leasehold improvements	\$ 154	\$ 9	\$ (6)	\$ 157
Computer equipment	670	-	(415)	255
Furniture and fixtures	276	-	(20)	256
Office equipment	<u>584</u>	<u>-</u>	<u>(203)</u>	<u>381</u>
Total capital assets being depreciated	<u>1,684</u>	<u>9</u>	<u>(644)</u>	<u>1,049</u>
Less accumulated depreciation for:				
Leasehold improvements	152	4	(6)	150
Computer equipment	649	12	(415)	246
Furniture and fixtures	258	4	(20)	242
Office equipment	<u>501</u>	<u>32</u>	<u>(203)</u>	<u>330</u>
Total accumulated depreciation	<u>1,560</u>	<u>52</u>	<u>(644)</u>	<u>968</u>
Total capital assets being depreciated, net	<u>\$ 124</u>	<u>\$ (43)</u>	<u>\$ -</u>	<u>\$ 81</u>

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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, 2017:

CHESLA

Description	Original Amount	Date of Issue	Date of Final Maturity	Interest Rate	Balance July 1, 2016	Additions	Deductions	Amount Refunded	Balance June 30, 2017	Current Portion
Bond 2006 A	\$33,270	8/17/2006	11/15/2022	3.9 - 4.8%	\$ 7,160	\$ -	\$ 1,700	\$ 5,460	\$ -	\$ -
Bond 2007 A	41,000	8/23/2007	11/15/2024	4.125 - 4.875%	16,340	-	2,850	-	13,490	2,180
Bond 2009 A	30,000	8/6/2009	11/15/2027	1.9 - 5.05%	16,070	-	2,185	-	13,885	1,130
Bond 2010 A	45,000	10/19/2010	11/15/2035	2.0 - 5.25%	32,695	-	3,425	-	29,270	2,310
Bond 2012 A	13,085	3/28/2012	11/15/2021	0.4 - 3.125%	2,670	-	1,480	-	1,190	640
Bond 2013 A	25,000	4/2/2013	11/15/2029	2.0 - 4.0%	21,365	-	1,805	-	19,560	1,040
Bond 2014 A	23,000	6/18/2014	11/15/2030	3.0 - 5.0%	22,505	-	1,385	-	21,120	700
Bond 2015 A	21,465	7/2/2015	11/15/2031	1.65 - 4.375%	18,980	-	2,910	-	16,070	1,600
Bond 2016 A	15,000	6/30/2016	11/15/2033	3.0 - 5.0%	15,000	-	-	-	15,000	400
Bond 2017 A	27,880	5/16/2017	11/15/2033	3.25 - 5.0%	-	27,880	-	-	27,880	-
Total CHESLA					152,785	27,880	17,740	5,460	157,465	10,000
Premiums					2,999	1,132	154	-	3,977	-
Discounts					(804)	-	(64)	-	(740)	-
Total Bonds and related liabilities					\$ 154,980	\$ 29,012	\$ 17,830	\$ 5,460	\$ 160,702	\$ 10,000

CSLF

Description	Original Amount	Date of Issue	Date of Final Maturity	Variable Interest Rate	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Current Portion
Bond 04 A-3	\$ 75,000	10/15/2004	6/1/2034	0.264 - 2.639%	\$ 43,075	\$ -	\$ 19,250	\$ 23,825	\$ -
Bond 06 A-1	80,000	7/27/2006	6/1/2046	0.274 - 2.455%	72,925	-	-	72,925	-
Bond 06 A-2	100,000	12/14/2006	6/1/2046	0.274 - 2.455%	81,475	-	-	81,475	-
Bond 04 B	62,900	10/15/2004	6/1/2034	0.533 - 2.615%	57,350	-	23,500	33,850	-
Bond 06 B	20,000	7/27/2006	6/1/2046	0.523 - 2.624%	19,975	-	-	19,975	-
Total Bonds					274,800	-	42,750	232,050	-
Discounts					(710)	-	(168)	(542)	-
Total bonds and related amounts					\$ 274,090	\$ -	\$ 42,582	\$ 231,508	\$ -

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

Notes to Financial Statements
June 30, 2017
(In Thousands)

II. Detailed notes

D. Changes in long-term obligations

The annual requirements to amortize bonds payable at June 30, 2017, are as follows:

CHESLA

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 10,000	\$ 6,153
2019	11,550	5,754
2020	12,330	5,301
2021	13,055	4,800
2022	13,490	4,255
2023-2027	57,065	13,073
2028-2032	32,645	4,029
2033-2037	7,330	380
Total	<u>\$ 157,465</u>	<u>\$ 43,745</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>
2018	\$ -	\$ 4,078
2019	-	4,078
2020	-	4,078
2021	-	4,078
2022	-	4,078
2023-2027	-	20,389
2028-2032	-	20,389
2033-2037	57,675	17,279
2038-2042	-	15,346
2043-2047	174,375	12,021
Total	<u>\$ 232,050</u>	<u>\$ 105,814</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 28 days. The interest rates associated with the various bond issues at the last reset period prior to the June 30, 2017 year-end ranged from 1.506% to 2.639%.

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

**Notes to Financial Statements
June 30, 2017
(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 rates applicable during the most recent fiscal year.

2. Conduit debt

As of June 30, 2017, CHEFA had total outstanding principal balances of special obligation bonds of \$8,219,002. 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	\$ 14,890
Charter Schools	4,849
Child Care Facilities	53,580
Continuing Care Retirement Community	215,690
Cultural / Educational	11,349
Family Services	8,447
Higher Education	4,518,697
Hospitals	2,649,633
Human Services	8,685
Independent Living	30,920
Independent Schools	638,430
Nursing Homes	34,737
YMCA / YWCA	<u>29,095</u>
Total	<u>\$ 8,219,002</u>

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, 2017
(In Thousands)**

II. Detailed notes

D. Changes in long-term obligations

3. Current year advance refunding

In May 2017, CHESLA issued \$27,880 of revenue bonds with an interest rate of 3.25% to 5.00%. A portion of these bonds were issued to defease bonds issued in August 2006. The refunding resulted in an economic gain of \$184 with an overall total cost of \$34.

4. Authorized/unissued debt

At June 30, 2017, the amount of authorized unissued debt for CHESLA was \$9,155.

5. Subsequent event

In August 2017, CHESLA issued \$9,155 of revenue bonds with an interest rate of 4.00% to 5.00%. These bonds will be used to refund the 2007 Series A bonds.

E. Restricted net position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$243 for CHEFA.

F. Net position classification

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

	CHEFA	CHESLA	CSLF
Invested in capital assets	\$ 81	\$ -	\$ -
Restricted:			
Child care facilities loan program	4,320	-	-
Student loan guarantee program	243	-	-
Bond funds	-	19,076	-
Trust Estate	-	-	6,381
Total restricted	4,563	19,076	6,381
Unrestricted	8,464	8,427	19,432
Total net position	\$ 13,108	\$ 27,503	\$ 25,813

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, 2017, outstanding loan balances totaled \$6,295.

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, 2017
(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 \$243.

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, 2017, the ratio was 110.87%. At June 30, 2017, the Board has not authorized any funds to be transferred to operations; however, the amount available to transfer is \$16,000.

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.

B. Related party transactions

During the fiscal year, CHEFA charged CHESLA an annual fee of \$181 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. CHEFA charged CSLF an annual fee of \$53 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 CHESLA and CSLF at year end was \$18 and \$13 respectively. CSLF contributed \$2,000 to CHESLA for scholarships.

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

**Notes to Financial Statements
June 30, 2017
(In Thousands)**

III. Other information

C. Operating leases

CHEFA leases office space and other office equipment for use in operations. Lease expense was \$233. As of June 30, 2017, minimum future rental commitments of the leases are as follows:

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, 2017, there were no forfeitures and retirement plan expense was \$224.

There were 21 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.

CHEFA also maintains a deferred compensation plan, which was established in 1991 in accordance with the Internal Revenue Code Section 457 and is available to CHEFA employees. Employees are permitted to defer a portion of their salaries, subject to certain limitations. CHEFA and CHESLA match up to \$1,500 of employee contributions. For the year ended June 30, 2017, there were no forfeitures and the plan expense was \$30.

Supplemental Schedules

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

Combining Schedule of Net Position - Connecticut Higher Education Supplemental Loan Authority

**June 30, 2017
(In Thousands)**

	Agency operating fund	Other program funds	Bond funds		Total CHESLA
			1990 resolution	2003 resolution	
<u>Assets</u>					
Current assets					
Unrestricted assets					
Cash	\$ 177	\$ 1,185	\$ -	\$ -	\$ 1,362
Investments	2,815	-	14	6	2,835
Prepaid expenses and other assets	50	-	-	21	71
Total unrestricted assets	3,042	1,185	14	27	4,268
Restricted assets					
Investments - bond indenture trusts	-	-	35,875	4,400	40,275
Investments - other	-	3,785	-	-	3,785
Current portion of loans receivable	-	237	17,922	2,596	20,755
Interest receivable on investments	-	9	101	24	134
Loan interest receivable	-	-	361	55	416
Total restricted assets	-	4,031	54,259	7,075	65,365
Total current assets	3,042	5,216	54,273	7,102	69,633
Noncurrent assets					
Restricted assets					
Restricted investments	-	-	18,616	2,800	21,416
Loans receivable, net of current portion and allowance	-	2,185	85,447	12,404	100,036
Total noncurrent assets	-	2,185	104,063	15,204	121,452
Total assets	\$ 3,042	\$ 7,401	\$ 158,336	\$ 22,306	\$ 191,085
<u>Liabilities</u>					
Current liabilities					
Accounts payable	\$ 6	\$ -	\$ 51	\$ 6	\$ 63
Accrued expenses	10	-	-	-	10
Accrued interest payable	-	-	724	83	807
Current portion of bonds payable	-	-	7,820	2,180	10,000
Total current liabilities	16	-	8,595	2,269	10,880
Noncurrent liabilities					
Bonds payable, net of current portion	-	-	139,556	11,146	150,702
Total liabilities	16	-	148,151	13,415	161,582
<u>Deferred Inflows of Resources</u>					
Unearned revenue	-	2,000	-	-	2,000
<u>Net Position</u>					
Restricted	-	-	10,185	8,891	19,076
Unrestricted	3,026	5,401	-	-	8,427
Total net position	3,026	5,401	10,185	8,891	27,503
Total liabilities, deferred inflows of resources and net position	\$ 3,042	\$ 7,401	\$ 158,336	\$ 22,306	\$ 191,085

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

**Combining Schedule of Revenues, Expenses and Changes in Net Position - Connecticut
Higher Education Supplemental Loan Authority
For the Year Ended June 30, 2017
(In Thousands)**

	Agency operating fund	Other program funds	Bond funds			Total CHESLA
			1990 resolution	2003 resolution	Eliminations	
Operating revenues						
Interest income on loans receivable	\$ -	\$ 76	\$ 6,160	\$ 1,197	\$ -	\$ 7,433
Administrative fees	722	-	655	-	(722)	655
Contributions from CSLF	-	1,889	-	-	-	1,889
	<u>-</u>	<u>1,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,889</u>
Total operating revenues	<u>722</u>	<u>1,965</u>	<u>6,815</u>	<u>1,197</u>	<u>(722)</u>	<u>9,977</u>
Operating expenses						
Interest expense	-	-	4,744	999	-	5,743
Salaries and related expenses	217	-	-	-	-	217
General and administrative	312	7	750	194	(722)	541
Refinance pilot program	201	-	-	-	-	201
Scholarships	-	1,887	-	-	-	1,887
Loan service fees	-	-	512	62	-	574
Contracted services	37	-	-	-	-	37
Bond issuance and insurance costs	10	-	507	38	-	555
Provision for loan losses (net of recoveries)	-	197	(93)	(31)	-	73
	<u>-</u>	<u>197</u>	<u>(93)</u>	<u>(31)</u>	<u>-</u>	<u>73</u>
Total operating expenses	<u>777</u>	<u>2,091</u>	<u>6,420</u>	<u>1,262</u>	<u>(722)</u>	<u>9,828</u>
Operating income (loss)	<u>(55)</u>	<u>(126)</u>	<u>395</u>	<u>(65)</u>	<u>-</u>	<u>149</u>
Nonoperating income (expenses)						
Investment income	16	23	(44)	288	-	283
	<u>16</u>	<u>23</u>	<u>(44)</u>	<u>288</u>	<u>-</u>	<u>283</u>
Change in net position	(39)	(103)	351	223	-	432
Transfers	-	-	(2,940)	2,940	-	-
Net position, July 1, 2016	<u>3,065</u>	<u>5,504</u>	<u>12,774</u>	<u>5,728</u>	<u>-</u>	<u>27,071</u>
Net position, June 30, 2017	<u>\$ 3,026</u>	<u>\$ 5,401</u>	<u>\$ 10,185</u>	<u>\$ 8,891</u>	<u>\$ -</u>	<u>\$ 27,503</u>

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

**Combining Schedule of Net Position - Connecticut Student Loan Foundation
June 30, 2017
(In Thousands)**

	Trust Estate	Operating	Eliminations	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ -	\$ 598	\$ -	\$ 598
Receivables (net of allowance for uncollectibles)				
Accounts	-	16	-	16
Prepaid expenses and other assets	-	1	-	1
Total unrestricted assets	-	615	-	615
Restricted assets				
Investments				
Bond indenture trusts	9,958	-	-	9,958
Loans receivable	15,911	-	-	15,911
Loan interest receivable	4,129	-	-	4,129
Total restricted assets	29,998	-	-	29,998
Total current assets	29,998	615	-	30,613
Noncurrent assets				
Restricted assets				
Loans receivable (net of allowance for uncollectibles)	228,106	-	-	228,106
Total assets	<u>\$ 258,104</u>	<u>\$ 615</u>	<u>\$ -</u>	<u>\$ 258,719</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ -	\$ 47	\$ -	\$ 47
Accrued expenses	-	66	-	66
U.S. Department of Education payable	1,001	-	-	1,001
Trust Estate payable	284	-	-	284
Total current liabilities	1,285	113	-	1,398
Noncurrent liabilities				
Bonds payable and related liabilities	231,508	-	-	231,508
Total liabilities	232,793	113	-	232,906
<u>Net Position</u>				
Restricted	6,381	-	-	6,381
Unrestricted	18,930	502	-	19,432
Total net position	25,311	502	-	25,813
Total liabilities and net position	<u>\$ 258,104</u>	<u>\$ 615</u>	<u>\$ -</u>	<u>\$ 258,719</u>

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

Combining Schedule of Revenues, Expenses and Changes in Net Position - Connecticut
Student Loan Foundation
For the Year Ended June 30, 2017
(In Thousands)

	Trust Estate	Operating	Eliminations	Total
Operating revenues				
Interest income on loans receivable	\$ 10,224	\$ -	\$ -	\$ 10,224
Not-for-profit servicing income	-	188	-	188
Administration fee	-	654	(654)	-
Total operating revenues	10,224	842	(654)	10,412
Operating expenses				
Interest expense	4,493	-	-	4,493
General and administrative	83	175	-	258
Loan service fees	1,003	-	-	1,003
Administration fee	654	-	(654)	-
Consolidation rebate fees	1,604	-	-	1,604
Contracted services	95	408	-	503
Total operating expenses	7,932	583	(654)	7,861
Operating income	2,292	259	-	2,551
Nonoperating income (expenses)				
Investment income	37	-	-	37
Contribution to CHESLA	(1,000)	(1,000)	-	(2,000)
Total nonoperating income (expenses)	(963)	(1,000)	-	(1,963)
Change in net position	1,329	(741)	-	588
Net position, July 1, 2016	23,982	1,243	-	25,225
Net position, July 1, 2017	\$ 25,311	\$ 502	\$ -	\$ 25,813

Compliance

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 the Connecticut Health and Educational Facilities Authority as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Connecticut Health and Educational Facilities Authority's basic financial statements, and have issued our report thereon dated September 26, 2017.

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 opinions 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 the 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 black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut
September 26, 2017



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State of Connecticut Health and Educational Facilities Authority
Report to the Governor - Fiscal Year 2017

Grant Programs

During FY 2017, the Authority awarded grants totaling \$1,096,945 through two competitive programs: the Client and Targeted Grant programs.

Fiscal Year 2017 Grants

Client Grant Program	\$846,945
Nonprofit Grant Program	\$0
Targeted Grant Program	\$250,000
Total Grants	\$1,096,945

Client Grant Program

Grantee	Location	Purpose	Amount
Bushnell Memorial Hall	Hartford	Funding for PARTNERS	\$25,000
Central Connecticut Coast YMCA	New Haven	To support the New Haven YMCA Youth Center Walk-In Program	\$55,000
Connecticut State Colleges and Universities	Hartford	To develop an online RN to BSN Program for CT Community College Nursing Program graduates	\$30,000
Easter Seals Rehabilitation Center of Greater Waterbury, Inc.	Waterbury	Renovation of Children's Academy - Kitchen, Bathrooms and Site Director Office	\$74,663
Forman School	Litchfield	Install 2 dormitory sprinkler systems and smoke alarms in 28 buildings	\$61,285
Gaylord Hospital	Wallingford	Purchase handicapped-accessible therapeutic recreation van	\$74,747
Jerome Home	New Britain	For renovation and capital improvement of the Atwood Neighborhood	\$75,000
New Horizons, Inc.	Unionville	Replace 14 air conditioning systems	\$75,000
Norwalk Hospital Association	Norwalk	Norwalk Hospital EMS Training Vehicle	\$75,000
St. Mary Home	West Hartford	Purchase a Healthcare Communication/Call System	\$58,143
The Village for Families & Children	Hartford	Implement CARE model to improve client safety and organizational culture	\$65,000
University of New Haven	West Haven	Assessment and intervention to address childhood obesity in middle school	\$47,066
University of Saint Joseph	West Hartford	Purchase of wheelchair-accessible bus for Gengras Center students	\$56,041
Yale-New Haven Hospital	New Haven	Expanding Project ASSERT: Providing Pathways to Resilience and Recovery	\$75,000
Total Client Grant Program			\$846,945

Targeted Grant Program

Grantee	Location	Purpose	Amount
United Way of Connecticut	Hartford	To support the 2-1-1 Opioid Information and Referral Enhancement Initiative	\$250,000
Total Targeted Grant Program			\$250,000

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2017
(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>
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	-	-	-
Yale-New Haven Hospital	D*	7/1/1985	N/A	N/A	N/A	2012	8.00%	44,882	45,900	-	-	-

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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	-	-	-
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	-	-	-

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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	-	-	-
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	-	-	-

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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	-	125,000	125,000
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	1,505	6,875	8,380
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	23,500	25,000
Covenant Retirement Community	1999A*	12/2/1999	Negotiated	B.C. Ziegler	N/A	2029	Variable	9,916	10,040	-	-	-
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	-	-	-

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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	1,095	23,760	24,855
Westminster School	C	2/20/2002	Negotiated	A.G. Edwards	PFM	2032	Variable	8,143	8,250	100	6,850	6,950
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	-	-	-
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	-	-	-
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	2,625	2,770
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	570	16,530	17,100
Salisbury School	B*	2/19/2004	Negotiated	Quick & Reilly	PFM	2034	Variable	5,469	5,510	-	-	-

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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	-	-	-
Eagle Hill School	A*	5/11/2005	Negotiated	Gates Capital	P.G. Corbin	2035	Variable	5,990	5,990	-	-	-
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	970	18,350	19,320
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	1,360	25,215	26,575
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	-	-	-
Mansfield Center for Nursing and Rehabil	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	-	-	-
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	-	-	-
University of New Haven	G	8/26/2006	Negotiated	Wachovia Bank NA	Lamont Financial Services	2036	Variable	15,797	15,890	655	10,225	10,880
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	-	-	-

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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	295	4,660	4,955
Trinity College	J*	3/7/2007	Negotiated	RBC Dain Rauscher	Lamont Financial Services	2037	4.47%	49,541	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	770	23,520	24,290
Jerome Home	D	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	325	9,510	9,835
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	-	-	-
Connecticut College	G*	4/4/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	4.80%	12,127	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	-	-	-
Griffin Hospital ***	D*	5/15/2007	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	10,925	10,925	-	-	-
Chase Collegiate School	A	6/7/2007	Negotiated	Stifel, Nicolaus	P.G. Corbin	2037	4.80%	11,296	11,060	270	8,985	9,255
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	25,180	-	25,180
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	825	14,665	15,490
Westover School	B*	7/11/2007	Negotiated	RBC Capital	N/A	2030	Variable	9,180	9,180	-	-	-
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	-	-	-
Yale University	Z2*	10/4/2007	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	-	-
Yale University	Z3*	10/4/2007	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	-	-
Masonicare	C*	10/31/2007	Negotiated	Merrill Lynch	P.G. Corbin & Co.	2037	Variable	81,065	81,065	-	-	-
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	425	14,465	14,890
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	230	-	230
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	5,735	-	5,735
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	2,600	3,715	6,315
Quinnipiac University ***	K-2	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2028	4.63%	51,700	51,700	2,100	20,395	22,495
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	1,735	6,325	8,060
Greenwich Hospital	C	5/7/2008	Negotiated	UBS Financial Services	N/A	2026	Variable	53,630	53,630	2,790	29,640	32,430
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	-	-	-
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	-	-	-
Danbury Hospital	J*	6/27/2008	Negotiated	Wachovia Securities	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	1,135	38,985	40,120
Loomis Chaffee School	G*	7/22/2008	Negotiated	RBC Capital	Lamont Financial Services	2038	4.95%	25,745	25,745	-	-	-
Hamden Hall	A	7/31/2008	Negotiated	RBC Capital	N/A	2038	Variable	18,235	18,235	480	15,220	15,700

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Trinity College	L	8/5/2008	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	555	10,910	11,465
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	-	-	-
Fairfield University	N	8/21/2008	Negotiated	J. P. Morgan	Lamont Financial Services	2029	4.73%	108,210	108,210	4,315	78,975	83,290
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	-	-	-
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	390	5,240	5,630
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	345	8,565	8,910
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	820	18,050	18,870
Westminster School	F	4/14/2010	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2029	4.04%	6,350	6,350	285	4,490	4,775
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	5,525	99,230	104,755
Trinity College	M	6/29/2010	Negotiated	Stifel, Nicolaus & Company	Public Financial	2028	4.10%	22,230	22,230	90	16,870	16,960
Hospital for Special Care	E*	7/15/2010	Negotiated	RBC Capital	Lamont Financial Services	2041	Variable	20,185	20,185	-	-	-
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	339	12,020	12,359
University of Bridgeport	C	12/9/2010	Private	RBC Capital	N/A	2040	3.98%	30,000	30,000	641	25,694	26,335
Norwalk Hospital	G	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2025	5.12%	25,000	25,000	1,550	15,615	17,165
Norwalk Hospital	H	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.49%	10,040	10,040	1,050	3,390	4,440
Norwalk Hospital	I	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.40%	11,800	11,800	1,235	3,970	5,205
Eastern CT Health Network	E*	12/21/2010	Negotiated	RBC Capital	N/A	2034	Variable	20,145	20,145	-	-	-
Waterbury Hospital	D*	12/22/2010	Private	RBC Capital	N/A	2020	4.54%	25,918	25,918	-	-	-
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	190	8,495	8,685
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	1,080	37,945	39,025
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	150	3,160	3,310
Connecticut Children's Medical Center	D*	6/30/2011	Private	Cain Brothers & Company	N/A	2032	Variable	41,580	41,580	-	-	-
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	2,505	23,715	26,220
Loomis Chaffee School	H	8/23/2011	Negotiated	RBC Capital	N/A	2024	3.72%	7,740	7,740	550	4,820	5,370
Lawrence & Memorial Hospital	F	9/15/2011	Negotiated	Morgan Stanley	PFM	2036	4.14%	58,940	58,940	3,130	41,765	44,895
Hartford HealthCare Corporation	A	9/29/2011	Negotiated	Citigroup Global Markets	N/A	2041	4.90%	254,730	254,730	4,040	241,035	245,075
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	1,640	33,865	35,505
Rectory School	B	1/5/2012	Private	George K. Baum & Company	N/A	2041	Variable	7,500	7,500	179	6,464	6,643
Sacred Heart University	H	2/14/2012	Negotiated	RBC Capital	Lamont Financial Services	2028	3.73%	47,740	47,740	2,215	34,545	36,760
Bushnell Memorial Hall	B	3/16/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	12,800	12,800	310	11,039	11,349

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Brunswick School	C	3/19/2012	Negotiated	Bank of America Merrill Lynch	Acacia Financial	2033	3.76%	38,470	38,470	1,370	31,895	33,265
Connecticut College	I	4/4/2012	Negotiated	RBC Capital	PFM	2032	3.74%	12,240	12,240	995	6,975	7,970
Winston Preparatory School	A	4/13/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	11,378	11,378	278	10,400	10,678
University of Hartford	H	4/26/2012	Private	RBC Capital	N/A	2032	Variable	30,000	30,000	1,302	22,804	24,106
University of Hartford	I	4/26/2012	Private	RBC Capital	N/A	2032	2.85%	28,600	28,600	1,236	21,754	22,990
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	2,495	24,905	27,400
Pomfret School	B-1	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.59%	2,200	2,200	70	1,985	2,055
Pomfret School	B-2	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	6.09%	15,550	15,550	485	14,100	14,585
Stamford Hospital	J	6/20/2012	Negotiated	Goldman Sachs	Lamont Financial Services	2042	4.83%	250,000	250,000	1,585	248,415	250,000
Westminster School	G	6/29/2012	Private	Stifel, Nicolaus & Company	N/A	2042	2.50%	6,125	6,125	150	5,335	5,485
Renbrook School, The	B	8/22/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.69%	8,600	8,600	277	7,060	7,337
Masonicare	E*	9/5/2012	Private	Ziegler Capital Markets Group	N/A	2037	Variable	33,000	33,000	-	-	-
Guntery School, The	B	9/28/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.65%	8,855	8,855	285	7,435	7,720
University of Bridgeport	D	11/2/2012	Private	RBC Capital	N/A	2042	Variable	12,000	12,000	288	10,994	11,282
Taft School, The	I	11/7/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2032	2.58%	18,462	18,060	1,655	16,405	18,060
Norwalk Hospital	J	12/7/2012	Private	Hammond Hanlon Camp LLC	N/A	2039	Variable	82,000	82,000	2,320	74,045	76,365
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	228	5,188	5,416
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	520	12,415	12,935
Pierce Memorial Baptist	B	3/13/2013	Private	Ziegler Capital Markets Group	N/A	2038	3.44%	11,454	11,454	339	9,818	10,157
Kent School	F*	3/28/2013	Private	Stifel, Nicolaus & Company	N/A	2038	2.82%	17,490	17,490	-	-	-
Forman School , The	B	3/28/2013	Private	Wye River Group, Inc.	N/A	2038	Variable	4,700	4,700	204	3,703	3,907
Ethel Walker School	C	4/3/2013	Private	Stifel, Nicolaus & Company	N/A	2040	Variable	8,665	8,665	240	7,825	8,065
UConn Foundation	C	4/24/2013	Private	Wells Fargo	N/A	2023	1.90%	20,000	20,000	2,500	12,500	15,000
King Low Heywood School	B	4/30/2013	Private	N/A	A.C. Advisory	2033	2.17%	9,100	9,100	360	7,350	7,710
Day Kimball Hospital	B	6/6/2013	Private	Piper Jaffray & Co.	N/A	2043	5.78%	30,330	30,330	1,100	26,605	27,705
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	196	3,315	3,511
South Kent School	A	8/29/2013	Private	Stifel, Nicolaus & Company	N/A	2039	Variable	7,300	7,300	203	6,808	7,011
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	444	8,003	8,447
Lawrence & Memorial Hospital	G	10/10/2013	Private	Morgan Stanley	Fairmount Capital	2038	3.25%	30,000	30,000	880	26,645	27,525
University of New Haven	I	10/11/2013	Private	RBC	PFM	2040	Variable	28,670	28,670	780	26,067	26,847
Avon Old Farms School	C	11/1/2013	Private	Stifel, Nicolaus & Company	N/A	2036	4.16%	24,606	24,606	768	21,718	22,486
University of Saint Joseph	C	11/1/2013	Private	RBC	N/A	2038	Variable	10,800	10,800	312	9,407	9,719
University of Saint Joseph	D	11/1/2013	Private	RBC	N/A	2043	3.55%	10,800	10,800	264	9,715	9,979
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	419	12,004	12,423
University of New Haven	J	11/22/2013	Private	N/A	PFM	2033	Variable	10,000	10,000	460	8,485	8,945
Stanwich School	B	12/06/13	Private	Merrill Lynch	N/A	2037	Variable	10,000	10,000	353	9,535	9,888
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	4,935	5,127
Hartford HealthCare Corporation	E	3/26/2014	Negotiated	Citigroup Global Markets	Fairmount Capital	2042	4.82%	85,959	83,790	-	83,790	83,790

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<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	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	6,835	63,790	70,625
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	2,470	73,865	76,335
Trinity College	N	7/15/2014	Private	N/A	A.C. Advisory	2026	2.67%	22,535	22,535	1,878	15,336	17,214
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	19,315	19,465
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	548	24,095	24,643
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	108	4,741	4,849
Kent School	G	11/13/2014	Negotiated	Stifel, Nicolaus & Company	A.C. Advisory	2023	1.92%	12,765	11,545	1,335	7,975	9,310
Cherry Brook Health Care Center	B	12/11/2014	Private	N/A	Acacia Financial	2024	3.03%	4,200	4,200	384	2,880	3,264
Greater Hartford YMCA	D	12/23/2014	Private	N/A	N/A	2044	2.24%	27,500	27,500	870	25,455	26,325
Choate Rosemary Hall	E	3/27/2015	Private	N/A	N/A	2037	3.64%	36,110	36,110	1,050	32,975	34,025
Westminster School	I	4/30/2015	Private	Stifel, Nicolaus & Company	N/A	2026	2.03%	5,556	5,556	448	4,167	4,615
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	605	17,080	17,685
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	10,706	10,726
Trinity College	O	7/15/2015	Private	N/A	A.C. Advisory	2037	2.71%	22,890	22,890	805	20,890	21,695
University of Hartford	J	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2045	Variable	20,450	20,515	578	18,873	19,451
University of Hartford	K	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	14,935	15,000	550	13,402	13,952
University of Hartford	L	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	Variable	9,935	10,000	368	8,931	9,299
University of Hartford	M	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	9,935	10,000	367	8,934	9,301
Miss Porter's School	C-1	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.47%	9,388	9,388	192	8,885	9,077
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	433	14,050	14,483
Ridgefield Academy	B	12/3/2015	Private	Piper Jaffray & Co.	N/A	2035	Variable	9,736	9,736	497	8,493	8,990
Salisbury School	D	12/10/2015	Private	Stifel Nicolaus	N/A	2046	3.09%	48,194	48,194	1,032	46,002	47,034
Trinity College	P	12/17/2015	Private	Stifel Nicolaus	N/A	2025	Variable	23,000	23,000	550	21,691	22,241
Trinity Health	2016	1/26/2016	Negotiated	Bank of America Merrill Lynch	N/A	2045	4.28%	248,808	220,325	1,960	218,365	220,325
Charlotte Hungerford Hospital	D	2/23/2016	Private	N/A	N/A	2036	2.24%	13,000	13,000	650	11,700	12,350
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	-	97,010	97,010
Miss Porter's School	C-2 (C)	4/4/2016	Private	George K. Baum & Company	Acacia Financial	2045	3.56%	7,567	7,567	156	7,234	7,390
Middlesex Hospital	P	6/10/2016	Private	Piper Jaffray & Co.	N/A	2027	2.03%	9,610	9,683	873	7,936	8,809
Ethel Walker School	D-1	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	8,145	8,145	140	7,870	8,010
Ethel Walker School	D-2	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	5,000	5,000	95	4,905	5,000

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2017
(In Thousands of Dollars)

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Saint Joseph's Living Center	B(R)	6/15/2016	Private	N/A	N/A	2023	Variable	2,840	2,840	72	2,696	2,768
Yale University	2016 A-1	7/1/2016	Negotiated	Barclays Capital	N/A	2042	1.51%	150,000	249,320	-	150,000	150,000
Yale University	2016 A-2	7/1/2016	Negotiated	Barclays Capital	N/A	2042	1.51%	249,696	150,000	-	249,320	249,320
Eagle Hill School	B	7/12/2016	Private	Gates Capital	N/A	2026	2.33%	14,740	14,740	420	14,320	14,740
Stamford Hospital	F	7/27/2016	Negotiated	Goldman Sachs	N/A	2046	3.78%	50,609	47,620	-	47,620	47,620
Connecticut Children's Medical Center	D	9/1/2016	Private	Cain Brothers & Company	N/A	2032	4.82%	35,270	35,270	1,540	32,985	34,525
Connecticut College	L-1	9/21/2016	Negotiated	Oppenheimer & Co, Inc.	N/A	2046	3.56%	45,061	40,725	-	40,725	40,725
Connecticut College	L-2	9/21/2016	Negotiated	Oppenheimer & Co, Inc.	N/A	2027	2.49%	12,910	12,910	-	12,910	12,910
Hospital for Special Care	F	10/6/2016	Private	Oppenheimer & Co, Inc.	N/A	2038	2.63%	23,661	42,837	-	23,661	23,661
Masonicare	F	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	116,589	110,030	-	110,030	110,030
Masonicare	G	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	5,633	5,755	-	5,755	5,755
Griffin Hospital	E	1/20/2017	Private	PFM	Acacia Financial	2042	Variable	40,652	40,652	-	40,652	40,652
Griffin Hospital	F	1/20/2017	Private	PFM	Acacia Financial	2022	2.48%	7,930	7,930	1,499	5,957	7,456
Loomis Chaffee School	I-1	02/24/17	Negotiated	Stifel Nicolaus	N/A	2038	2.79%	20,445	20,445	-	20,445	20,445
Loomis Chaffee School	I-2	2/24/2017	Negotiated	Stifel Nicolaus	N/A	2025	3.98%	3,070	3,070	120	2,950	3,070
Western CT Healthcare	P	3/1/2017	Private	Kaufman, Hall & Associates	N/A	2036	2.29%	40,390	40,390	-	40,390	40,390
Hopkins School	D	3/8/2017	Private	Stifel Nicolaus	N/A	2032	2.59%	7,860	7,860	265	7,595	7,860
Odd Fellows Healthcare	A	3/9/2017	Private	SK Advisors	N/A	2047	Variable	18,923	18,960	270	18,650	18,920
Trinity College	Q	4/26/2017	Private	Citizens Bank, N.A.	N/A	2026	2.57%	51,100	51,100	-	51,100	51,100
Kent School	H	5/16/2017	Private	Janney Montgomery Scott LLC	N/A	2047	2.95%	18,800	18,800	-	18,800	18,800
Yale University	2017 A-1	6/7/2017	Negotiated	Barclays Capital	N/A	2042	1.50%	99,999	85,460	-	85,460	85,460
Yale University	2017 A-2	6/7/2017	Negotiated	Barclays Capital	N/A	2042	1.50%	99,999	85,460	-	85,460	85,460
Yale University	2017 B-1	6/7/2017	Negotiated	Barclays Capital	N/A	2029	1.17%	124,995	112,100	-	112,100	112,100
Yale University	2017 B-2	6/7/2017	Negotiated	Barclays Capital	N/A	2037	1.17%	124,995	112,100	-	112,100	112,100
Westover School	C	6/13/2017	Private	George K. Baum & Company	N/A	2032	2.81%	14,539	6,791	-	6,791	6,791
Westover School	D	6/13/2017	Private	George K. Baum & Company	N/A	2032	2.81%	6,791	14,539	-	14,539	14,539
Total Hospital, Education & Other								18,182,425	18,930,472	141,610	7,685,067	7,826,677
<u>Child Care Program</u>												
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	1,465	20,525	21,990
Child Care Program	2015	04/01/15	Negotiated	Piper Jaffray & Co.	Acacia	2038	3.67%	35,709	33,475	975	30,615	31,590
New Opportunities for Waterbury	A*	05/13/98	Private	Greenwich Partners	N/A	2028	6.78%	4,706	5,795	-	-	-
Total Child Care Program								142,165	141,165	2,440	51,140	53,580
<u>Special Capital Reserve Fund Program (SCRF)</u>												
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 Rehabil	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 Care	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	-	-	-

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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	-	-	-
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	-	-	-
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	-	-	-
Connecticut State University System	H*	06/17/05	Competitive	CitiGroup Global Market	PFM	2019	4.10%	53,285	48,515	-	-	-
Connecticut State University System	I	04/18/07	Competitive	Wachovia Bank, NA	PFM	2033	4.20%	62,416	62,760	2,085	59,840	61,925
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,130	20,570	21,700
Connecticut State University System	K	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	4,480	9,505	13,985
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	1,660	45,545	47,205
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	1,260	28,505	29,765
Connecticut State University System	N	10/23/2013	Competitive	Competitive	PFM	2033	3.94%	89,171	80,340	2,820	69,935	72,755
Connecticut State University System	O	9/16/2014	Competitive	Roosevelt & Cross	PFM	2030	2.63%	23,228	21,240	20	16,830	16,850
Connecticut State University System	P-1	9/13/2016	Competitive	CitiGroup Global Market	PFM	2036	2.64%	61,855	55,030	1,710	53,320	55,030
Connecticut State University System	P-2	9/3/2016	Competitive	CitiGroup Global Market	PFM	2035	2.30%	20,438	19,530	4,890	14,640	19,530

Total SCRF (SCRF total represents a contingent liability of the State of Connecticut)

1,130,229 1,095,200 20,055 318,690 338,745

Total CHEFA Issued Debt

19,454,819 20,166,837 164,105 8,054,897 8,219,002

**Summary of Indebtedness
at June 30, 2017**

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>
18,930,472	141,610	7,685,067	7,826,677
260,400	-	-	-
834,800	20,055	318,690	338,745
141,165	2,440	51,140	53,580
20,166,837	164,105	8,054,897	8,219,002

Definitions:

Current - Bonds payable after June 30, 2017 but prior to June 30, 2018

Long-term - Bonds payable after June 30, 2018

*Defeased issue

**Partially defeased issue

*** Converted to Fixed Rate

CHEFA
Loans, Grants, or Services in excess of \$5,000
General Account Disbursements
Fiscal Year Ended June 30, 2017

Vendor

Aniello Associates, Inc	New Horizons, Inc
Bank of America	Norwalk Hospital
Bank of New York Mellon	Penguin Random House
Bloomberg Finance L.P.	People's United Bank
CBIA Health Connections	Principal Mutual Life Insurance Company
CDW Government, Inc	R.A. Eick Quality Bookbinding
Central Connecticut Coast YMCA	RMI Associates, LLC
Cohn Reznick LLP	SNI Companies
Cologix, Inc	St. Mary Home, Inc
Connecticut Business Systems	Standard Insurance Company RD
Easter Seals Rehabilitation Center	Suburban Stationers Inc
Forman School, Inc	Treasurer, State of Connecticut
Gaylord Hospital, Inc	United Way of Connecticut, Inc
GCCFC 2007-GG9 Columbus Boulevard, LLC	University of New Haven
HB Communications, Inc	University of Saint Joseph
Horace Bushnell Memorial Hall Corp	US Bank
Jerome Home	Verizon Business
Local Initiatives Support Corp.	Village for Families and Children, Inc
Metlife - Group Benefits	Willis of Connecticut, LLC
NAHEFFA	Yale-New Haven Hospital, Inc

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2017

Vendor

A. Secondino & Son, Inc	Gregory and Adams P.C.
A.C. Advisory, Inc	Griffin Hospital
AAIS Corporation	GZA GeoEnvironmental, Inc
Acacia Financial Group Inc	Harris Beach PLLC
Alston & Bird LLP	Hartford Healthcare
Amtec	Hawkins Delafield & Wood
Bank of New York	HHS Mechanical Contractors
Batholomew Contract Interiors	Hinckley Allen & Snyder, LLP
BC Ziegler & Company	Hospital for Special Care
Bestech Inc. of Connecticut	Huntington Power Equipment Inc
Bob's Discount Furniture	Hygenix, Inc
Bridge Funding Group, Inc	ImageMaster
C Squared Systems, LLC	Janney Montgomery Scott LLC
Cameron & Mittleman, LLP	Jeffers Cowherd PC
Carmody Torrance Sandak & Hennesey	Johnson Controls, Inc
Charlotte Hungerford Hospital	King & Spalding LLP
Chicago Title Insurance	La Rosa Building Group LLC
Church Home of Hartford, Inc	Lamont Financial Services Corp
Connecticut College	Lemery Greisler
Creative Office Interiors	M.D. Stetson Company
Crowe Horwath LLP	Manufacturers & Traders Trust
Danbury Hospital	Masonicare
Day Pitney LLP	McCarter & English, LLP
Dimeo Construction Company	Mercury Cabling Systems LLC
Eagle Hill School	Moody's Investor Service
Electronic Security & Control	Murtha Cullina LLP
Ernst & Young	Nixon Peabody
Ethel Walker School	Nosal Builders, Inc
Fairfield University	O & G Industries, Inc
Fairmount Capital Advisors	Oak Park Architects LLC
Farmington Bank	Odd Fellows Home of CT, Inc
Fidelity National Titale Insurance Company	Oppenheimer & Co, Inc
Finn Dixon & Herling LLP	PAC Group LLC
First American Title Insurance Company	People's United Muni Finance
Fitch Ratings	PFM Asset Management, LLC
Fuss & O'Neill Inc	PriceWaterhouseCoopers LLP
Gates Capital Corporation	Public Financial Management Inc
George K. Baum & Company	Pullman & Comley LLC
Greater Hartford YMCA	Quinnipiac University
Quisenberry Arcari Architects, LLC	Terracon Consultants, Inc
Reid and Riege, P.C.	Tobin Carberry O'Malley Riley
Ridgefield Academy, Inc	TPC Associates Inc
RKL, LLP	Trane U.S. Inc
Robinson & Cole	TRC Lockbox

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2017

Vendor

Ropes & Gray	Treasurer, State of Connecticut
Salisbury School	Tri State Materials Testing Lab, LLC
Shea Advisory Services, LLC	Trinity College
Shipman & Goodwin	Turner Construction Company
Sign Pro, Inc	University of Bridgeport
Siracusa Moving & Storage	University of Saint Joseph
Soeder & Associates	Updike, Kelly & Spellacy
Stamford Hospital	US Bank
Standard and Poor's	Vincent T McManus, Jr. PC
Stantec Consulting Services	Westminster School
Stifel, Nicolaus & Co, Inc	Westover School
Strategic Building Solutions	Wiggin & Dana
Sun Services, LLC	William B Meyer, Inc
Symmes Maini & McKee	Windels Marx Lane & Mittendorf
T and T Complete Landscaping	Winston & Strawn, LLP
Taft School	Woodard & Curran
Tai Soo Kim Partners	Yale University
TD Bank N.A.	

C H E F A
Bonds Issued
Fiscal Year Ended June 30, 2017
in Chronological Order

Institution	Series	Amount
Yale University	2016 A-1	249,320
Yale University	2016 A-2	150,000
Eagle Hill School	B	14,740
Stamford Hospital	F	47,620
Connecticut Children's Medical Center	D	35,270
Connecticut College	L-1	40,725
Connecticut College	L-2	12,910
Connecticut State University System	P-1	55,030
Connecticut State University System	P-2	19,530
Hospital for Special Care	F	42,837
Masonicare	F	110,030
Masonicare	G	5,755
Griffin Hospital	E	40,652
Griffin Hospital	F	7,930
Loomis Chaffee School	I-1	20,445
Loomis Chaffee School	I-2	3,070
Western CT Healthcare	P	40,390
Hopkins School	D	7,860
Odd Fellows Healthcare	A	18,960
Trinity College	Q	51,100
Kent School	H	18,800
Yale University	2017 A-1	112,100
Yale University	2017 A-2	112,100
Yale University	2017 B-1	85,460
Yale University	2017 B-2	85,460
Westover School	C	14,539
Westover School	D	6,791

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

NON-DISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY AND SEXUAL HARASSMENT POLICIES

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, 2017

<u>Occupation</u>	<u>Race</u>	<u>Gender</u>
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 Manager	White	Female
Network 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
Sr. Finance Associate	White	Male

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.