

# CHEFA

CONNECTICUT HEALTH AND EDUCATIONAL  
FACILITIES AUTHORITY



September 27, 2018

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, 2018, 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, 2018   |
| Tab 2 | Grant dollars provided by CHEFA in FY 2018, including the name of the recipient, the project's purpose, and location  |
| Tab 3 | <p>Schedule of Indebtedness as of June 30, 2018</p> <p>This schedule of indebtedness also includes bond issues supported by a guarantee from the State via the Special Capital Reserve Fund (SCRF) Program.</p> <ul style="list-style-type: none"><li>• The State's total contingent liability for these SCRF bonds is exclusively on behalf of the Connecticut State University System and as of June 30, 2018 was \$318,690,000 as compared to the June 30, 2017 figure of \$338,745,000.</li></ul> |
| Tab 4 | Schedules 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, 2018  |
| Tab 5 | Affirmative Action Policy Statement for 2018  |
| Tab 6 | <p>Agency Workforce Composition as of June 30, 2018</p> <p>Affirmative Action Efforts: For the Fiscal Year Ending June 30, 2018, CHEFA (excluding CHESLA employees) had a workforce of 19 Full-Time Equivalent employees as of June 30, 2018, with 21% minority, including two minority officers (the Executive Director and a Managing Director).</p>  |
| Tab 7 | Connecticut General Statutes §1-122, §1-123, and §10a-194   |

A FY 2018 update on activities and the description of planned activities for the current fiscal year follows.

**Connecticut Health and Educational Facilities Authority**  
**FY 2018 Update on Activities**

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

**Grant Programs** – In FY 2018, the Authority disbursed \$2.79 million in grant dollars through its Client and Not-for-Profit Grant Programs. A listing of grant dollars disbursed in FY 2018 is included under Tab 2.

**Bond Issuance** – In FY 2018, CHEFA issued bonds totaling approximately \$947 million representing 18 bond offerings. In FY 2018, approximately 56% of CHEFA's total issues were private placements with the balance being unenhanced public offerings.

Other bond issuance statistics for FY 2018 are as follows:

- Approximately 49% of dollar volume represented new money financings;
- Approximately 10% of dollar volume represented variable rate transactions;

**Connecticut Health and Educational Facilities Authority**  
**FY 2019 Description of Planned Activities**

In order to fulfill the requirements of Connecticut General Statute (C.G.S.) §1-123 regarding planned activities for FY 2019, the Authority submits the following:

**FY 2019-2021 Strategic Business Plan** – CHEFA developed its Strategic Business Plan with the following core goals.

**Pillar 1. Collaboration**

1. Encourage CHEFA client collaboration by pooling entities to access financing
2. Collaborate with the State, other quasi-public agencies, and/or other stakeholders
3. Facilitate cross-marketing of Authority product lines and programs
4. Offer educational services that meet CHEFA client and grantee needs and create opportunities for client engagement

**Pillar 2. Economic and Workforce Development for the Public Good**

1. Expand CHEFA financings to more sectors
2. Develop targeted student loan and loan refinance products
3. Take a leading role in developing a Pay for Success (PFS) project that has economic as well as social impact
4. Engage firm to conduct economic impact study of Authority programs
5. Seek to expand CHEFA's impact on the not-for-profit sector
6. Explore options to offer CHESLA loan forgiveness that mirrors the federal program

**Pillar 3. Technology**

1. Continue to broaden CHESLA's use of technology to facilitate loan applications and enhance awareness of CHESLA programs
2. Drive more traffic to Authority websites through relevant content, use of social media and search engine optimization
3. Enhance and expand existing CHEFA client portal used for annual data submission

**Pillar 4. Innovation**

1. Pursue legislative changes that will allow us to undertake new activities to serve our clients
2. Enhance CHESLA's brand recognition by making CHESLA scholarship a CHESLA administered program
3. Explore the creation of a CHESLA endowment for need-based scholarships
4. Create a CHEFA enterprise portal that would bring together potential borrowers and potential lenders
5. Use sector analyses as a new product
6. Explore program for micro-loans; consider creating a revolving loan pool

**Pillar 5. Public Engagement and Accountability**

1. Promote adherence to organizational identity and culture
2. Maintain sustainable organization
3. Develop comprehensive communications and marketing strategy for all key stakeholders

During FY 2019, 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; and
- Promote continued adherence to the organizational identity (mission, vision, values, etc.)

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

Sincerely,



Jeanette W. Weldon  
Executive Director

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

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

**CHEFA Budget Summary**  
**Budget for the Twelve Months Ending June 30, 2019**

	FYE June 30, 2017 Actual	FYE June 30, 2018 Budget	FYE June 30, 2018 Proj Actual	FYE June 30, 2019 Budget
<b>Revenues</b>				
CHEFA Fees	\$ 7,458,104	\$ 7,434,375	\$ 7,474,443	\$ 7,575,375
Investment Income	70,633	75,799	153,221	295,533
Up-Front fees	60,000	40,000	60,000	30,000
Support Services - CHESLA & CSLF	234,038	282,341	282,340	289,287
Misc Income & Recovery	40,728	0	77,868	0
<b>Total Revenues</b>	<b>\$ 7,863,503</b>	<b>\$ 7,832,514</b>	<b>\$ 8,047,872</b>	<b>\$ 8,190,194</b>
<b>Expenses</b>				
Compensation	\$ 2,111,827	\$ 2,203,464	\$ 2,114,138	\$ 2,245,586
Employee Benefits	665,600	704,806	628,090	726,990
General and Administrative	487,274	522,413	472,072	615,655
Depreciation	51,704	41,864	50,440	54,160
Business Education, Board and Reimbursable	33,114	50,000	20,419	58,750
Membership Dues	11,477	13,351	10,604	13,705
Outside Services	76,705	97,652	96,430	150,377
<b>Total Expenses</b>	<b>\$ 3,437,701</b>	<b>\$ 3,633,550</b>	<b>\$ 3,392,193</b>	<b>\$ 3,865,223</b>
<b>Excess Revenue from Operations</b>	<b>\$ 4,425,802</b>	<b>\$ 4,198,964</b>	<b>\$ 4,655,679</b>	<b>\$ 4,324,971</b>
<b>Program Related Expense **</b>	1,226,033	2,934,975	2,830,028	2,897,140
<b>Change in Net Position before Transfer</b>	<b>\$ 3,199,769</b>	<b>\$ 1,263,989</b>	<b>\$ 1,825,651</b>	<b>\$ 1,427,831</b>
<b>Use of Net Position</b>	1,175,231			-
<b>Non Operating Revenue (Expense)</b>				
State of Connecticut - Transfer (Public Acts)	(4,375,000)	(900,000)	(900,000)	(900,000)
<b>Change in net position after Transfer</b>	<b>\$ 0</b>	<b>\$ 363,989</b>	<b>\$ 925,651</b>	<b>\$ 527,831</b>
<b>Benefit % to Compensation</b>			<b>29.71%</b>	<b>32.37%</b>

NOTE: Projected Actual 2018 is based on Actual Financials as of February 28, 2018, plus 4 months of projected amounts.

\*\* FY 2018 Grant Program budget approval was suspended pending the State Budget Approval

**CHEFA Salary & Benefits Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

	FYE June 30, 2016 Actual	FYE June 30, 2017 Actual	FYE June 30, 2018 Budget	FYE June 30, 2018 Proj Actual	FYE June 30, 2019 Budget
<b>Staff Compensation (inc Labor Grade)</b>	\$ 2,028,575	\$ 2,111,827	\$ 2,203,464	\$ 2,113,271	\$ 2,245,586
Temporary Salaries	847	0	0	867	0
<b>Total Compensation</b>	<b>\$ 2,029,422</b>	<b>\$ 2,111,827</b>	<b>\$ 2,203,464</b>	<b>\$ 2,114,138</b>	<b>\$ 2,245,586</b>
<b>Payroll Taxes</b>	\$ 146,188	\$ 154,788	\$ 156,113	\$ 143,976	\$ 155,046
<b>Medical &amp; Life Insurance</b>					
Medical w/CBIA Life	172,636	165,969	212,459	183,757	233,287
Deductible Funding HSA (CHEFA)	49,750	47,800	49,350	45,150	45,075
Less: Medical Co-insurance	(39,809)	(39,576)	(53,292)	(44,305)	(54,757)
Net Medical Insurance	182,577	174,193	208,517	184,602	223,605
 CHEFA Alternative Insurance	11,454	14,467	14,000	17,733	16,800
Life Insurance	6,731	7,415	7,479	8,205	9,141
Dental	22,720	24,447	26,778	24,990	26,381
Less: Dental Co-insurance	0	0	0	(571)	(264)
<b>Total Medical, Life Insurance &amp; Other</b>	<b>223,482</b>	<b>220,522</b>	<b>256,774</b>	<b>234,959</b>	<b>275,663</b>
<b>Pension</b>					
Contributions	205,140	200,567	220,346	202,433	224,559
Administrative Fee	7,706	6,006	6,006	6,006	6,006
<b>Pension</b>	<b>212,846</b>	<b>206,573</b>	<b>226,352</b>	<b>208,439</b>	<b>230,565</b>
<b>457 Plan &amp; Administrative Fee</b>	26,825	27,775	28,500	27,304	28,500
<b>Vacation</b>	0	31,475	5,000	5,000	5,000
<b>Disability Insurance - Long Term</b>	5,647	5,849	6,389	7,051	8,203
<b>Disability Insurance - Short Term</b>	8,319	8,637	9,343	8,883	9,239
<b>Workers Compensation</b>	7,030	4,981	6,335	5,402	4,774
<b>Tuition</b>	3,795	5,000	10,000	5,000	10,000
<b>Total Employee Benefits</b>	<b>634,132</b>	<b>665,600</b>	<b>704,806</b>	<b>646,014</b>	<b>726,990</b>
<b>Total Employment</b>	<b>\$ 2,663,554</b>	<b>\$ 2,777,427</b>	<b>\$ 2,908,270</b>	<b>\$ 2,760,152</b>	<b>\$ 2,972,576</b>
<b>Benefit % to Compensation</b>	<b>31.25%</b>	<b>31.52%</b>	<b>31.99%</b>	<b>30.56%</b>	<b>32.37%</b>

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

	FYE June 30, 2016 Actual	FYE June 30, 2017 Actual	FYE June 30, 2018 Budget	FYE June 30, 2018 Proj Actual	FYE June 30, 2019 Budget
<b>Lease &amp; Storage</b>					
Lease - Office Space	\$ 220,164	\$ 225,937	\$ 230,802	\$ 225,498	\$ 231,096
Lease - Common area fee & Taxes	15,692	0	7,092	0	920
Offsite Storage & Files Anywhere (electronic storage)	7,314	6,965	7,500	7,190	15,900
<b>Total Lease &amp; Storage</b>	243,170	232,902	245,394	232,688	247,916
<b>Business Insurance</b>					
Office Package	5,371	5,704	5,996	6,099	6,407
Cyber Policy	780	585	827	780	1,638
Fiduciary, Performance Bond, Crime & Terrorism	2,796	2,796	2,936	2,665	2,798
Lawyers Professional Liability	0	0	0	0	0
Directors and Officers Liability / Public Officials Policy	56,613	56,613	59,444	56,614	62,274
<b>Total Business Insurance</b>	65,560	65,698	69,203	66,158	73,117
<b>Office Supplies and Non Capital Equipment</b>					
General Office/Computer/Network & Printer supplies	6,861	7,571	10,000	6,628	10,000
Non-Capital Furniture, Equipment & Software Licensing	10,845	10,799	13,341	2,961	36,692
<b>Total Office Supplies and Non Capital Equip</b>	17,706	18,370	23,341	9,589	46,692
<b>Communications: Telephone &amp; Internet</b>					
Phone (Voice & Data Svc) & Conferencing	19,948	19,745	19,791	19,914	20,791
Cable TV (ComCast)			0	0	0
Business Continuity (CLAR svc)			0	0	0
Website and Email Security (DNS, SSL)	1,103	1,356	1,570	993	1,342
Bloomberg - Securities	24,902	25,080	25,680	25,581	25,680
<b>Total Communications: Phone &amp; Internet</b>	45,953	46,181	47,041	46,488	47,813
<b>Postage Expense</b>					
Postage & Courier Expense	3,175	2,369	4,000	3,007	4,000
Postage - Meter Rental & New Eng. Mail Mach.	2,633	2,661	2,639	2,707	2,639
<b>Total Postage Expense</b>	5,808	5,030	6,639	5,714	6,639
<b>Maintenance Service &amp; Contracts</b>					
Copiers - Leases & Network Charge	14,676	10,304	15,143	11,142	16,702
Copiers - Usage	5,369	3,043	1,560	761	1,980
Copiers - Miscellaneous Maintenance & Taxes	0	0	0	0	0
Printer, Fax & Phone Support	1,279	1,305	1,615	3,750	2,750
Co-location Svcs (Bus Continuity)	23,488	24,165	23,369	23,611	22,170
Plant Service	2,160	2,160	2,700	2,160	2,280
Maintenance (Systems, Software & General)	19,466	24,656	28,009	29,992	43,697
<b>Total Maintenance Service &amp; Contracts</b>	66,438	65,633	72,396	71,416	89,579
<b>Publications &amp; Resource Materials</b>	3,156	3,246	4,400	3,948	4,400
<b>Bond Issuance Cost</b>	20,744	17,647	15,000	15,595	20,000
<b>Marketing Costs</b>					
Signs	0	0	0	0	0
Brochures		0	0	0	0
Client Conferences & Education	14,626	12,961	10,000	0	10,000
Marketing Consulting	0	0	0	0	40,000
Miscellaneous - Advertising, Signs	1,310	3,198	7,000	3,415	7,000
<b>Total Marketing Costs</b>	15,936	16,159	17,000	3,415	57,000
<b>Miscellaneous</b>					
Kitchen Supplies	6,213	5,633	7,000	5,021	7,000
Staff Activities - Holiday, Summer & Team Building	878	1,557	2,500	2,912	3,000
Bank Fees	4,690	4,955	6,000	6,323	6,000
Acknowledgement Fund	4,482	1,533	2,000	1,138	2,000
Miscellaneous	149	506	1,000	167	1,000
<b>Total Miscellaneous</b>	16,412	14,184	18,500	15,561	19,000

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

	FYE June 30, 2016 Actual	FYE June 30, 2017 Actual	FYE June 30, 2018 Budget	FYE June 30, 2018 Proj Actual	FYE June 30, 2019 Budget
<b>Contributions</b>	2,951	1,526	3,500	1,500	3,500
CT Forum			0	0	0
CHA Annual Meeting			0	0	0
<b>Provision for Uncollectibles</b>	3,309	698	0	0	0
<b>Total General and Administrative Expenses</b>	<b>\$ 507,143</b>	<b>\$ 487,274</b>	<b>\$ 522,413</b>	<b>\$ 472,072</b>	<b>615,655</b>



**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

	FYE June 30, 2016 Actual	FYE June 30, 2017 Actual	FYE June 30, 2018 Budget	FYE June 30, 2018 Proj Actual	FYE June 30, 2019 Budget
<b>Depreciation</b>	\$ 63,346	\$ 51,704	\$ 41,864	\$ 50,440	\$ 54,160
<b>Meeting Expense</b>					
Employee Reimbursable expenses	2,356	1,370	3,500	781	3,500
Onsite Meetings (validated parking)	298	230	600	505	600
<b>Total Employee Reimbursable</b>	2,654	1,600	4,100	1,286	4,100
<b>Board Expense</b>					
Monthly Board Lunches	1,788	1,741	2,000	2,580	2,000
Board Business expenses	1,213	999	1,500	603	1,500
<b>Total Board Expense</b>	3,001	2,740	3,500	3,183	3,500
<b>Conference &amp; Education Expense</b>					
Conferences (including expenses)	2,887	15,345	24,900	8,603	33,650
Applications-Staff Education (non tuition, computer and	12,897	13,429	15,000	6,072	15,000
<b>Total Conference &amp; Education Expense</b>	15,784	28,774	39,900	14,675	48,650
<b>Education - Board</b>	0	0	2,500	1,275	2,500
<b>Total Business Education, Board and Reimbursable</b>	\$ 21,439	\$ 33,114	\$ 50,000	\$ 20,419	\$ 58,750
<b>Memberships Dues</b>	\$ 11,125	\$ 11,477	\$ 13,351	\$ 10,604	\$ 13,705

**CHEFA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

	<b>FYE June 30, 2016 Actual</b>	<b>FYE June 30, 2017 Actual</b>	<b>FYE June 30, 2018 Budget</b>	<b>FYE June 30, 2018 Proj Actual</b>	<b>FYE June 30, 2019 Budget</b>
<b>Accounting Systems</b>					
Special programming-Accounting	3,119	3,826	5,000	2,820	<b>15,000</b>
Service Contract-Accounting	3,171	2,918	3,352	3,187	<b>3,352</b>
<b>Total Accounting Systems</b>	<b>6,290</b>	<b>6,744</b>	<b>8,352</b>	<b>6,007</b>	<b>18,352</b>
<b>Consultant Others</b>					
Arbitrage Calculation, Review or Legal	0	0	20,000	0	<b>0</b>
Information Technology	5,400	5,225	12,500	0	<b>15,000</b>
Human Resources	52,478	295	0	15,538	<b>45,000</b>
Strategic	6,000	20,000	0	13,136	<b>25,000</b>
Other - Consultant	108,353	9,000	18,300	9,000	<b>9,000</b>
<b>Consultant - Others</b>	<b>172,231</b>	<b>34,520</b>	<b>50,800</b>	<b>37,674</b>	<b>94,000</b>
<b>Legal</b>	<b>0</b>	<b>10,227</b>	<b>10,000</b>	<b>26,999</b>	<b>10,000</b>
<b>Audit</b>					
Independent Auditors	36,963	25,214	27,000	25,750	<b>26,525</b>
Audit Engagements (other)	0	0	20,000	20,000	<b>25,000</b>
State Audit	0	0	1,500	0	<b>1,500</b>
<b>Total Accounting, Audit, Consultants &amp; Other</b>	<b>\$ 215,484</b>	<b>\$ 76,705</b>	<b>\$ 97,652</b>	<b>\$ 96,430</b>	<b>\$ 150,377</b>
<b>Transfer of Reserves - Due to State of CT</b>	<b>3,500,000</b>	<b>4,375,000</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Program Related Expense</b>					
<b>Grant Programs</b>	<b>2,000,235</b>	<b>846,945</b>	<b>2,787,835</b>	<b>2,737,210</b>	<b>2,750,000</b>
<b>Child Care Programs</b>					
Guar. Loan Fund - Administrative Expense	115,189	22,140	22,140	5,534	<b>22,140</b>
Guar. Loan Fund Investment Earnings	(2,275)	(9,172)	0	(3,979)	<b>0</b>
<b>Net Guaranteed Loan Fund Expense</b>	<b>112,914</b>	<b>12,968</b>	<b>22,140</b>	<b>1,555</b>	<b>22,140</b>
3% Child Care Interest Subsidy	146,914	116,120	125,000	91,263	<b>125,000</b>
<b>Child Care Programs</b>	<b>259,828</b>	<b>129,088</b>	<b>147,140</b>	<b>92,818</b>	<b>147,140</b>
<b>Total Program Related Expense</b>	<b>\$ 2,260,063</b>	<b>\$ 1,226,033</b>	<b>\$ 2,934,975</b>	<b>\$ 2,830,028</b>	<b>\$ 2,897,140</b>

**CHEFA Revenue Budget FY 2019**

	<b>Refinance</b>	<b>New Money</b>	<b>Totals</b>
<b>Estimated Closings FY 2019</b>			<b>6</b>
<b>Up-Front Fees (Closings @ \$5,000 each)</b>			<b>30,000</b>
<b>CHEFA Fees Income (@ 9 basis points)</b>			
Brass City Charter School		5,000,000	5,000,000
Yale University, Series 2015 Remarketing	300,000,000		300,000,000
Cornell Scott Hill		10,000,000	10,000,000
University of New Haven		25,000,000	25,000,000
Trinity College (LOC Substitution)	10,900,000		10,900,000
Mary Wade		35,000,000	35,000,000
Yale University, Series 2010A4 Remarketing	150,000,000		150,000,000
Yale University, Series U2 Remarketing	250,000,000		250,000,000
Issues - Various		25,000,000	25,000,000
Issues - Various		25,000,000	25,000,000
<b>Projected Closings through FYE 2019</b>	<b>710,900,000</b>	<b>125,000,000</b>	<b>835,900,000</b>
Estimated 12 month revenue on New Issues -->		112,500	
Estimated Revenue on New Issues (based on each Issue's anticipated closing date)-->			75,375
Bond Issues - Current Portfolio (Reg, CSU & Childcare)			7,500,000
<b>Total FY 2019 Accrued CHEFA Fees</b>			<b>7,575,375</b>
<b>Average Investment balance</b>	<b>\$ 14,500,385</b>		<b>2.000%</b>
<b>Estimated Interest Income</b>			<b>\$290,008</b>
<b>Support Services - CHESLA &amp; CSLF</b>			<b>289,287</b>
<b>Total FYE 2019 Revenue Budget</b>			<b>\$8,184,669</b>

**CHEFA Budget**  
**Capital Budget for the Twelve Months Ending June 30, 2019**

<b>Item</b>	<b>Total Cost</b>	<b>Useful Life</b>	<b>FY 2019 Depreciation</b>
<b>Current Depreciation Schedule for FYE June 2018</b>			<b>\$ 20,000</b>
<b><u>Additions:</u></b>			
<b><u>Software</u></b>			
SS&C DBC	17,000	3	2,833
Accounting/Finance Software	122,400	10	6,120
Accounting/Finance Software - Annual License	12,604	<i>expense</i>	
Foundant License (Grant Lifecycle) - 2yr	10,500	2	2,625
Foundant (Grant Lifecycle)	6,000	5	600
	\$198,026		
<b>Contingency (25%)</b>	42,126		3,045
<b>Subtotal for IT (Software)</b>	<b>\$210,630</b>		<b>\$15,223</b>
<b><u>Capital Projects</u></b>			
Colocation Infrastructure	131,000	5	13,100
Web Development	10,000	5	1,000
Avaya Phone System Upgrade	8,000	5	800
	\$186,250		
<b>Contingency (25%)</b>	37,250		3,725
<b>Subtotal for Capital Projects</b>	<b>\$186,250</b>		<b>\$18,625</b>
<b><u>Leasehold Improvements</u></b>			
Key Pad Upgrade	2,500	5	250
	\$3,125		
<b>Contingency (25%)</b>	625		63
<b>Subtotal for Leasehold</b>	<b>\$3,125</b>		<b>\$313</b>
<b>Total Fixed Assets (FY 2019)</b>	<b>\$400,005</b>		<b>\$34,160</b>
<b>Total NEW Capital &amp; Leasehold Purchases</b>	<b>\$ 400,005</b>		<b>\$34,160</b>
<b>New FY 2019 Asset Depreciation</b>			<b>\$34,160</b>
<b>Total Depreciation Expense Budget</b>			<b>\$ 54,160</b>

**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, 2018**

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

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## **Financial Section**

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## Independent Auditor's Report

Board of Directors  
Connecticut Health and Educational Facilities Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Connecticut Health and Educational Facilities Authority as of and for the year ended June 30, 2018, 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, 2018, 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, 2018, 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 solely 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 the effectiveness of the Connecticut Health and Educational Facilities Authority's 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.



Hartford, Connecticut  
September 26, 2018



## Management's Discussion and Analysis For the Year Ended June 30, 2018 (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, 2018. 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 underlying obligor on whose behalf CHEFA issues the bonds. The issuance of tax-exempt bonds can provide funds for construction and renovation 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.

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 or serves as administrator of the federal guarantee.

### **Financial Highlights**

- CHEFA's net position increased \$885 for the fiscal year as a result of operating income of \$4,472 net of nonoperating expenses including grants and child care expenses of \$2,879 and the required payment to the state of \$900, offset by investment income of \$192.
- CHESLA's net position increased by \$2,155 for the fiscal year. The increase was due primarily to contributions from CSLF for the scholarship program and the refinance product (Refi CT) program and an increase in investment income.
- CSLF's net position decreased by \$1,823 for the fiscal year, due primarily to the \$4,000 contribution made to CHESLA for its scholarship program (\$2,000) and the Refi CT program (\$2,000).
- CHESLA's loan activity during the fiscal year was the issuance of new loans, net of returns, totaling \$21,597 from the In-School loan program and \$2,877 from the Refi CT program. Payments received of \$19,990, net of adjustments, include \$19,634 from the In-School loans and the remainder from the Refi CT loans.
- CSLF received loan payments of \$38,106 during the fiscal year.
- CHESLA issued debt of \$20,455 for new loans and \$9,155 of the proceeds were used to defease the 2007A bonds.
- CSLF's bonds payable decreased by \$32,450 from voluntary redemptions made during the year.

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

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### **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, 2018. Net position may serve over time as a useful indicator of financial position. The restricted portion of net position for CHEFA at fiscal year-end was 32.0%. CHEFA's net position invested in capital assets was 0.8%. The remaining portion of net position is unrestricted and is 67.2%.

## Management's Discussion and Analysis (Continued)

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

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

	CHEFA	
	2018	2017
Current and other assets	\$ 244,119	\$ 232,380
Capital assets (net)	106	81
Total assets	244,225	232,461
Assets held on behalf of the State of CT	2,170	2,176
Other liabilities	228,062	217,177
Total liabilities	230,232	219,353
Net investment in capital assets	106	81
Restricted	4,487	4,563
Unrestricted	9,400	8,464
Total net position	\$ 13,993	\$ 13,108

**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 increased \$885.

## Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

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

	CHEFA	
	2018	2017
Operating revenues:		
Administrative fees	\$ 7,463	\$ 7,458
General and administrative fees	282	234
Bond issuance fees	59	60
Other revenues	153	41
Total operating revenues	7,957	7,793
Operating expenses:		
Salaries and related expenses	2,807	2,777
General and administrative	545	545
Contracted services	133	129
Total operating expenses	3,485	3,451
Operating income	4,472	4,342
Nonoperating income (expenses):		
Investment income	192	84
Payment to State	(900)	(4,375)
Grants and childcare subsidy expense	(2,879)	(1,226)
Total nonoperating expenses	(3,587)	(5,517)
Increase (decrease) in net position	885	(1,175)
Net position, July 1, 2017	13,108	14,283
Net position, June 30, 2018	\$ 13,993	\$ 13,108

### 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 borrower for administration and application fees.

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

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The fee charged is a Board approved administrative fee of 9 basis points (.0009) annually on the outstanding balance of bonds.

Revenues totaled \$7,957 for fiscal year 2018. Administrative fees are the largest revenue source and represent 93.8% of total revenues. General and administrative service fees for support services provided to CHESLA and CSLF totaled \$282, representing 3.5% of revenues for the year. The balance comprises application fees for the conduit debt issued and other revenues at 2.7%.

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

- Administrative fees increased by \$5 to \$7,463 during the year. The increase is due to the change in the par value of loans outstanding at June 30, 2018 compared to June 30, 2017. 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, 2018 was \$8,349,699 as compared to \$8,219,002 at June 30, 2017.

During the year, CHEFA had 18 issues of new conduit debt totaling \$947,103 in par value, of which 50.9% was the refinancing of pre-existing debt.

- Nonoperating investment income increased by \$108 to \$192 from the \$84 recognized in fiscal year 2017. This is a result of interest rate increases as compared to the prior year.

### **Expenses**

Expenses totaled \$3,485 for the fiscal year. Of the expenses, 80.6% or \$2,807 was for salaries and related expenses. General and administrative expenses amounted to \$545, or 15.6%, while contracted services amounted to \$133 or 3.8%.

Significant changes from the prior year are as follows:

- Salaries and related expenses increased by \$30 from fiscal year 2017 to \$2,807.
- Contracted services increased by \$4 from fiscal year 2017 to \$133.
- Grant and childcare subsidy expense increased from fiscal year 2017 by \$1,653. The increase was a result of an increase in grants with \$788 awarded in 2017 and released in 2018, as well as the decrease in the loan amounts outstanding (\$38).

### **Capital Assets**

At June 30, 2018, CHEFA's capital assets amounted to \$106, net of depreciation. This includes leasehold improvements, furniture and fixtures, and computer and office equipment. Capital assets increased by \$25 due to capital asset additions of \$67, offset by depreciation of \$42. Capital asset purchases during the year included \$67 for office equipment.

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.

## Management's Discussion and Analysis (Continued)

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

#### Financial Analysis

For CHESLA, assets exceeded liabilities at June 30, 2018. Due to the nature of operations, a significant portion of net position is subject to bond resolution restrictions. The restricted net position for CHESLA at fiscal year-end was 60.99%. CHESLA's net position invested in capital assets was 0.01%. The remaining portion of net position (39.0%) is unrestricted.

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

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

	<b>CHESLA</b>	
	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 182,470	\$ 191,085
Capital assets, net	3	-
Total assets	182,473	191,085
Long-term liabilities outstanding	151,965	160,702
Other liabilities	843	880
Total liabilities	152,808	161,582
Deferred inflows of resources	7	2,000
Net invested in capital assets	3	-
Restricted	18,087	19,076
Unrestricted	11,568	8,427
Total net position	\$ 29,658	\$ 27,503

CHESLA's unrestricted net assets consist primarily of board designated assets for the refinance and the scholarship programs. In fiscal year 2018, CHESLA funded \$22,616 of In-School loans and \$2,898 in loans through its refinance program, Refi CT, compared to \$21,957 and \$2,851, respectively, in fiscal year 2017; increases of 3% for In-School and 1.6% for Refi CT over fiscal year 2017.

**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 \$2,155.



## Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

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

	CHESLA	
	2018	2017
Operating revenues:		
Interest income on loans receivable	\$ 7,333	\$ 7,433
Administrative fees	669	655
Contribution from CSLF	3,993	1,889
Other revenues	32	-
Total operating revenues	12,027	9,977
Operating expenses:		
Interest expense	5,994	5,743
Salaries and related expenses	137	217
General and administrative	565	541
Refinance pilot program	40	201
Scholarships	1,993	1,887
Loan service fees	598	574
Contracted services	39	37
Bond issuance costs	709	555
Provision for loan losses	581	73
Total operating expenses	10,656	9,828
Total operating income (loss)	1,371	149
Nonoperating income (expenses):		
Investment income	784	283
Increase (decrease) in net position	2,155	432
Net position, July 1, 2017	27,503	27,071
Net position, June 30, 2018	\$ 29,658	\$ 27,503

Net position increased by \$2,155 for the fiscal year 2018. The increase reflects primarily the funds received from CSLF for the scholarship program and Refi CT and an increase in investment income.

### **Revenues**

CHESLA provides financial assistance in the form of education loans to students in or from the State of Connecticut. Refi CT is available to Connecticut residents or to non-residents who are refinancing a CHESLA loan. CHESLA is authorized to issue tax-exempt bonds, the proceeds of which are used to fund education loans to students meeting certain eligibility requirements. The repayments of such loans service the debt on CHESLA bonds. Revenues include origination fees and the interest charged on the loans.

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

- Administrative fees increased by \$14 to \$669 during the year.
- Contributions from CSLF totaled \$4,000:
  - The Scholarship Fund received \$2,000 as compared to \$1,889 in fiscal year 2017. The current year contributions were authorized by the Board in FY 2017 and \$1,993 was disbursed throughout FY 2018. The remaining monies of \$7 are recorded as a deferred inflow, to be disbursed in FY 2019.
  - Refi CT received \$2,000 which was authorized by the Board in FY 2018.
- Nonoperating investment income increased by \$501 primarily due to the increase in market value in fiscal year 2018 of the Treasury notes held in the Special Capital Reserve Fund ("SCRF") investment accounts of the 2009A and 2010A Bond issues in addition to an increase in interest rates.

### **Expenses**

Expenses totaled \$10,656 for the fiscal year. The largest expense, 56.3% or \$5,994 was for interest payments on debt. This represents a decrease from the 58.4% in fiscal year 2017. Scholarship expenses amounted to \$1,993 or 18.7%. General and administrative expenses amounted to \$565, or 5.3%. Bond issue costs totaled \$709, or 6.7%, loan servicing fees totaled \$598 or 5.6% and provision for loan losses totaled \$581 or 5.5% of the total expenses.

Significant changes from the prior year are as follows:

- Interest expense increased by \$251 as compared to fiscal year 2017 due to an increase in the principal balance of outstanding debt, the issuance of new bonds and the early redemption of bonds throughout the fiscal year totaling \$16,620.
- Salaries and related expenses decreased by \$80, due to a long-term absence of an employee.
- General and administrative expenses increased by \$24 primarily due to an increase in marketing and other expenses.
- The refinance program expenses decreased by \$161. The program was funded during the FY 2016 by a contribution from CSLF (\$6,000). \$500 of the program funding was designated for the start-up and marketing costs for the program. \$171 was spent in FY 2016, \$201 in FY 2017, \$40 in the current year with the remainder for this program to be spent on marketing in future years.
- Bond issuance and insurance cost increased by \$154. Two bond issues were issued this fiscal year as compared to one in FY 2017.
- Provision for loan losses increased by \$508 reflecting an increase of \$203 in the loan loss reserve for the refinance program due to additional loans distributed in the second year of the program. The remainder of the increase resulted from the increase in the student loan portfolio.

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

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### **Capital assets**

At June 30, 2018, CHESLA's capital assets amounted to \$3. Capital assets increased by \$3, reflecting the purchase of the CHESLA.com domain name.

### **Long-term debt**

Long-term debt for CHESLA is as follows:

<b>Bonds Payable (in thousands)</b>	<b>CHESLA</b>	
	<b>2018</b>	<b>2017</b>
Revenue Bonds	\$ 147,810	\$ 157,465
Premiums/Discounts	4,155	3,237
Total Long-term liabilities	<u>\$ 151,965</u>	<u>\$ 160,702</u>

CHESLA's decrease in the principal revenue bonds outstanding is a result of new issuances totaling \$20,455, net of the refunding of the 2007A bonds of \$13,490, and early redemptions of \$16,620.

CHESLA maintains an "A" rating from Fitch Ratings 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, 2018. 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 \$4,693 and is 19.6%. The remaining portion of net position is unrestricted and represents 80.4% of the total net position. The decrease was due primarily to loan interest revenue net of \$4,000 contributed to CHESLA for the scholarship and refinance programs authorized by the Board.

## Management's Discussion and Analysis (Continued)

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

<b>Summary Statement of Net Position</b>		
<b>(in thousands)</b>		
	<b>CSLF</b>	
	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 226,083	\$ 258,719
Total assets	226,083	258,719
Long-term liabilities outstanding	199,181	231,508
Other liabilities	2,912	1,398
Total liabilities	202,093	232,906
Restricted	4,693	6,381
Unrestricted	19,297	19,432
Total net position	<u>\$ 23,990</u>	<u>\$ 25,813</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 decreased by \$1,823.

## Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

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

	CSLF	
	2018	2017
Operating revenues:		
Interest income on loans receivable	\$ 10,475	\$ 10,224
Not-for-profit servicing income	207	188
Total operating revenues	10,682	10,412
Operating expenses:		
Interest expense	5,626	4,493
General and administrative	262	258
Loan service fees	875	1,003
Consolidation rebate fees	1,430	1,604
Contracted services	409	503
Total operating expenses	8,602	7,861
Operating income	2,080	2,551
Nonoperating income (expenses):		
Investment income	97	37
Contribution revenue/expense	(4,000)	(2,000)
Total nonoperating income (expenses)	(3,903)	(1,963)
Increase (decrease) in net position	(1,823)	588
Net position, July 1, 2017	25,813	25,225
Net position, June 30, 2018	\$ 23,990	\$ 25,813

### Revenues

CSLF is not issuing new loans. It is administering its existing loan portfolio which consists primarily of federally guaranteed loans. Its purpose was to improve educational opportunity by originating and acquiring student loans and providing related services. CSLF also participates in the not-for-profit servicer program.

Interest income represents the largest operating revenue component. CSLF earns interest income, interest subsidies and special allowance on student loans. Interest income for fiscal year 2018 totaled \$10,475 (98.1%) compared to \$10,224 for fiscal year ended June 30, 2017. 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, 2018, CSLF paid \$4,529 to the US Department of Education relating to excess yield compared to \$5,381 paid during fiscal year 2017.

## Management's Discussion and Analysis (Continued)

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The balance of CSLF revenues is the not-for-profit service fee of \$207 and 1.9% 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 \$10,475, an increase of \$251 from the prior year amount of \$10,224 as a result of rising rates.
  - To a lesser extent the increase is due to the variable rate loans being based on the Prime Rate which increased from 4.25% to 4.5% during the fiscal year.
  - The primary cause for the increase is due to Special Allowance Program (SAP) subsidies received and the decrease in excess interest paid to the Department of Education on the federal student loans (FFEL) accounts. The trust earns interest at the greater of the borrower's rate or the special allowance rate on FFEL student loan receivables. The trust pays when the borrower's rate exceeds the SAP rate on loans disbursed on or after April 1, 2006. The special allowance rate is based on the average of the 3-month commercial paper (CP) rates in effect each quarter. The 3-month average CP rate increased from 1.09% as of June 30, 2017 to 2.21% as of June 30, 2018, resulting in a 241% increase in SAP income and a 67% decrease in excess interest expense during fiscal year ending June 30, 2018.
- Not-for-profit servicing income totaled \$207 for the fiscal year ended 2018, an increase of \$19 as compared to fiscal year 2017. The increase is due to the change in the number of loans serviced in the program.

### **Expenses**

Expenses totaled \$8,602 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 \$5,626 or 65.4%. Consolidation rebate fees paid to the U.S. Department of Education totaled \$1,430 or 16.6% of total expenses and loan servicing fees totaled \$875 or 10.2% of total expenses.

Significant changes from the prior year are as follows:

- Bond interest expense increased in 2018 by \$1,133. The increase is due to the rising interest rates and the variable rate nature of the bonds during the fiscal year.
- Loan servicing fees decreased by \$128 reflecting the decrease in the number of loans serviced due to loan repayments.
- Consolidation rebate fees decreased by \$174 reflecting the decrease in the principal balance of federal consolidation loans outstanding as the portfolio matures.
- CSLF has not disbursed new student loans since February 2010. As a result, with the maturing loan portfolio, the delinquency and loss rates have declined. However, in order to maintain a conservative level of provision, in June 2018 the Board approved a modest increase to the reserves, \$58 and \$28, to the Federal and Private portfolios, respectively. These increases will take effect during FY 2019.
- Nonoperating expense increased by \$1,940, relating to the Board authorized contribution to CHESLA of \$2,000 for the refinance program. The Board also authorized a \$2,000 contribution to CHESLA for the scholarship program.

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

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### **Debt Administration**

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

Long-term debt for CSLF is as follows:

<b>Bonds Payable (in thousands)</b>	<b>CSLF</b>	
	<b>2018</b>	<b>2017</b>
Revenue Bonds	\$ 199,600	\$ 232,050
Premiums/Discounts	(419)	(542)
Total Long-term liabilities	<u>\$ 199,181</u>	<u>\$ 231,508</u>

CSLF's decrease in long-term debt was due to the redemption of \$32,450 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 06106-1978.

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## **Basic Financial Statements**

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

**Statement of Net Position**  
**June 30, 2018**  
**(In Thousands)**

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 1,182	\$ 330	\$ 891	\$ 2,403
Investments	6,981	6,588	-	13,569
Receivables				
Accounts (net of allowance for uncollectibles of \$86)	346	-	17	363
Loans receivable	-	449	-	449
Interest receivable on investments	-	4	-	4
Loan interest receivable	-	15	-	15
Related parties	50	-	-	50
Prepaid expenses and other assets	125	18	1	144
Total unrestricted assets	8,684	7,404	909	16,997
Restricted assets				
Investments				
Institutions	227,870	-	-	227,870
Bond indenture trusts	-	29,309	9,385	38,694
Other	900	603	-	1,503
Accounts receivable	-	-	13	13
Loans receivable	-	20,365	13,319	33,684
Interest receivable on investments	-	135	-	135
Loan interest receivable	-	457	4,303	4,760
Total restricted assets	228,770	50,869	27,020	306,659
Total current assets	237,454	58,273	27,929	323,656
Noncurrent assets				
Unrestricted assets				
Capital assets (net of accumulated depreciation)	106	3	-	109
Loans receivable (net of allowance for uncollectibles)	-	4,209	-	4,209
Restricted assets				
Investments	6,665	19,809	-	26,474
Loans receivable (net of allowance for uncollectibles)	-	100,179	198,154	298,333
Total noncurrent assets	6,771	124,200	198,154	329,125
Total assets	\$ 244,225	\$ 182,473	\$ 226,083	\$ 652,781

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

**Statement of Net Position**  
**June 30, 2018**  
**(In Thousands)**

	<u>Primary Government</u>	<u>Component Units</u>		
	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>	<u>Total</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 34	\$ 68	\$ 31	\$ 133
Accrued expenses	158	7	2,115	2,280
Amounts held for institutions	227,870	-	-	227,870
Accrued interest payable	-	768	-	768
U.S. Department of Education payable	-	-	437	437
Trust Estate payable	-	-	329	329
Current portion of bonds payable	-	10,155	-	10,155
Total current liabilities	<u>228,062</u>	<u>10,998</u>	<u>2,912</u>	<u>241,972</u>
Noncurrent liabilities				
Bonds payable and related liabilities, net of current portion	-	141,810	199,181	340,991
Amount held for the State of Connecticut	<u>2,170</u>	<u>-</u>	<u>-</u>	<u>2,170</u>
Total noncurrent liabilities	<u>2,170</u>	<u>141,810</u>	<u>199,181</u>	<u>343,161</u>
Total liabilities	<u>230,232</u>	<u>152,808</u>	<u>202,093</u>	<u>585,133</u>
<u>Deferred Inflows of Resources</u>				
Unearned revenue	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>
<u>Net Position</u>				
Net investment in capital assets	106	3	-	109
Restricted	4,487	18,087	4,693	27,267
Unrestricted	<u>9,400</u>	<u>11,568</u>	<u>19,297</u>	<u>40,265</u>
Total net position	<u>13,993</u>	<u>29,658</u>	<u>23,990</u>	<u>67,641</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 244,225</u>	<u>\$ 182,473</u>	<u>\$ 226,083</u>	<u>\$ 652,781</u>

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, 2018**  
**(In Thousands)**

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
Operating revenues				
Interest income on loans receivable	\$ -	\$ 7,333	\$ 10,475	\$ 17,808
Administrative fees	7,463	669	-	8,132
Supporting services fees	282	-	-	282
Contribution from CSLF (scholarships and Refi Program)	-	3,993	-	3,993
Bond issuance fees	59	-	-	59
Not-for-profit servicing income	-	-	207	207
Other revenues	153	32	-	185
Total operating revenues	7,957	12,027	10,682	30,666
Operating expenses				
Interest expense	-	5,994	5,626	11,620
Salaries and related expenses	2,807	137	-	2,944
General and administrative	545	565	262	1,372
Refinance program	-	40	-	40
Scholarships	-	1,993	-	1,993
Loan service fees	-	598	875	1,473
Consolidation rebate fees	-	-	1,430	1,430
Contracted services	133	39	409	581
Bond issuance costs	-	709	-	709
Provision for loan losses	-	581	-	581
Total operating expenses	3,485	10,656	8,602	22,743
Operating income	4,472	1,371	2,080	7,923
Nonoperating income (expenses)				
Investment income	192	784	97	1,073
Payment to State (legislative mandate)	(900)	-	-	(900)
Grants and child care subsidy expense	(2,879)	-	-	(2,879)
Contribution to CHESLA	-	-	(4,000)	(4,000)
Total nonoperating income (expenses)	(3,587)	784	(3,903)	(6,706)
Change in net position	885	2,155	(1,823)	1,217
Net position, July 1, 2017	13,108	27,503	25,813	66,424
Net position, June 30, 2018	\$ 13,993	\$ 29,658	\$ 23,990	\$ 67,641

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, 2018**  
**(In Thousands)**

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>CHEFA</b>	<b>CHESLA</b>	<b>CSLF</b>
Cash flows from operating activities			
Cash received from loan payments	\$ -	\$ 19,990	\$ 38,106
Interest received on loans	-	7,277	7,643
Fees received on loans	-	-	196
Contributions received from CSLF	-	2,000	-
Cash received for administrative fees	7,204	32	-
Cash received for loan recoveries	-	-	-
Cash received for recovery of loans	-	167	-
Cash received for general administrative fees	282	-	-
Cash received for not-for-profit servicing	-	-	207
Cash received for other revenues	153	-	-
Cash received for bond issuance fees	59	-	-
Cash payments for employee wages and benefits	(2,795)	(140)	-
Cash payments for interest on bonds	-	(6,156)	(5,503)
Cash payments for excess interest	-	-	(2,833)
Cash payments for loans issued	-	(24,474)	-
Cash payments for loans repurchased	-	-	(800)
Cash payments for loan servicing fees	-	(598)	(875)
Cash payments for consolidation fees	-	-	(1,430)
Cash payments for contracted services	(133)	(715)	(409)
Cash payments for refinance program	-	(40)	-
Cash payments for other operating expenses	(582)	(546)	1,771
Cash payments for scholarships	-	(1,993)	-
Net cash provided by (used in) operating activities	4,188	(5,196)	36,073
Cash flows from noncapital financing activities			
Proceeds from bond sales	953,817	20,455	-
Proceeds from bond premiums	116,327	1,041	-
Proceeds from institutions	632	-	-
Proceeds from investment income			
for amounts held for others	3,281	-	-
Releases from amounts held for institutions	(1,063,185)	-	-
Cash paid to State (legislative mandate)	(900)	-	-
Cash paid to grantees and child care subsidy	(2,885)	-	-
Payments of bond principal	-	(16,620)	(32,450)
Payment to refunded bond escrow agent	-	(13,490)	-
Contributions to CHESLA	-	-	(4,000)
Net cash provided by (used in) noncapital financing activities	7,087	(8,614)	(36,450)

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

**Statement of Cash Flows**  
**For the Year Ended June 30, 2018**  
**(In Thousands)**

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>CHEFA</b>	<b>CHESLA</b>	<b>CSLF</b>
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (67)	\$ (3)	\$ -
Cash flows from investing activities			
Proceeds from sale of investments	578,263	75,389	573
Purchase of investments	(589,248)	(63,387)	-
Investment income	192	779	97
Net cash provided by (used in) investing activities	(10,793)	12,781	670
Net increase (decrease) in cash	415	(1,032)	293
Cash (including restricted cash), July 1, 2017	767	1,362	598
Cash (including restricted cash), June 30, 2018	\$ 1,182	\$ 330	\$ 891
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income	\$ 4,472	\$ 1,371	\$ 2,080
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	42	-	-
Bond discount/premium amortization	-	(123)	123
Provision for loan losses	-	748	-
Issuance of loans receivable used to pay origination fees	-	(669)	-
Interest on loans paid through loan advances	-	-	(4,776)
Loan advances to capitalize interest to loans	-	-	4,776
(Increase) decrease in:			
Accounts receivable	(259)	-	(14)
Accounts receivable - related party	(19)	-	-
Prepaid expenses and other assets	(61)	54	-
Loans receivable	-	(4,490)	32,544
Loan interest receivable	-	(56)	(174)
Increase (decrease) in:			
Accounts payable	17	4	(16)
Accrued expenses	(4)	(3)	2,049
Accrued interest payable	-	(39)	-
U.S. Department of Education payable	-	-	(564)
Trust Estate payable	-	-	45
Unearned revenue	-	(1,993)	-
Net adjustments to operating income	(284)	(6,567)	33,993
Net cash provided by (used in) operating activities	\$ 4,188	\$ (5,196)	\$ 36,073

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, 2018  
(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, bond fund, and other programs. 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 was redeemed in September 2017.

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, 2018  
(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 presented 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, 2018  
(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 are charged an annual fee of nine 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 Federal Family Education Loan 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, 2018  
(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. Non-operating 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 activities consist of income on investments and expenses related 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

State of Connecticut Statutes allows CHEFA to invest any funds not needed for immediate use or disbursement, including reserve funds, in obligations issued or guaranteed by the United States of America or the State of Connecticut, including the State's Short-Term or Long-Term Investment Fund, and in other securities or obligations which are legal investments for banks in this state, or in investment agreements with financial institutions 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 or in securities or obligations which are legal investments for savings banks in this state, subject to repurchase agreements in the manner in which such agreements are negotiated in sales of securities in the market place, provided that 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, effective at the time of such agreement, as prepared by the Federal Reserve Bank of New York, provided the investment of escrowed proceeds of refunding bonds shall be governed by section 10a-192, and further provided nothing in this subsection shall limit the investment of reserve funds of the Authority, or of any moneys held in trust or otherwise for the payment of bonds or notes of the Authority, pursuant to section 10a-190a.

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**I. Summary of significant accounting policies**

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

**CHESLA**

CHESLA may invest any funds 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's Short-Term Investment Fund, (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 market place, 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, 2018  
(In Thousands)**

**I. Summary of significant accounting policies**

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

CSLF

The State of Connecticut Statutes allows CSLF to invest all moneys received by or on behalf of the entity or by or on behalf of a subsidiary created pursuant to subdivision (5) of section 10a-204, as applicable, pursuant to or subject to the pledge of any resolution or trust agreement authorized by this section, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in such resolution or trust agreement. Subject to the provisions of any resolution authorizing the issuance of bonds, notes or other obligations, any such moneys may be invested 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 entity or any subsidiary created pursuant to subdivision (5) of section 10a-204 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 90-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 for long-term funds, 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, 2018  
(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 15% of unrestricted investments, except for qualified money market or bond funds, none of which shall constitute greater than 50% of unrestricted 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.

**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.

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**I. Summary of significant accounting policies**

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

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

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

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

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 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, 2013, 2014, 2015, 2016, 2017 Series A bonds, 2017 Series B bonds and 2017 Series C bonds.

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

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(In Thousands)**

**I. Summary of significant accounting policies**

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

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.

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, 2018, the State has not made nor was it required to make any such deposit.

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

CSLF'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.

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

- 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.

Loans and loan interest receivable: 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.

***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.

**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.

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**I. Summary of significant accounting policies**

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

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.

**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.



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**I. Summary of significant accounting policies**

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

**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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**I. Summary of significant accounting policies**

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

**12. Fund equity and net position**

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

**13. Use of estimates**

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

**14. Comparative data/reclassifications**

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

**Connecticut Health and Educational Facilities Authority  
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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, 2018, \$998 of CHEFA's bank balance of \$1,248 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 873
Uninsured and collateral held by the pledging bank's trust department, not in CHEFA's name	<u>125</u>
Total amount subject to custodial credit risk	<u>\$ 998</u>

CHESLA

As of June 30, 2018, \$101 of CHESLA's bank balance of \$508 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 66
Uninsured and collateral held by the pledging bank's trust department, not in CHESLA's name	<u>35</u>
Total amount subject to custodial credit risk	<u>\$ 101</u>

CSLF

As of June 30, 2018, \$720 of CSLF's bank balance of \$970 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 623
Uninsured and collateral held by the pledging bank's trust department, not in CSLF's name	<u>97</u>
Total amount subject to custodial credit risk	<u>\$ 720</u>

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**II. Detailed notes**

**A. Cash and investments**

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

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual Funds:					
Government Agency Funds	\$ 230,787	\$ 230,787	\$ -	\$ -	\$ -
Short-Term U.S. Government Securities	2,796	2,796	-	-	-
Pooled Fixed Income	8,733	8,733	-	-	-
Municipal Bonds	100	100	-	-	-
Total	<u>\$ 242,416</u>	<u>\$ 242,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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	\$ 611	\$ 611	\$ -	\$ -	\$ -
Bond	2	-	-	-	2
Bank Money Market Funds	172	172	-	-	-
Pooled Fixed Income	44,373	44,373	-	-	-
U.S. Government Securities	6,579	-	-	6,579	-
Guaranteed Investment Contracts	4,572	600	2,765	1,207	-
Total	<u>\$ 56,309</u>	<u>\$ 45,756</u>	<u>\$ 2,765</u>	<u>\$ 7,786</u>	<u>\$ 2</u>

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**II. Detailed notes**

**A. Cash and investments**

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

Type of Investment	Fair Value	Less Than 1
Mutual Funds:		
Government Agency Funds	\$ 7,879	\$ 7,879
Pooled Fixed Income	1,506	1,506
	<u>\$ 9,385</u>	<u>\$ 9,385</u>

Fair value of investments

The Authority 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	\$ 230,787	\$ 230,787	\$ -	\$ -
Short-Term U.S. Government Securities	2,796	2,796	-	-
Municipal Bonds	100	-	100	-
Total investments by fair value level	233,683	<u>\$ 233,583</u>	<u>\$ 100</u>	<u>\$ -</u>

Other Investments

Pooled Fixed Income	<u>8,733</u>
Total Investments	<u>\$ 242,416</u>

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**II. Detailed notes**  
**A. Cash and investments**

**CHESLA**

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 611	\$ 611	\$ -	\$ -
Bond Mutual Funds	2	2	-	-
U.S. Government Securities	6,579	-	6,579	-
Total investments by fair value level	7,192	\$ 613	\$ 6,579	\$ -

**Other Investments**

Money Market (bank)	172
Guaranteed Investment Contracts	4,572
Pooled Fixed Income	44,373
Total other investments	49,117
Total Investments	\$ 56,309

**CSLF**

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Government Agency Mutual Funds	\$ 7,879	\$ 7,879	\$ -	\$ -
<b><u>Other Investments</u></b>				
Pooled Fixed Income	1,506			
Total Investments	\$ 9,385			

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 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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**II. Detailed notes**

**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	<u>\$ 8,733</u>	<u>\$ 100</u>	<u>\$ 230,787</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>\$ 44,373</u>	<u>\$ 4,572</u>	<u>\$ 2</u>	<u>\$ 611</u>

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

Average Rating	Pooled Fixed Income	Government Agency Mutual Funds
AAA	<u>\$ 1,506</u>	<u>\$ 7,879</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.

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.



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**II. Detailed notes**

**A. Cash and investments**

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	\$ 2,796	\$ 900	\$ 1,896
Municipal Bonds	100	100	-
Total	<u>\$ 2,896</u>	<u>\$ 1,000</u>	<u>\$ 1,896</u>

CHESLA

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
U.S. Government Securities	<u>\$ 6,579</u>	<u>\$ 500</u>	<u>\$ 6,079</u>

CSLF

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

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 15% of unrestricted investments, except for qualified money market or mutual bond funds, none of which shall constitute greater than 50% of unrestricted investments. CHEFA places no limit on the amount of investment in any one issuer for restricted investments.

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**II. Detailed notes**  
**B. Receivable**

Receivables as of June 30, 2018 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, 2018 are as follows:

	Active Loans	Loans in Collection	Total
Current portion	\$ 20,814	\$ -	\$ 20,814
Long-term portion	105,276	2,067	107,343
Less Allowance	(2,491)	(464)	(2,955)
Net Long-term portion	102,785	1,603	104,388
Total Net Receivables	\$ 123,599	\$ 1,603	\$ 125,202

Student loans are repaid by borrowers on a monthly basis on a 0- to 140-month repayment term after the in-school and 6-month grace period ends. The interest rate on these loans ranges from approximately 4.95% to 6.99%.

Refinance Connecticut Program ("Refi") loans are repaid by borrowers on a monthly basis for a term of 5, 10 or 15 years. The interest rate on these loans ranges from approximately 4.5% to 7.0% depending on the term of the loan and the Fair Issac Corporation ("FICO") score. The interest rate on new loans ranges from 4.75% - 6.8%.

During the fiscal year, CHESLA wrote off loans receivable of \$466, which had previously been provided for through the allowance for loan losses.

During the fiscal year, CHESLA recovered \$167 in loans receivable and other credits that were written off in previous years.

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

	FFELP	Alternative	Total
Current portion	\$ 13,015	\$ 304	\$ 13,319
Long-term portion	194,484	4,455	198,939
Less Allowance	(405)	(380)	(785)
Net Long-term portion	194,079	4,075	198,154
Total Net Receivables	\$ 207,094	\$ 4,379	\$ 211,473

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

During the fiscal year, CSLF wrote off federal loans receivable of \$164 (CSLF risk share only), and \$38 of private loans, which is net of \$110 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 30 years. The interest rate on these loans varies and ranges from approximately 2.875% 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.

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

June 30, 2019	\$	13,319
2020		14,158
2021		15,050
2022		15,998
2023		17,007
2024-2028		92,761
2029-2032		<u>43,965</u>
Total	\$	<u>212,258</u>

**Connecticut Health and Educational Facilities Authority**  
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**Notes to Financial Statements**  
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**II. Detailed notes**

**C. Capital assets**

CHEFA capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July, 1 2017	Increases	Decreases	Balance June 30, 2018
Capital assets being depreciated:				
Leasehold improvements	\$ 157	\$ -	\$ -	\$ 157
Computer equipment	255	-	-	255
Furniture and fixtures	256	-	-	256
Office equipment	381	67	-	448
Total capital assets being depreciated	1,049	67	-	1,116
Less accumulated depreciation for:				
Leasehold improvements	150	5	-	155
Computer equipment	246	6	-	252
Furniture and fixtures	242	4	-	246
Office equipment	330	27	-	357
Total accumulated depreciation	968	42	-	1,010
Total capital assets being depreciated, net	\$ 81	\$ 25	\$ -	\$ 106

CHESLA capital asset activity for the year ended June 30, 2018 was as follows:

CHESLA	Balance July, 1 2017	Increases	Decreases	Balance June 30, 2018
Capital assets being depreciated:				
Computer equipment	\$ -	\$ 3	\$ -	\$ 3
Less accumulated depreciation for:				
Computer equipment	\$ -	\$ -	\$ -	\$ -
Total capital assets being depreciated, net	\$ -	\$ 3	\$ -	\$ 3

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**II. Detailed notes**

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

**1. Summary of changes**

The following is a summary of changes in long-term obligations for the year ended June 30, 2018:

CHEFA

Description	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Current Portion
Other liability					
Amount held for the State of Connecticut	\$ 2,176	\$ -	\$ 6	\$ 2,170	\$ -

CHESLA

Description	Original Amount	Date of Issue	Date of Final Maturity	Interest Rate	Balance July 1, 2017	Additions	Deductions	Amount Refunded	Balance June 30, 2018	Current Portion
Bond 2007 A	\$41,000	8/23/2007	11/15/2024	4.125 - 4.875%	\$ 13,490	\$ -	\$ -	\$ 13,490	\$ -	\$ -
Bond 2009 A	30,000	8/6/2009	11/15/2027	1.9 - 5.05%	13,885	-	2,145	-	11,740	1,100
Bond 2010 A	45,000	10/19/2010	11/15/2035	2.0 - 5.25%	29,270	-	3,480	-	25,790	2,350
Bond 2012 A	13,085	3/28/2012	11/15/2021	0.4 - 3.125%	1,190	-	1,190	-	-	-
Bond 2013 A	25,000	4/2/2013	11/15/2029	2.0 - 4.0%	19,560	-	2,755	-	16,805	1,420
Bond 2014 A	23,000	6/18/2014	11/15/2030	3.0 - 5.0%	21,120	-	1,890	-	19,230	1,000
Bond 2015 A	21,465	7/2/2015	11/15/2031	1.65 - 4.375%	16,070	-	3,260	-	12,810	1,685
Bond 2016 A	15,000	6/30/2016	11/15/2033	3.0 - 5.0%	15,000	-	400	-	14,600	600
Bond 2017 A	27,880	5/16/2017	11/15/2033	3.25 - 5.0%	27,880	-	1,500	-	26,380	800
Bond 2017 B	9,155	8/17/2017	11/15/2025	4.0 - 5.0%	-	9,155	-	-	9,155	1,200
Bond 2017 C	11,300	12/21/2017	11/15/2034	3.5 - 5.0%	-	11,300	-	-	11,300	-
Total CHESLA					157,465	20,455	16,620	13,490	147,810	10,155
Premiums					3,436	1,041	299	-	4,178	-
Discounts					(200)	-	(177)	-	(23)	-
Total Bonds and related liabilities					\$ 160,701	\$ 21,496	\$ 16,742	\$ 13,490	\$ 151,965	\$ 10,155

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**II. Detailed notes**

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

**CSLF**

Description	Original Amount	Date of Issue	Date of Final Maturity	Variable Interest Rate	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Current Portion
Bond 04 A-3	\$ 75,000	10/15/2004	6/1/2034	1.012 - 3.004%	\$ 23,825	\$ -	\$ 23,825	\$ -	\$ -
Bond 06 A-1	80,000	7/27/2006	6/1/2046	1.022 - 3.435%	72,925	-	-	72,925	-
Bond 06 A-2	100,000	12/14/2006	6/1/2046	1.022 - 3.443%	81,475	-	-	81,475	-
Bond 04 B	62,900	10/15/2004	6/1/2034	1.583 - 3.547%	33,850	-	8,625	25,225	-
Bond 06 B	20,000	7/27/2006	6/1/2046	1.711 - 3.564%	19,975	-	-	19,975	-
Total Bonds					232,050	-	32,450	199,600	-
Discounts					(542)	-	(123)	(419)	-
Total bonds and related amounts					\$ 231,508	\$ -	\$ 32,327	\$ 199,181	\$ -

The annual requirements to amortize bonds payable at June 30, 2018, are as follows:

**CHESLA**

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 10,155	\$ 3,006
2020	12,005	5,632
2021	12,980	5,192
2022	13,500	4,649
2023	13,625	4,094
2024-2028	53,490	12,240
2029-2033	27,590	3,672
2034-2036	4,465	246
Total	\$ 147,810	\$ 38,731

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

**Notes to Financial Statements**  
**June 30, 2018**  
**(In Thousands)**

**II. Detailed notes**

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

CSLF

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

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ -	\$ 5,362
2020	-	5,362
2021	-	5,362
2022	-	5,362
2023	-	5,362
2024-2028	-	26,808
2029-2033	-	26,808
2034-2038	25,225	24,117
2039-2043	-	23,513
2044-2046	174,375	13,716
<b>Total</b>	<b>\$ 199,600</b>	<b>\$ 141,772</b>

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, 2018 year-end ranged from 2.476% to 3.564%.

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.

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**II. Detailed notes**

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

**2. Conduit debt**

As of June 30, 2018, CHEFA had total outstanding principal balances of special obligation bonds of \$8,349,699. 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 and Continuing Care Retirement Community	\$ 191,358
Childcare	53,765
Connecticut State University System – Special Capital Reserve Fund	318,690
Higher Education	4,484,406
Hospitals	2,530,442
Social and other	59,549
Independent Schools	626,499
Nursing Homes	<u>84,990</u>
Total	<u><b>\$ 8,349,699</b></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.

**3. Current year advance refunding**

In August 2017, CHESLA issued \$9,155 of revenue bonds with an interest rate of 4.0% to 5.0%. A portion of these bonds were issued to defease bonds issued in August 2007. The refunding resulted in an economic gain of \$475 with an overall cost increase in total debt service payments of \$610.

**4. Authorized/unissued debt**

At June 30, 2018, there was no authorized unissued debt for CHESLA.

**5. Subsequent event**

In September 2018, CHESLA issued \$10,000 of revenue bonds, 2018 Series A bonds, with an interest rate of 3.5% to 5.0%. These bonds will be used to originate education loans under the student loan program, fund certain accounts, including a special capital reserve fund, and pay a portion of the costs of issuing the 2018 Series A bonds.



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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**II. Detailed notes**

**E. Restricted net position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$1,067 for CHEFA.

**F. Net position classification**

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

	<b>CHEFA</b>	<b>CHESLA</b>	<b>CSLF</b>
Invested in capital assets	\$ 106	\$ 3	\$ -
Restricted:			
Child care facilities loan program	4,320	-	-
Student loan guarantee program	167	-	-
Bond funds	-	18,087	-
Trust Estate	-	-	4,693
Total restricted	4,487	18,087	4,693
Unrestricted	9,400	11,568	19,297
Total net position	\$ 13,993	\$ 29,658	\$ 23,990

**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, 2018, outstanding loan balances totaled \$5,623.

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

**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 \$167.

**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, 2018, the ratio was 111.66%. At June 30, 2018, the Board has not authorized any funds to be transferred to operations; however, the amount available to transfer is \$15,500.

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.

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

**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 \$206 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. CHEFA charged CSLF an annual fee of \$76 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 \$21 and \$30, respectively. CSLF contributed \$2,000 to CHESLA for the refinance program and \$2,000 to the scholarship program. Of the \$2,000 contributed for the scholarship program, \$7 was not spent and is recorded as a deferred inflow.

**C. Operating leases**

CHEFA leases office space and other office equipment for use in operations. Lease expense was \$233. As of June 30, 2018, minimum future rental commitments of the leases are as follows:

2019	\$	249,690
2020		255,300
2021		260,910
2022		266,520
2023		272,136
2024		137,472

**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, 2018, there were no forfeitures and retirement plan expense was \$218.

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

**Notes to Financial Statements  
June 30, 2018  
(In Thousands)**

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.

**III. Other information**

**D. Pension plan**

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, 2018, there were no forfeitures and the plan expense was \$27.

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## **Supplemental Schedules**

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**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, 2018  
(In Thousands)**

	Agency operating fund	Other program funds	Bond Fund	Total CHESLA
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 123	\$ 207	\$ -	\$ 330
Investments	4,180	2,393	15	6,588
Current portion of loans receivable	-	449	-	449
Interest receivable on investments	-	4	-	4
Loan interest receivable	-	15	-	15
Prepaid expenses and other assets	18	-	-	18
Total unrestricted assets	<u>4,321</u>	<u>3,068</u>	<u>15</u>	<u>7,404</u>
Restricted assets				
Investments				
Bond indenture trusts	-	-	29,309	29,309
Other	-	-	603	603
Current portion of loans receivable	-	-	20,365	20,365
Interest receivable on investments	-	-	135	135
Loan interest receivable	-	-	457	457
Total restricted assets	<u>-</u>	<u>-</u>	<u>50,869</u>	<u>50,869</u>
Total current assets	<u>4,321</u>	<u>3,068</u>	<u>50,884</u>	<u>58,273</u>
Noncurrent assets				
Unrestricted assets				
Capital assets	3	-	-	3
Loans receivable, net of current portion and allowance	-	4,209	-	4,209
Restricted assets				
Investments	-	-	19,809	19,809
Loans receivable, net of current portion and allowance	-	-	100,179	100,179
Total noncurrent assets	<u>3</u>	<u>4,209</u>	<u>119,988</u>	<u>124,200</u>
Total assets	<u>\$ 4,324</u>	<u>\$ 7,277</u>	<u>\$ 170,872</u>	<u>\$ 182,473</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 10	\$ 6	\$ 52	\$ 68
Accrued expenses	7	-	-	7
Accrued interest payable	-	-	768	768
Current portion of bonds payable	-	-	10,155	10,155
Total current liabilities	<u>17</u>	<u>6</u>	<u>10,975</u>	<u>10,998</u>
Noncurrent liabilities				
Bonds payable, net of current portion	-	-	141,810	141,810
Total liabilities	<u>17</u>	<u>6</u>	<u>152,785</u>	<u>152,808</u>
<u>Deferred Inflows of Resources</u>				
Unearned revenue	-	7	-	7
<u>Net Position</u>				
Net investment in capital assets	3	-	-	3
Restricted	-	-	18,087	18,087
Unrestricted	4,304	7,264	-	11,568
Total net position	<u>4,307</u>	<u>7,264</u>	<u>18,087</u>	<u>29,658</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,324</u>	<u>\$ 7,277</u>	<u>\$ 170,872</u>	<u>\$ 182,473</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**  
**Higher Education Supplemental Loan Authority**  
**For the Year Ended June 30, 2018**  
**(In Thousands)**

	Agency operating fund	Other program funds	Bond funds			Total CHESLA
			1990 resolution	2003 resolution	Eliminations	
Operating revenues						
Interest income on loans receivable	\$ -	\$ 212	\$ 7,121	\$ -	\$ -	\$ 7,333
Administrative fees	927	-	669	-	(927)	669
Contributions from CSLF	-	3,993	-	-	-	3,993
Other revenue	-	-	32	-	-	32
Total operating revenues	927	4,205	7,822	-	(927)	12,027
Operating expenses						
Interest expense	-	-	5,994	-	-	5,994
Salaries and related expenses	137	-	-	-	-	137
General and administrative	339	31	1,122	-	(927)	565
Refinance program	40	-	-	-	-	40
Scholarships	-	1,993	-	-	-	1,993
Loan service fees	-	68	530	-	-	598
Contracted services	39	-	-	-	-	39
Bond issuance and insurance costs	33	-	676	-	-	709
Provision for loan losses (net of recoveries)	-	290	291	-	-	581
Total operating expenses	588	2,382	8,613	-	(927)	10,656
Operating income (loss)	339	1,823	(791)	-	-	1,371
Nonoperating income (expenses)						
Investment income	52	40	692	-	-	784
Change in net position	391	1,863	(99)	-	-	2,155
Transfers	890	-	8,001	(8,891)	-	-
Net position, July 1, 2017	3,026	5,401	10,185	8,891	-	27,503
Net position, June 30, 2018	\$ 4,307	\$ 7,264	\$ 18,087	\$ -	\$ -	\$ 29,658

**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, 2018  
(In Thousands)**

	Trust Estate	Operating	Eliminations	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ -	\$ 891	\$ -	\$ 891
Receivables (net of allowance for uncollectibles)	-	17	-	17
Prepaid expenses and other assets	-	1	-	1
Total unrestricted assets	-	909	-	909
Restricted assets				
Investments				
Bond indenture trusts	9,385	-	-	9,385
Accounts receivable	13	-	-	13
Loans receivable	13,319	-	-	13,319
Loan interest receivable	4,303	-	-	4,303
Total restricted assets	27,020	-	-	27,020
Total current assets	27,020	909	-	27,929
Noncurrent assets				
Restricted assets				
Loans receivable (net of allowance for uncollectibles)	198,154	-	-	198,154
Total assets	\$ 225,174	\$ 909	\$ -	\$ 226,083
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ -	\$ 31	\$ -	\$ 31
Accrued expenses	2,000	115	-	2,115
U.S. Department of Education payable	437	-	-	437
Trust Estate payable	329	-	-	329
Total current liabilities	2,766	146	-	2,912
Noncurrent liabilities				
Bonds payable and related liabilities	199,181	-	-	199,181
Total liabilities	201,947	146	-	202,093
<u>Net Position</u>				
Restricted	4,693	-	-	4,693
Unrestricted	18,534	763	-	19,297
Total net position	23,227	763	-	23,990
Total liabilities and net position	\$ 225,174	\$ 909	\$ -	\$ 226,083

**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, 2018  
(In Thousands)**

	<u>Trust Estate</u>	<u>Operating</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Interest income on loans receivable	\$ 10,475	\$ -	\$ -	\$ 10,475
Not-for-profit servicing income	-	207	-	207
Administration fee	-	568	(568)	-
	<u>10,475</u>	<u>775</u>	<u>(568)</u>	<u>10,682</u>
Total operating revenues				
Operating expenses				
Interest expense	5,626	-	-	5,626
General and administrative	147	115	-	262
Loan service fees	875	-	-	875
Administration fee	568	-	(568)	-
Consolidation rebate fees	1,430	-	-	1,430
Contracted services	10	399	-	409
	<u>8,656</u>	<u>514</u>	<u>(568)</u>	<u>8,602</u>
Total operating expenses				
Operating income	<u>1,819</u>	<u>261</u>	<u>-</u>	<u>2,080</u>
Nonoperating income (expenses)				
Investment income	97	-	-	97
Contribution to CHESLA	(4,000)	-	-	(4,000)
	<u>(3,903)</u>	<u>-</u>	<u>-</u>	<u>(3,903)</u>
Total nonoperating expenses				
Change in net position	(2,084)	261	-	(1,823)
Net position, July 1, 2017	<u>25,311</u>	<u>502</u>	<u>-</u>	<u>25,813</u>
Net position, June 30, 2018	<u>\$ 23,227</u>	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ 23,990</u>



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## Compliance

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

Board of Directors  
Connecticut Health and Educational Facilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of the Connecticut Health and Educational Facilities Authority as of and for the year ended June 30, 2018, 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, 2018.

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.

*CohnReznick LLP*

Hartford, Connecticut  
September 26, 2018

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# State of Connecticut Health and Educational Facilities Authority

## Report to the Governor - Fiscal Year 2018

### Grant Programs

During FY 2018, the Authority awarded grants totaling \$2,785,448. No awards were made through the Targeted Grant Program.

### Fiscal Year 2018 Grants

Client Grant Program	\$949,375
Nonprofit Grant Program 2017	\$787,835
Nonprofit Grant Program 2018	\$1,048,238
<b>Total Grants</b>	<b>\$2,785,448</b>

### Client Grant Program

Grantee	Location	Purpose	Amount
Bushnell Memorial Hall	Hartford	Master teaching artists' work in schools	\$20,000
Catholic Charities - Archdiocese of Hartford	Waterbury	Replace roof and siding/paint at CC's Waterbury Family Service Center	\$75,000
Fairfield University	Fairfield	Anatomage Virtual Medical Cadaver Table (AVMCT) for Biology Instruction	\$75,000
Gaylord Hospital	Wallingford	Ceiling mounted lifts for safe patient handling	\$75,000
Hartford Hospital	Hartford	Medical equipment for tests conducted in clinical trials unit	\$66,634
Hospital for Special Care	New Britain	Technology for Connecticut's first autism designated Partial Hospitalization Program	\$75,000
HRA of New Britain	New Britain	Building and playground renovations to expand early childhood education services	\$63,982
LULAC	New Haven	Roof replacement, security system, air conditioning units	\$46,097
Middlesex Hospital	Middletown	Paramedic service needs to replace two LIFEPAK heart monitors/defibrillators	\$48,700
Our Piece of the Pie, Inc.	Hartford	Pathways to Career Initiative: Driving Toward Success	\$32,897
Quinnipiac University	Hamden	Simulation equipment for procedural training to ensure patient care	\$73,995
Sacred Heart University	Fairfield	Development of a systemic, standardized, simulation-driven training for evaluating swallowing	\$74,700
University of Bridgeport	Bridgeport	To Launch the UB-Discovery STEM on Wheels Project	\$74,870
Winsted Area Child Care Center	Winsted	Complete replacement of HVAC system for child care center building	\$67,000
Women's League Child Development Center	Hartford	To purchase three AED devices	\$5,500
YMCA of Greater Hartford	Hartford	To support capital improvements at YMCA Camp Chase	\$75,000
<b>Total Client Grant Program</b>			<b>\$949,375</b>

### Nonprofit Grant Program

Grantee	Location	Purpose	Amount
4H Development Fund	Bloomfield	Renovate storage barn to accessible education Welcome Center	\$68,294
Adelbrook, Inc.	Cromwell	To replace outdated HVAC equipment in the special education school	\$69,200

## State of Connecticut Health and Educational Facilities Authority

### Report to the Governor - Fiscal Year 2018

American National Red Cross	Farmington	To purchase/install a web-based Building Management System	\$75,000
American School for the Deaf	West Hartford	Equipment purchase and partial renovation of Autistic Sensory Room.	\$50,000
Area Cooperative Educational Services (ACES)	North Haven	Kitchen renovation at Village School for children with complex needs	\$72,000
Charter Oak Health Center	Hartford	Purchase two mobile dental operatory units to serve low-income persons	\$60,000
Community Health Services	Hartford	To purchase new and replacement optometric examination equipment	\$68,705
Connecticut Institute for the Blind	Hartford	To replace deteriorated health and fitness equipment for people with disabilities	\$30,841
Eastern AHEC	Norwich	Equip three free health clinics with equipment and supplies	\$33,912
Fair Haven Community Health Clinic Inc.	New Haven	Increase access to high quality dental care for school children	\$71,139
Generations Family Health Center	Putnam	Equip medical exam rooms associated with Putnam health center expansion	\$74,895
Guidance Ctr of Southern CT	Stamford	Building repairs to increase safety and accessibility for agency clients	\$54,500
Guidance Ctr of Southern CT	Stamford	Providing critical mental health services for children and adolescents	\$75,000
Hartford Gay & Lesbian Health Collective	Hartford	Upgrade medical and dental equipment at the Hartford Clinic	\$74,614
KidsPlay Children's Museum	Torrington	Replace HVAC, fostering a safe, healthy, multigenerational learning environment.	\$50,000
Klingberg Family Centers	New Britain	To support the staffing/expansion of a Children's Advocacy Center.	\$75,000
Leadership Education and Athletics	New Haven	To replace the entire roof of the LEAP Community Center	\$75,000
Malta House of Care	Hartford	Free primary health care for uninsured adults in Greater Hartford	\$75,000
Mattatuck Historical Society, Inc.	Waterbury	Repair falling plaster and roof leaks at the Mattatuck Museum	\$26,532
Regional Hospice and Home Care of Western CT	Danbury	Purchase and installation of a Pyxis medication dispensary system.	\$53,444
Stepping Stones Museum	Norfolk	To support the shingle roof replacement	\$75,000
The Arc New London County, Inc.	New London	Building safety/energy efficiency for people with intellectual and developmental disabilities	\$25,925
The Bridge Family Center, Inc.	West Hartford	To hire an additional therapist to serve our growing clientele.	\$75,000
United Community and Family Services, Inc.	Norwich	To purchase vaccine management system, refrigerators and freezer for five health center sites	\$64,431
United Community and Family Services, Inc.	Norwich	Equip treatment rooms and laboratory in new Griswold Health Center	\$75,000
Warner Theatre	Torrington	Replace a portion of the main theater roof	\$29,960
Waterbury Youth Service System, Inc.	Waterbury	To double the capacity of the after-school programs	\$41,431
Western Connecticut Home Care	Danbury	To equip our Maternal Child Health program	\$43,295
Westport Country Playhouse Inc.	Westport	To upgrade the theater's HVAC system software.	\$28,530
Wheeler Clinic	Hartford	To expand dental care access for low-income Hartford patients	\$75,000

**State of Connecticut Health and Educational Facilities Authority  
Report to the Governor - Fiscal Year 2018**

YWCA of New Britain, Inc.	New Britain	To replace windows, air change unit, and playground surface for childcare center	\$69,425
<b>Total Nonprofit Grant Program</b>			<b>\$1,836,073</b>

**STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**  
**(CHEFA)**  
**SCHEDULE OF INDEBTEDNESS**  
**at June 30, 2018**  
**(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	-	-	-
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	-	-	-



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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	-	-	-
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	-	-	-

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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	-	-	-
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	-	-	-

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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	1,585	5,290	6,875
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*	2/24/1999	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	1,600	21,900	23,500
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	-	-	-
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	-	-	-

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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	1,160	22,600	23,760
Westminster School	C	2/20/2002	Negotiated	A.G. Edwards	PFM	2032	Variable	8,143	8,250	100	6,750	6,850
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	470	4,530	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	2,480	2,625
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	-	-	-
Salisbury School	B*	2/19/2004	Negotiated	Quick & Reilly	PFM	2034	Variable	5,469	5,510	-	-	-
Fairfield University	K*	4/14/2004	Negotiated	J.P. Morgan	PFM	2034	Variable	37,820	38,075	-	-	-
University of Hartford	F*	5/6/2004	Negotiated	Advest	Lamont Financial Services	2034	Variable	24,851	25,000	-	-	-
Connecticut Children's Medical Center	B*	5/13/2004	Negotiated	Advest	PFM	2021	1.05%	21,287	21,285	-	-	-
Connecticut Children's Medical Center	C*	5/13/2004	Negotiated	Advest	PFM	2018	Variable	22,510	23,700	-	-	-
Lawrence & Memorial Hospital	E*	6/24/2004	Negotiated	UBS Financial Services	PFM	2034	Variable	22,086	22,990	-	-	-
Greenwich Academy	C*	6/25/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2037	Variable	11,676	11,770	-	-	-
Norwich Free Academy	A*	6/30/2004	Negotiated	Banc of America Securities	Lamont Financial Services	2034	4.91%	18,015	18,740	-	-	-
Trinity College	H*	7/5/2004	Negotiated	Advest	P.G. Corbin	2026	4.74%	33,720	33,370	-	-	-
Eastern CT Health Network	B*	7/21/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	20,000	20,000	-	-	-
Greenwich Academy	D*	9/16/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2026	4.20%	15,366	15,490	-	-	-
Kent School	D*	10/6/2004	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2023	4.14%	22,697	21,725	-	-	-
Trinity College	I*	12/9/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	15,000	15,000	-	-	-
Hospital of Saint Raphael	L*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	29,525	29,525	-	-	-
Hospital of Saint Raphael	M*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	30,420	30,420	-	-	-
Griffin Hospital	B*	2/1/2005	Negotiated	Wachovia Securities	PFM	2023	4.56%	25,770	24,800	-	-	-
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	-	-	-
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	-	-	-

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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	1,440	23,775	25,215
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	-	-	-
Yale-New Haven Hospital	J-1*	9/25/2006	Negotiated	Lehman Brothers	PFM	2031	4.69%	184,574	174,430	-	-	-
Yale-New Haven Hospital	J-2*	9/25/2006	Negotiated	Lehman Brothers	PFM	2036	Variable	40,000	40,000	-	-	-
Yale-New Haven Hospital	J-3*	9/25/2006	Negotiated	Lehman Brothers	PFM	2036	Variable	66,425	66,425	-	-	-
Middlesex Hospital	L*	12/7/2006	Negotiated	Wachovia Bank NA	P.G. Corbin	2036	4.54%	23,614	22,760	-	-	-
Middlesex Hospital	M*	12/7/2006	Negotiated	Wachovia Bank NA	P.G. Corbin	2027	4.50%	16,620	16,620	-	-	-
Quinnipiac University	H*	12/13/2006	Negotiated	J.P. Morgan	PFM	2036	4.72%	72,974	67,495	-	-	-
UConn Foundation	B	1/23/2007	Negotiated	A.G. Edwards	PFM	2029	4.19%	7,253	7,290	-	-	-
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	22,750	23,520
Jerome Home	D	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	340	9,170	9,510
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	-	-	-
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	-	-	-
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	865	13,800	14,665
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	-	-	-
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	-	-	-
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	-	-	-

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Quinnipiac University ***	J	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2037	5.23%	165,545	165,545	-	-	-
Quinnipiac University ***	K-1	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2031	4.69%	64,650	64,650	-	-	-
Quinnipiac University ***	K-2	12/20/2007	Negotiated	J.P. Morgan Securities	PFM	2028	4.63%	51,700	51,700	-	-	-
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	-	-	-
Greenwich Hospital	C	5/7/2008	Negotiated	UBS Financial Services	N/A	2026	Variable	53,630	53,630	2,870	26,770	29,640
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 Securites	PFM	2036	Variable	35,580	35,580	-	-	-
St. Francis Hospital	F*	6/30/2008	Negotiated	Cain Brothers & Company	Lamont Financial Services	2047	Variable	175,000	175,000	-	-	-
University of New Haven	H	7/2/2008	Negotiated	Wachovia	Lamont Financial Services	2038	Variable	46,000	46,000	-	-	-
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	495	14,725	15,220
Trinity College	L	8/5/2008	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	545	10,365	10,910
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	-	-	-
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	400	4,840	5,240
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	-	-	-
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	-	-	-
Fairfield University	P	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2028	4.50%	11,095	11,095	355	8,210	8,565
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	1,185	2,510	3,695
Westminster School	F	4/14/2010	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2029	4.04%	6,350	6,350	300	4,190	4,490
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	5,800	93,430	99,230
Trinity College	M	6/29/2010	Negotiated	Stifel, Nicolaus & Company	Public Financial	2028	4.10%	22,230	22,230	95,000	(78,130)	16,870
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	345	11,675	12,020
University of Bridgeport	C	12/9/2010	Private	RBC Capital	N/A	2040	3.98%	30,000	30,000	712	24,924	25,636
Norwalk Hospital	G	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2025	5.12%	25,000	25,000	1,630	13,985	15,615
Norwalk Hospital	H	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.49%	10,040	10,040	1,090	2,300	3,390
Norwalk Hospital	I	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.40%	11,800	11,800	1,280	2,690	3,970
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	200	8,295	8,495

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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	-	-	-
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	155	3,005	3,160
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	2,630	11,010	13,640
Loomis Chaffee School	H	8/23/2011	Negotiated	RBC Capital	N/A	2024	3.72%	7,740	7,740	595	4,225	4,820
Lawrence & Memorial Hospital	F	9/15/2011	Negotiated	Morgan Stanley	PFM	2036	4.14%	58,940	58,940	-	-	-
Hartford HealthCare Corporation	A	9/29/2011	Negotiated	Citigroup Global Markets	N/A	2041	4.90%	254,730	254,730	4,480	236,555	241,035
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	1,710	32,155	33,865
Rectory School	B	1/5/2012	Private	George K. Baum & Company	N/A	2041	Variable	7,500	7,500	182	6,282	6,464
Sacred Heart University	H	2/14/2012	Negotiated	RBC Capital	Lamont Financial Services	2028	3.73%	47,740	47,740	-	-	-
Bushnell Memorial Hall	B	3/16/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	12,800	12,800	314	10,725	11,039
Brunswick School	C	3/19/2012	Negotiated	Bank of America Merrill Lynch	Acacia Financial	2033	3.76%	38,470	38,470	1,410	30,485	31,895
Connecticut College	I	4/4/2012	Negotiated	RBC Capital	PFM	2032	3.74%	12,240	12,240	-	6,975	6,975
Winston Preparatory School	A	4/13/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	11,378	11,378	283	10,117	10,400
University of Hartford	H	4/26/2012	Private	RBC Capital	N/A	2032	Variable	30,000	30,000	1,320	21,483	22,803
University of Hartford	I	4/26/2012	Private	RBC Capital	N/A	2032	2.85%	28,600	28,600	1,236	20,515	21,751
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	2,615	22,290	24,905
Pomfret School	B-1	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.59%	2,200	2,200	75	1,910	1,985
Pomfret School	B-2	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	6.09%	15,550	15,550	495	13,605	14,100
Stamford Hospital	J	6/20/2012	Negotiated	Goldman Sachs	Lamont Financial Services	2042	4.83%	250,000	250,000	1,665	246,750	248,415
Westminster School	G	6/29/2012	Private	Stifel, Nicolaus & Company	N/A	2042	2.50%	6,125	6,125	155	5,180	5,335
Renbrook School, The	B	8/22/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.69%	8,600	8,600	283	6,777	7,060
Masonicare	E*	9/5/2012	Private	Ziegler Capital Markets Group	N/A	2037	Variable	33,000	33,000	-	-	-
Gunnery School, The	B	9/28/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.65%	8,855	8,855	290	7,145	7,435
University of Bridgeport	D	11/2/2012	Private	RBC Capital	N/A	2042	Variable	12,000	12,000	288	10,699	10,987
Taft School, The	I	11/7/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2032	2.58%	18,462	18,060	1,690	14,715	16,405
Norwalk Hospital	J	12/7/2012	Private	Hammond Hanlon Camp LLC	N/A	2039	Variable	82,000	82,000	2,365	71,680	74,045
Canterbury School	C	12/28/2012	Private	Stifel, Nicolaus & Company	N/A	2036	Variable	7,160	7,160	255	6,655	6,910
Washington Montessori School	B	1/25/2013	Private	N/A	N/A	2036	Variable	6,339	6,339	228	4,959	5,187
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	530	11,885	12,415
Pierce Memorial Baptist	B	3/13/2013	Private	Ziegler Capital Markets Group	N/A	2038	3.44%	11,454	11,454	345	9,473	9,818
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	3,499	3,703
Ethel Walker School	C	4/3/2013	Private	Stifel, Nicolaus & Company	N/A	2040	Variable	8,665	8,665	240	7,585	7,825
UCONN Foundation	C	4/24/2013	Private	Wells Fargo	N/A	2023	1.90%	20,000	20,000	2,500	10,000	12,500
King Low Heywood School	B	4/30/2013	Private	N/A	A.C. Advisory	2033	2.17%	9,100	9,100	360	6,990	7,350
Day Kimball Hospital	B	6/6/2013	Private	Piper Jaffray & Co.	N/A	2043	5.78%	30,330	30,330	1,155	22,665	23,820
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	199	3,116	3,315
South Kent School	A	8/29/2013	Private	Stifel, Nicolaus & Company	N/A	2039	Variable	7,300	7,300	206	6,602	6,808
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	7,557	8,001
Lawrence & Memorial Hospital	G	10/10/2013	Private	Morgan Stanley	Fairmount Capital	2038	3.25%	30,000	30,000	910	25,735	26,645
University of New Haven	I	10/11/2013	Private	RBC	PFM	2040	Variable	28,670	28,670	-	-	-
Avon Old Farms School	C	11/1/2013	Private	Stifel, Nicolaus & Company	N/A	2036	4.16%	24,606	24,606	784	20,934	21,718
University of Saint Joseph	C	11/1/2013	Private	RBC	N/A	2038	Variable	10,800	10,800	312	9,082	9,394
University of Saint Joseph	D	11/1/2013	Private	RBC	N/A	2043	3.55%	10,800	10,800	264	9,444	9,708
Lawrence & Memorial Hospital	H	11/5/2013	Negotiated	Morgan Stanley	Fairmount Capital	2034	Variable	21,405	21,405	-	-	-

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**at June 30, 2018**  
**(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>
Suffield Academy	C	11/20/2013	Private	Stifel, Nicolaus & Company	N/A	2038	Variable	13,750	13,750	-	12,004	12,004
University of New Haven	J	11/22/2013	Private	N/A	PFM	2033	Variable	10,000	10,000	-	-	-
Stanwich School	B	12/06/13	Private	Merrill Lynch	N/A	2037	Variable	10,000	10,000	368	9,167	9,535
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	4,742	4,934
Hartford HealthCare Corporation	E	3/26/2014	Negotiated	Citigroup Global Markets	Fairmount Capital	2042	4.82%	85,959	83,790	-	83,790	83,790
Yale-New Haven Hospital	A	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2034	4.14%	117,127	102,300	-	102,300	102,300
Yale-New Haven Hospital	B	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2049	Variable	168,275	168,275	-	168,275	168,275
Yale-New Haven Hospital	C	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2025	Variable	83,625	83,625	7,065	56,725	63,790
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	2,570	71,295	73,865
Trinity College	N	7/15/2014	Private	N/A	A.C. Advisory	2026	2.67%	22,535	22,535	1,877	13,459	15,336
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	400	18,915	19,315
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	557	23,538	24,095
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	4,638	4,746
Kent School	G	11/13/2014	Negotiated	Stifel, Nicolaus & Company	A.C. Advisory	2023	1.92%	12,765	11,545	1,340	6,635	7,975
Cherry Brook Health Care Center	B	12/11/2014	Private	N/A	Acacia Financial	2024	3.03%	4,200	4,200	384	2,487	2,871
Greater Hartford YMCA	D	12/23/2014	Private	N/A	N/A	2044	2.24%	27,500	27,500	880	24,575	25,455
Choate Rosemary Hall	E	3/27/2015	Private	N/A	N/A	2037	3.64%	36,110	36,110	1,100	31,875	32,975
Westminster School	I	4/30/2015	Private	Stifel, Nicolaus & Company	N/A	2026	2.03%	5,556	5,556	451	3,716	4,167
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	620	16,460	17,080
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	10,686	10,706
Trinity College	O	7/15/2015	Private	N/A	A.C. Advisory	2037	2.71%	22,890	22,890	815	20,075	20,890
University of Hartford	J	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2045	Variable	20,450	20,515	585	18,288	18,873
University of Hartford	K	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	14,935	15,000	558	12,844	13,402
University of Hartford	L	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	Variable	9,935	10,000	373	8,558	8,931
University of Hartford	M	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	9,935	10,000	372	8,562	8,934
Miss Porter's School	C-1	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.47%	9,388	9,388	192	8,692	8,884
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	-	4,500	4,500
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	6,470	318,525	324,995
Church Homes	B	11/18/2015	Private	N/A	N/A	2030	2.62%	15,282	15,282	433	13,181	13,614
Ridgefield Academy	B	12/3/2015	Private	Piper Jaffray & Co.	N/A	2035	Variable	9,736	9,736	497	7,996	8,493
Salisbury School	D	12/10/2015	Private	Stifel Nicolaus	N/A	2046	3.09%	48,194	48,194	1,049	44,953	46,002
Trinity College	P	12/17/2015	Private	Stifel Nicolaus	N/A	2025	Variable	23,000	23,000	556	21,135	21,691
Trinity Health	2016	1/26/2016	Negotiated	Bank of America Merrill Lynch	N/A	2045	4.28%	248,808	220,325	2,040	216,325	218,365
Charlotte Hungerford Hospital	D	2/23/2016	Private	N/A	N/A	2036	2.24%	13,000	13,000	650	11,050	11,700
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	-	6,240	6,240



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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	-	-	-
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	7,077	7,233
Middlesex Hospital	P	6/10/2016	Private	Piper Jaffray & Co.	N/A	2027	2.03%	9,610	9,683	873	7,063	7,936
Ethel Walker School	D-1	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	8,145	8,145	280	7,450	7,730
Ethel Walker School	D-2	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	5,000	5,000	190	3,958	4,148
Saint Joseph's Living Center	B(R)	6/15/2016	Private	N/A	N/A	2023	Variable	2,840	2,840	72	2,624	2,696
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	430	13,890	14,320
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	1,580	31,405	32,985
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	1,355	11,555	12,910
Hospital for Special Care	F	10/6/2016	Private	Oppenheimer & Co, Inc.	N/A	2038	2.63%	23,661	42,837	-	42,251	42,251
Masonicare	F	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	116,589	110,030	2,280	106,335	108,615
Masonicare	G	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	5,633	5,755	130	5,545	5,675
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	1,532	4,425	5,957
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	230	2,720	2,950
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	280	7,315	7,595
Odd Fellows Healthcare	A	3/9/2017	Private	SK Advisors	N/A	2047	Variable	18,923	18,960	285	18,365	18,650
Trinity College	Q	4/26/2017	Private	Citizenz 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
LiveWell Alliance	A	11/1/2017	Private	Ziegler Capital Markets Group	N/A	2025	Variable	11,636	11,636	513	10,783	11,296
Middlesex Hospital Issue	Q	11/21/2017	Private	Piper Jaffray & Co.	N/A	2027	2.29%	11,512	11,599	246	11,186	11,432
Sacred Heart University	I-1	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2042	2.46%	156,732	134,850	3,195	131,655	134,850
Sacred Heart University	I-2	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2028	3.08%	25,702	25,805	1,900	23,905	25,805
Sacred Heart University	J-1	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2041	Variable	53,465	53,465	2,623	48,941	51,564
Sacred Heart University	J-2	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2022	Variable	2,300	2,300	560	1,365	1,925
Ocean Community YMCA	A-1	12/14/2017	Private	N/A	N/A	2047	Variable	1,996	2,000	-	2,000	2,000
Ocean Community YMCA	A-2	12/14/2017	Private	N/A	N/A	2047	3.04%	3,992	4,000	-	4,000	4,000
New Canaan YMCA	A	12/15/2017	Private	N/A	N/A	2043	2.99%	9,145	9,145	215	8,839	9,054
Hebrew Life	C	12/18/2017	Private	N/A	N/A	2047	3.08%	14,500	14,500	294	14,059	14,353
Fairfield University	R	12/20/2017	Negotiated	Goldman Sachs	Acacia Financial	5047	3.81%	121,555	117,345	-	117,345	117,345
Yale University	2017 C-1	12/22/2017	Negotiated	Barclays Capital	N/A	2040	3.96%	152,756	123,270	-	123,270	123,270
Yale University	2017 C-2	12/22/2017	Negotiated	Barclays Capital	N/A	2023	4.62%	300,003	260,110	-	260,110	260,110
Marvelwood School	B	12/28/2017	Private	Gates Capital	N/A	2042	Variable	6,328	6,328	162	6,085	6,247
Loomis Chaffee School	J	3/15/2018	Private	Stifel Nicolaus	N/A	2034	Variable	7,500	7,500	-	7,500	7,500
Fairfield University	S	4/4/2018	Negotiated	Goldman Sachs	Acacia Financial	2034	3.08%	75,080	66,545	-	66,545	66,545
University of New Haven	K-1	5/1/2018	Negotiated	Wells Fargo	PFM	2039	4.00%	97,265	86,455	-	86,455	86,455
University of New Haven	K-2	5/1/2018	Negotiated	Wells Fargo	PFM	2020	3.55%	10,208	10,250	3,385	6,865	10,250

**Total Hospital, Education & Other**

19,244,100	19,877,575	209,142	7,770,727	7,979,869
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**Child Care Program**

Child Care Program	A & B*	11/01/98	Negotiated	First Union	PFM	2028	5.02%	10,331	10,520	-	-	-
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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	1,535	18,990	20,525
Child Care Program	2015	04/01/15	Negotiated	Piper Jaffray & Co.	Acacia	2038	3.67%	35,709	33,475	1,005	29,610	30,615
New Opportunities for Waterbury	A*	05/13/98	Private	Greenwich Partners	N/A	2028	6.78%	4,706	5,795	-	-	-
<b>Total Child Care Program</b>								<b>142,165</b>	<b>141,165</b>	<b>2,540</b>	<b>48,600</b>	<b>51,140</b>
<b>Special Capital Reserve Fund Program (SCRF)</b>												
Noble Horizons	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	6,270	6,435	-	-	-
Cherry Brook Nursing Center	SCRF	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,154	9,380	-	-	-
Mansfield Center for Nursing and 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	-	-	-
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	2,200	57,640	59,840
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,165	19,405	20,570
Connecticut State University System	K	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	4,660	4,845	9,505
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	15	45,530	45,545
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	1,320	27,185	28,505
Connecticut State University System	N	10/23/2013	Competitive	Competitive	PFM	2033	3.94%	89,171	80,340	2,955	66,980	69,935
Connecticut State University System	O	9/16/2014	Competitive	Roosevelt & Cross	PFM	2030	2.63%	23,228	21,240	20	16,810	16,830
Connecticut State University System	P-1	9/13/2016	Competitive	CitiGroup Global Market	PFM	2036	2.64%	61,855	55,030	1,795	51,525	53,320
Connecticut State University System	P-2	9/3/2016	Competitive	CitiGroup Global Market	PFM	2035	2.30%	20,438	19,530	4,810	9,830	14,640
<b>Total SCRF</b> (SCRF total represents a contingent liability of the State of Connecticut)								<b>1,130,229</b>	<b>1,095,200</b>	<b>18,940</b>	<b>299,750</b>	<b>318,690</b>
<b>Total CHEFA Issued Debt</b>								<b>20,516,494</b>	<b>21,113,940</b>	<b>230,622</b>	<b>8,119,077</b>	<b>8,349,699</b>
												<b>8,349,699</b>
<b>Summary of Indebtedness at June 30, 2018</b>									<b>Amount Issued</b>	<b>Outstanding Current</b>	<b>Outstanding Long-Term</b>	<b>Outstanding Total Debt</b>
<b>Health, Education &amp; Other</b>									<b>19,877,575</b>	<b>209,142</b>	<b>7,770,727</b>	<b>7,979,869</b>
<b>SCRF - Nursing Home</b>									<b>260,400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SCRF - Connecticut State University</b>									<b>834,800</b>	<b>18,940</b>	<b>299,750</b>	<b>318,690</b>

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY  
*(CHEFA)*  
 SCHEDULE OF INDEBTEDNESS  
 at June 30, 2018  
 (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>
Childcare									141,165	2,540	48,600	51,140
Total CHEFA Debt Outstanding									21,113,940	230,622	8,119,077	8,349,699

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, 2018**

**Vendor**

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American National Red Cross	LULAC Head Start
American School for the Deaf	Malta House of Care, Inc.
Aniello Associates, Inc.	Mattatuck Historical Society
Area Cooperative Educ. Service	McCarter & English, LLP
Bank of America	MetLife-Group Benefits
BerryDunn	Middlesex Hospital
Bloomberg Finance L.P.	New Horizon Learning Solutions Corp.
Board of Trustees Comm-Tech	Northwest CT Assoc for the Art
Carmody Torrance Sandak & Henn	Our Piece of the Pie Inc.
Catholic Charities, Inc.	People's United Bank
CB Richard Ellis NE Partners	Principal Mutual Life Insurance Company
CBIA Health Connections	Quinnipiac University
CDW Government, Inc.	R.A. Eick Quality Bookbinding
Charter Oak Health Center Inc	Regional Hospice and Home Care
Child Guidance Center of Souther CT	Robert Half Technology
Cohn Reznick LLP	Sacred Heart University
Cologix, Inc.	Shipman & Goodwin
Community Health Services Inc.	Stamford Hospital
Conn. Institute for the Blind	Standard Insurance Company
Connecticut 4-H Development	Stepping Stones Museum
Connecticut Business Systems	Suburban Stationers Inc.
Connecticut State University	The Arc of New London County
CT Computer Service, Inc & Associates	The Bridge Family Center, Inc.
Eastern AHEC, Inc.	The Horace Bushnell Memorial
Fair Haven Comm Health Clinic	Treasurer, State of CT
Fairfield University	United Community and Family
Gaylord Hospital Inc.	University of Bridgeport
GCCFC 2007-GG9 Columbus Boulevard, LLC	Verizon Business
Generations Family Health	Waterbury Youth Services Inc.
Hartford Gay & Lesbian Health	Western Connecticut Home Care, Inc.
Hartford Hospital	Westport Country Playhouse Inc.
Hawkins, Delafield & Wood	Wheeler Clinic, Inc.
Hospital for Special Care	Willis of Connecticut, LLC
Human Resources Agency	Winsted Area Child Care
Ink & Pixel	Women's League, Inc.
Iron Mountain Records	Yale-New Haven Hospital, Inc.
Kidsplay Children's Museum Inc.	YMCA of Metropolitan Hartford
Leadership Educ and Athletic Partner	YWCA of New Britain Inc.
Local Initiatives Support Corp	

**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**Construction Fund Account Disbursements**  
**Fiscal Year Ended June 30, 2018**

**Vendor**

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A. Secondino & Son, Inc.	Mercury Cabling Systems, LLC
AAIS Corporation	Mercury Electric, LLC
Acacia Financial Group Inc.	Mercury Security LLC
Alfred Benesch & Company	Moody's Investor Service
Allston Supply Company, Inc.	Murtha Cullina LLP
Amaya Architects	New England Woodcraft Inc.
American Cancer Society	Nosal Builders, Inc.
ATC Associates, Inc.	O & G Industries, Inc.
B&G Restaurant Supply Inc.	Oak Park Architects LLC
Bay State Elevator Company	Ocean Community YMCA
Carmody Torrance Sandak & Henn	Oppenheimer & Co., Inc.
Chapman and Cutler, LLP	Owens, Schine & Nicola, P.C.
Charlotte Hungerford Hospital	PAC Group LLC
Chicago Title Insurance	People's United Bank
Christopher Williams Architect	People's United Muni Finance
Church Home of Hartford, Inc.	PFM Asset Management, LLC
Connecticut Boiler Repair and Maintenance	Piper Jaffray
Day Kimball Hospital	Presidio Networked Solutions
Dimeo Construction Company	Public Financial Mgt Inc
Diversity Construction Group	Pullman & Comley LLC
Encore Billiards & Gameroom	Quality Welding LLC
Fairfield University	Quinnipiac University
Fairmount Capital Advisors	Quisenberry Arcari Architects,
Farmington Bank	RediCheck Global
First American Title Ins. Co.	Reid and Riege, P.C.
Fitch Ratings	Robinson & Cole
Ford & Ulrich, Inc.	Sacred Heart University
Frank Capasso & Sons Inc.	Safeware, Inc.
Fuss & O'Neill Inc.	Salisbury Bank & Trust
Gates Capital Corporation	SHI International Corp
Griffin Hospital	Shipman & Goodwin
Harold Leever	Sign Pro, Inc.
Harris Beach PLLC	Squire Patton Briggs, (US) LLP
Hartford Healthcare	ST of CT Correctional Enterprs
Hawkins Delafield & Wood	Standard & Poors
Hinckley Allen & Snyder, LLP	Stantec Consulting Services
Hoffman Architects, Inc.	Stifel, Nicolaus & Co, Inc.
ImageMaster	Strategic Building Solutions
Intelligent Signage, Inc.	SummerWood at University Park

**CHEFA**  
**Loans, Grants, or Services in excess of \$5,000**  
**Construction Fund Account Disbursements**  
**Fiscal Year Ended June 30, 2018**

**Vendor**

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John Savoy & Sons Inc.	T and T Complete Landscaping
Johnson Controls	Taft School
Johnson Controls (Simplex Grinnel)	TD Bank N.A.
Kent School	ThyssenKrupp Elevator Corp.
Kilcourse Specialty Products	Tobin Carberry O'Malley Riley
Kittredge Equipment Company	TPC Associates Inc.
Kratos Public Safety&Security	Treasurer - State of CT
La Rosa Building Group, LLC	Turner Construction Company
Landscape Forms Inc.	University of Bridgeport
Langan CT Inc.	University Sleep Products
Laydon Industries LLC	Updike, Kelly & Spellacy
Lock Lord LLP	US BANK
Loomis Chaffee School	WB Mason Co. Inc.
M.E. O'Brien & Sons, Inc.	Western CT Health Network
Marvelwood School	Westover School
Masonicare	Wiss Janney, Elstner Assoc Inc.
McBride Wayside Carpet Co	Yale University
McCarter & English, LLP	Zuvic, Carr & Associates Inc.
McPhee Electric LTD	

**Loans, Grants or Services Over \$5,000**  
**Bonds Issued**  
**Fiscal Year Ended June 30, 2018**  
**in Chronological Order**

<b>Institution</b>	<b>Series</b>	<b>Amount</b>
LiveWell Alliance	A	11,635,983
Middlesex Hospital	Q	11,599,000
Sacred Heart University	I-1	134,850,000
Sacred Heart University	I-2	25,805,000
Sacred Heart University	J-1	53,465,000
Sacred Heart University	J-2	2,300,000
Ocean Community YMCA	A-2	4,000,000
Ocean Community YMCA	A-1	2,000,000
New Canaan YMCA	A	9,145,000
Hoffman SummerWood	C	14,500,000
Fairfield University	R	117,345,000
Yale University	2017 C-1	123,270,000
Yale University	2017 C-2	260,110,000
The Marvelwood School	B	6,328,000
The Loomis Chaffee School	J	7,500,000
Fairfield University	S	66,545,000
University of New Haven	K-1	86,455,000
University of New Haven	K-2	10,250,000

## **AFFIRMATIVE ACTION**

The Authority recognizes the need for an affirmative action policy, the purpose of which is to provide equal employment opportunity. Affirmative action is a positive action to overcome the present effects of past practices, policies or other barriers to equal employment opportunity and to achieve the full and fair participation of any protected group found to be underutilized in the work force or affected by policies and practices having an adverse effect. Equal employment opportunity is the employment of individuals without consideration of race, color, religious creed, marital or partnership status, sex, sexual orientation, gender identity or expression, transgender status, national origin, ancestry, pregnancy, workplace hazards to reproductive systems, age, present or past history of mental, intellectual, learning, or physical disability, genetic information, veteran's status, prior conviction of a crime, or any other reason prohibited by any applicable law or regulation, unless there is a bona fide occupational qualification excluding persons in one of the above protected groups or the provisions of C.G.S. §46a-80(b) apply. The Authority shall endeavor to hire and promote members of protected groups found to be underutilized in the work force or affected by policies and practices having an adverse effect. The Executive Director shall be responsible for the implementation of the Authority's affirmative action policy.

## **NONDISCRIMINATION AND EQUAL OPPORTUNITY**

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 race, color, religious creed, marital or partnership status, sex, sexual orientation, gender identity or expression, transgender status, national origin, ancestry, pregnancy, workplace hazards to reproductive systems, age, present or past history of mental, intellectual, learning, or physical disability, genetic information, veteran's status, prior conviction of a crime, or any other reason prohibited by any applicable law or regulation, unless there is a bona fide occupational qualification excluding persons in one of the above protected groups or the provisions of C.G.S. § 46a-80(b) apply. 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.



**Connecticut Health and Educational Facilities Authority**  
**Composition of Workforce**  
**as of June 30, 2018**

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