

CHEFA

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

September 27, 2019

Governor Ned Lamont
State of Connecticut
State Capitol
Hartford, CT 06106

Dear Governor Lamont:

In accordance with the reporting requirements of Connecticut General Statutes §1-122, §1-123 and §10a-194, the Connecticut Health and Educational Facilities Authority (CHEFA) is pleased to submit its Annual Report for the Fiscal Year Ending June 30, 2019.

Sincerely,

Jeanette W. Weldon
Executive Director

cc: John C. Geragosian
Robert J. Kane
Auditors of Public Accounts (2 copies)



CHEFA

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

2019 Annual Report

*Enhancing the welfare and prosperity of the citizens of the State of
Connecticut by being leaders in public finance.*

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AUTHORITY OVERVIEW

The Authority is a quasi-public state agency created in 1965 to provide access to the tax-exempt bond market for qualified nonprofit institutions in the State of Connecticut. As a conduit issuer, it issues bonds on behalf of eligible 501(c)(3) entities throughout the state. The Authority's portfolio consists of 115 clients with a total of approximately \$8.3 billion of bonds outstanding consisting of healthcare, higher education, private secondary schools, human service providers, early childhood education centers and cultural institutions. Additional information on CHEFA can be found on its website, www.chefa.com.

MISSION

Provide access to tax-exempt financing and other financial assistance to educational institutions, healthcare providers, childcare providers and other eligible not-for-profit entities, and expand higher educational opportunities for Connecticut students through CHEFA's subsidiary, the Connecticut Higher Education Supplemental Loan Authority

VISION

Enhance the welfare and prosperity of the citizens of the State of Connecticut by being leaders in public finance

VALUES

<p>Excellent Service</p> <p>Timely, responsive and effective service to the public and to our clients, both external and internal</p>	<p>Respect</p> <p>Recognition through our attitudes and actions of the value of diversity and the worth and dignity of all, including the public, our clients and one another</p>
<p>Can-Do Attitude</p> <p>A creative, leading-edge, open-minded approach to meeting the needs of the public and of our clients in a constantly changing environment</p>	<p>Transparency</p> <p>Openness and accountability with respect to all aspects of the Authority and its operations</p>
<p>Professionalism</p> <p>A commitment to teamwork, to expertise and to personal behavior that projects a positive image of the Authority</p>	<p>Integrity</p> <p>Maintenance of an internal culture that reinforces the message that personal integrity and ethical behavior are valued and rewarded by the Authority</p>

GOVERNANCE

BOARD MEMBERS - STATUTORILY DESIGNATED

Ex Officio Members	Member's Designee
The Honorable Shawn T. Wooden State Treasurer	Linda Savitsky Deputy Treasurer
Melissa McCaw Secretary of Office of Policy and Management (OPM)	Anne Foley OPM Under Secretary for Health and Human Services Policy and Planning

BOARD MEMBERS - APPOINTED

Michael Angelini	Dr. Estela Lopez
Elizabeth Hammer	Barbara Rubin
Barbara B. Lindsay, Esq.	Mark Varholak
Dr. Peter W. Lisi	Vacancy

AGENCY WORKFORCE COMPOSITION

Affirmative Action Efforts: At fiscal year end June 30, 2019, CHEFA had a workforce of 19 Full-Time Equivalent employees, with 21% minority, including three minority officers (the Executive Director, a Managing Director and General Counsel).

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

AFFIRMATIVE ACTION POLICY

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.

FISCAL YEAR 2019 ACTIVITY UPDATE

Information regarding CHEFA’s component units, the Connecticut Higher Education Supplemental Loan Authority (“CHESLA”), the Connecticut Student Loan Foundation (“CSLF”), and CHEFA Community Development Corporation (“CHEFA CDC”), may be found in the respective Annual Reports and is available on line at www.chesla.org and www.cslf.com.

COMMUNITY DEVELOPMENT ENTITY

On February 20, 2019, the Authority established CHEFA Community Development Corporation (“Corporation” or CHEFA CDC), for the purpose of furthering the Authority’s mission by providing financial assistance to nonprofit organizations in the State of Connecticut. CHEFA CDC’s primary purpose is to participate in the Federal Government’s New Markets Tax Credit Program as a Certified Community Development Entity. More information regarding this component unit of CHEFA may be found in the respective Annual Report for the Corporation.

BORROWER EDUCATION

On November 8, 2018, the Authority held its 5th Annual Client Conference. There were 62 attendees. The agenda included the following topics.

- Trends and Challenges in the Healthcare and Education Sectors
- Changes in the Municipal Marketplace Post Tax Reform
- New Management Contract Rules and How They May Affect Your Organization

CLIENT SURVEY

The Authority conducted a client survey and received an above average industry response rate of 36%. The key takeaway was that CHEFA clients have a good awareness of our services and programs and desire more industry leadership, resources and information sharing.

GRANT PROGRAMS

The Authority disbursed \$2.96 million in grant dollars through its Client, Not-For-Profit and Targeted Grant Programs.

Client Grant Program	\$1,086,271
Targeted Grant Program	\$750,000
Nonprofit Grant Program	<u>\$1,121,163</u>
Total 2019 CHEFA Grants	\$2,957,434

<u>Client Grant Program</u>			<u>\$1,086,271</u>
Grantee	Location/County	Purpose	
Capital Community College	Hartford	Radiologic Technology Program Lab Upgrade	75,000
Catholic Charities, Inc. - Archdiocese of Hartford	New Haven	Improvements to CC's New Haven Child Development Center 790 Grand Avenue	69,000
Central Connecticut State University	Hartford	STEM Summer Youth Workforce Initiative	38,499
Danbury Hospital	Fairfield	Telemedicine to Enhance Collaborative Care	73,200
Day Kimball Healthcare, Inc.	Windham	IV Dosing and Contrast System	68,586
Easter Seal Rehabilitation Center of Greater Waterbury Inc.	New Haven	Classroom/restroom renovations	75,000
Family Center Incorporated	Hartford	Replace and Up-grade HVAC System	69,489
Gaylord Hospital, Inc.	Statewide	Ventilator Equipment and Education Program	75,000
Naugatuck Valley Community College	New Haven	Welding Lab Project	73,681
New Horizons, Inc.	Hartford	Replace Underground Diesel Storage Tank	33,433
Ocean Community YMCA	New London	Urban Youth Swim Program	14,750
Sacred Heart University	Fairfield	High-fidelity simulation equipment	70,233
Saint Francis Hospital and Medical Center	Hartford	Simulation Based Medical Education for First Responders in Municipalities	75,000
Saint Mary's Hospital Foundation, Inc.	New Haven	Simulation Program	75,000
The Bristol Hospital, Incorporated	Hartford	Bristol Hospital Deaerator Replacement Project	75,000
University of Saint Joseph	Hartford	Science Laboratory Equipment	64,000
YMCA of Metropolitan Hartford, Inc.	Hartford	YMCA Camp Woodstock Generators	61,400

<u>Targeted Grant Program</u>			<u>\$750,000</u>
Grantee	Location/County	Purpose	
Connecticut Center for Advanced Technology, Inc.	Statewide	Young Manufacturers Academy In-School and Summer Program	250,000
Connecticut Workforce Development Council	Statewide	Scale up evidence-based, demand-driven job training models statewide	500,000

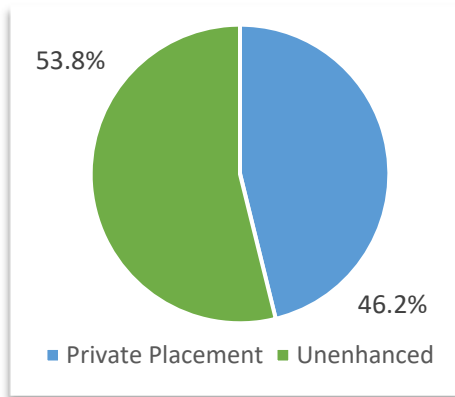
<u>Nonprofit Grant Program</u>			<u>\$1,121,163</u>
Grantee	Location/County	Purpose	
Community Health Services Inc.	Hartford	Purchase of New Generator to Protect Critical Operational Systems from Power Failures	45,000
Connecticut Foundation for Dental Outreach, Inc.	Statewide	Connecticut Mission of Mercy Free Dental Clinic	75,000
Connecticut Institute For Communities, Inc	Fairfield	GDCHC Simulation Lab Equipment	75,000
Connecticut Institute for the Blind	Statewide	Sterilized medical equipment for people with disabilities & chronic health issues: facility upgrades	73,947
Connecticut Radio Information System	Hartford	CRISKids	50,000
Family & Children's Aid, Inc.	New Haven	Waterbury Child Guidance Center Expansion - Playmaker Village	75,000
Generations Family Health Center, Inc.	Windham	Facility Improvements for Generations Family Health Center's Norwich Health Facility.	74,975
Jumpstart for Young Children, Inc.	Statewide	Early Literacy Program for 600 CT Low-Income Preschoolers	75,000
Junior Achievement of Southwest New England, Inc.	Statewide	Junior Achievement: Work Readiness for Connecticut Young People	75,000
Klingberg Family Centers, Inc.	Hartford	Klingberg Children's Advocacy Center	74,780
Malta House of Care, Inc.	Hartford	Free primary health care for uninsured adults in Greater Hartford	25,000
Mystic Seaport Museum, Inc.	Statewide	Stillman Building HVAC Replacement	25,000
Prime Time House Inc.	Litchfield	HVAC Upgrades for Mental Health Facility	40,825
Silvermine Guild of Artists, Inc.	Fairfield	New HVAC systems for Historic Silvermine Arts Center	75,000
Southwestern AHEC, Inc.	Fairfield	Community Health Worker Workforce Development	75,000
The Mark Twain Memorial	Statewide	Mark Twain House & Museum Campus Improvements	32,200
Wakeman Memorial Association	Fairfield	Smilow-Burroughs Clubhouse After School Program	25,000
YMCA of Northern Middlesex County, Inc	Middlesex	Opportunity Knocks Mental Health Consultation	54,436
YMCA of Stamford, Inc.	Fairfield	HVAC Improvements	75,000

BOND ISSUANCE

In FY 2019, CHEFA issued bonds totaling \$418.45 million representing 13 bond offerings.

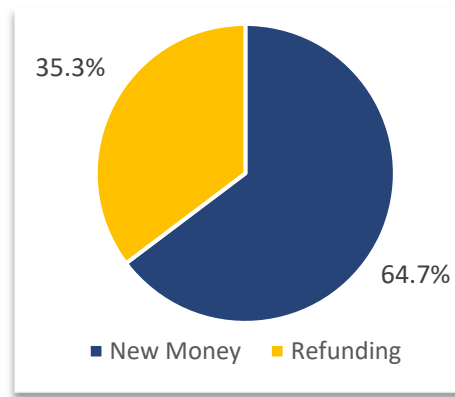
BOND ISSUANCE STATISTICS FOR FY 2019

Issuance Structure



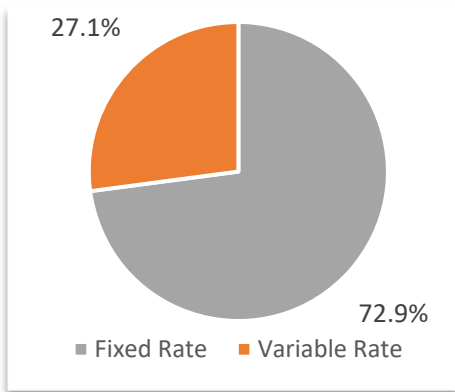
Approximately 46% of issuance was private placements with the balance being unenhanced public offerings

New Money vs. Refunding



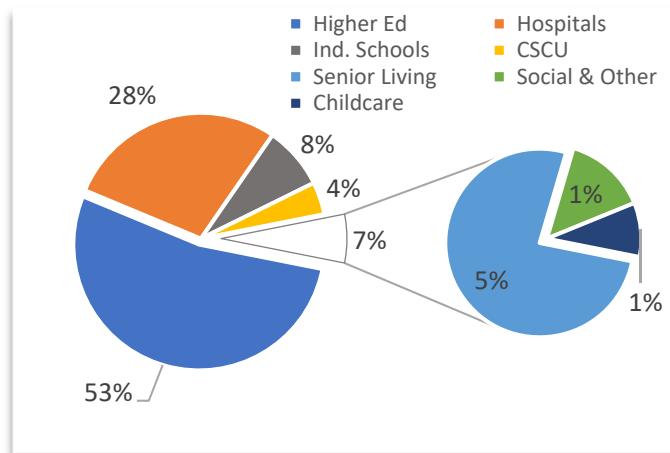
New money financings represent 65% of the \$418.45 MM in bonds issued

Fixed vs. Variable



Variable rate transactions represent 27% of the \$418.45 MM in bonds issued

Fiscal Year End Outstanding Par Amounts



Higher education represents 57% (Higher Ed and CSU) of the total outstanding bonds on June 30, 2019.

Four percent (4%) of higher education is the State's contingent liability guaranteed via the Special Capital Reserve Fund (SCRF) issued on behalf of the Connecticut State Colleges & Universities (CSCU)

BONDS ISSUED IN FISCAL YEAR 2019

Closing Date		Issue Name	Total (000's)
7/2/2018		Yale University Issue, Series 2018A	\$ 67,610
7/31/2018	+ *	Brass City Charter School Issue, Series A	\$ 3,400
8/2/2018	+	Cornell Scott-Hill Health Corporation Issue, Series A	\$ 8,000
9/11/2018		The Taft School Issue, Series K	\$ 21,625
11/13/2018		Covenant Home, Inc. Issue, Series B	\$ 46,850
11/28/2018		University of New Haven Issue, Series K-3	\$ 25,150
12/7/2018	+ *	University of Saint Joseph Issue, Series E	\$ 30,000
12/19/2018	+ *	Greenwich Country Day School Issue, Series A	\$ 27,878
12/19/2018	+ *	Greenwich Country Day School Issue, Series B	\$ 52,122
4/11/2019		Westminster School Issue, Series K	\$ 9,075
5/10/2019		Connecticut State University System Issue, Series Q-1	\$ 71,260
5/10/2019		Connecticut State University System Issue, Series Q-2	\$ 20,845
6/14/2019	+	Bristol Hospital Issue, Series 2019A	\$ 34,630

+ Private Placement * Variable Rate

SCHEDULE OF INDEBTEDNESS

The schedule of indebtedness also includes bond issues supported by a guarantee from the State via the Special Capital Reserve Fund (SCRF) Program.

The State's total contingent liability for these SCRF bonds is exclusively on behalf of the Connecticut State Colleges & Universities System and as of June 30, 2019 was \$351,690,000 as compared to the June 30, 2018 figure of \$318,690,000. To date, there has never been a draw on the SCRF.

The Schedule of Indebtedness is attached as Exhibit A.

DISBURSEMENTS OVER \$5,000

Schedules of outside individuals and firms receiving in excess of \$5,000 in the form of loans, grants or payment or services for the fiscal year were as follows.

GENERAL ACCOUNT DISBURSEMENTS

Bank of America	Malta House of Care, Inc.
BerryDunn	Metlife - Group Benefits
Bloomberg Finance L.P.	Mystic Seaport Museum, Inc
Bristol Hospital	Naugatuck Valley Comm College
Capital Community College	New Horizons, Inc.
Carmody Torrance Sandak & Henn	Ocean Community YMCA
Catholic Charities, Inc.	Office Team
CBIA Health Connections	People's United Bank
CDW Government, Inc.	Premiere Global Services
Central Connecticut State University	Prime Time House, Inc.
Cohn Reznick LLP	Principal Mutual Life
Cologix, Inc.	RMI Associates, LLC
Community Health Services Inc	Robert Half Technology
Conn. Institute for the Blind	Sacred Heart University
Connecticut Business Systems	Saint Francis Hospital
Connecticut Council for Philanthropy	Saint Mary's Hospital
Connecticut Foundation for Dental Outreach	Shipman & Goodwin**
Connecticut Institute for Communities Inc	Silvermine Guild of Artists
Connecticut Radio Info Systems	Southwestern AHEC Inc.
Covenant Retirement Communities	Standard Insurance Company
CT Center for Advanced Technology	Suburban Stationers Inc
CT Computer Service, Inc	The Bank of New York Mellon
CT Workforce Development Council	The Family Center
Danbury Hospital	The Mark Twain Memorial
Day Kimball Hospital	Treasurer, State of CT
Eastern AHEC, Inc.	Tyler Technologies Inc.
Foundant Technologies Inc.	University of Saint Joseph
Gaylord Hospital Inc.	US Bank, N.A.
GCCFC 2007-GG9 Columbus Boulevard, LLC c/o JLL	VERIZ Verizon Business
Generations Family Health Center, Inc.	Wakeman Memorial Association
Ink & Pixel*	Wesleyan University
Iron Mountain Records	Willis of Connecticut, LLC
Jumpstart for Young Children	YMCA of Metropolitan Hartford
Junior Achievement of Southwest New England	YMCA of Northern Middlesex County
Klingberg Family Centers, Inc.	YMCA of Stamford, Inc.

* Includes amounts paid on behalf of CHEFA CDC

** Paid on behalf of CHEFA CDC

CONSTRUCTION FUND ACCOUNT DISBURSEMENTS

AAIS Corporation	Laydon Industries LLC
Acacia Financial Group Inc	Marvelwood School
Adtech Systems, LLC	McCarter & English, LLP
Alfred Benesch & Company	Mechanical & Pump Services
Amaya Architects	Mercury Cabling Systems, LLC
Armani Restoration	Moody's Investor Service
ATC Associates, Inc.	Murtha Cullina LLP
Automated Building Systems, Inc	New England Masonry & Roofing
Bartholomew Contract Interiors	O & G Industries, Inc.
Bay State Elevator Company	Ocean Community YMCA
Builders Hardware	Oppenheimer & Co., Inc.
Carmody Torrance Sandak & Henn	Orchard Lock Distributors Inc
Connecticut Boiler Repair and Manufacturing Co., Inc.	People's United Bank
Chapman and Cutler, LLP	PFM Asset Management, LLC
Charles Wright Plumbing	Presidio Networked Solutions
Charlotte Hungerford Hospital	Public Financial Mgt Inc
Christopher Williams Architect	Pullman & Comley LLC
Church Home of Hartford, Inc.	Quality Welding LLC
Creative Office Interiors	Robinson & Cole
Connecticut College	Rome McGuigan P.C.
Day Pitney, LLP	Sacred Heart University
DC Sheetmetal LLC	Securitas Electronic Security
Desman Associates	Shipman & Goodwin
Diversity Construction Group	SJ Advisors
East Coast Sheet Metal LLC	Standard & Poors
Emmet, Marvin and Martin, LLP	Stantec Consulting Services
Environmental Services Inc	Stifel, Nicolaus & Co, Inc
Fairfield University	Strategic Building Solutions
First American Title Ins. Co.	T and T Complete Landscaping
Frank Capasso & Sons Inc	Tecton Architects/pc
Gaylord Hospital Inc.	Terracon Consultants, Inc
George K. Baum & Company	Tradesmen New England, LLC
G.L. Capasso, Inc.	TREAS Treasurer - State of CT
Grant Thornton LLP	Turner Construction Company
Greenwich Country Day School	University of New Haven
Greenleaf Energy Solutions LLC	University of Saint Joseph
Harris Beach PLLC	Updike, Kelly & Spellacy
Hinckley Allen & Snyder, LLP	US BANK
Hoffman Architects, Inc.	WB Mason Co. Inc.
Hartford Healthcare	Westover School
ImageMaster	Town of Windham WPCF
JOHNS Johnson Controls	Wiss Janney, Elstner Assoc Inc
KeyBank National Association	WSP
Kratos Public Safety & Security	Yale University

DISBURSEMENTS OVER \$5,000 FOR BONDS ISSUED

Listed in chronological order of issuance:

Yale University
Brass City Charter School
Cornell Scott Hill-Health Corporation
Taft School
Covenant Retirement Communities
University of New Haven
University of Saint Joseph
Greenwich Country Day School
Greenwich Country Day School
Westminster School
CSU
CSU
Bristol Hospital

FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

The audited financial statements, which includes the Management Discussion & Analysis, for the Fiscal Year Ending June 30, 2019 is attached as Exhibit B.

FISCAL YEAR 2020 OPERATING AND CAPITAL BUDGET

The operating and capital budget for Fiscal Year 2020 is attached as Exhibit C.

FY 2019-2021 STRATEGIC INITIATIVES

In order to fulfill the requirements of Connecticut General Statute (C.G.S.) §1-123 regarding planned activities, the Authority 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 (*e.g.* organizational values and ethical standards)
2. Maintain sustainable organization
3. Develop comprehensive communications and marketing strategy for all key stakeholders

FISCAL YEAR 2020 PLANNED ACTIVITIES



PILLAR 1: COLLABORATION

-  Complete work with the Urban Institute regarding opportunities to play a role in outcomes-based financing with state agencies and nonprofits
-  Work collaboratively with other State entities and advocacy groups active in the sectors served by CHEFA
-  Strengthen client relations by following up to the client survey conducted in FY 2019




PILLAR 2: ECONOMIC AND WORKFORCE DEVELOPMENT FOR THE PUBLIC GOOD

-  Continue implementation and development of CHEFA CDC to expand CHEFA's impact on low income communities;
-  Identify opportunities to collaborate for the development of additional workforce grants
-  Complete economic impact study





PILLAR 3: TECHNOLOGY

-  Begin expansion of client portal that will promote and provide post-issuance services to ensure that client needs are met and in compliance with reporting and tax requirements
-  Rebuild website in response to client needs for additional resources and information

PILLAR 4: INNOVATION

-  Explore options for new products that provide financial assistance to non-profits
-  Explore development and/or implementation of new programs and technologies
-  Identify new sectors to be served

PILLAR 5: PUBLIC ENGAGEMENT AND ACCOUNTABILITY

-  Provide sector expertise to State officials concerning client financing needs
-  Increase awareness of the Authority's programs
-  Ensure effective management processes that promote a sustainable organization
-  Promote continued adherence to the organizational identity established by our Mission, Vision and Values

CONNECTICUT GENERAL STATUTES

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.

(February 1965, P.A. 170, S. 19; 1969, P.A. 586, S. 4.)

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. Each quasi-public agency shall pay the cost of conducting such biennial compliance audit of the agency.

(P.A. 88-266, S. 41, 46; P.A. 03-133, S. 2; P.A. 10-172, S. 1; P.A. 17-60, S. 1.)

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. Such report shall include, but need 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 complete set of financial statements; (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.

(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.

(P.A. 88-266, S. 42, 46; P.A. 03-133, S. 3; Sept. Sp. Sess. P.A. 09-7, S. 7; P.A. 10-143, S. 1; P.A. 17-60, S. 2; P.A. 18-137, S. 7.)



CHEFA

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

EXHIBIT A - SCHEDULE OF INDEBTEDNESS

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

(CHEFA)

SCHEDULE OF INDEBTEDNESS

at June 30, 2019

(In Thousands of Dollars)

Issue	Series	Date	Type	Underwriter/Placement Agent	CHEFA Financial Advisor	Final	Interest	Net	Amount	Outstanding		Outstanding
						Maturity	Cost	Proceeds	Issued	Current	Long-Term	Total Debt
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	-	-	-

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(CHEFA)

SCHEDULE OF INDEBTEDNESS

at June 30, 2019

(In Thousands of Dollars)

Issue	Series	Date	Type	Underwriter/Placement Agent	CHEFA Financial Advisor	Final Maturity	Interest Cost	Net Proceeds	Amount Issued	Outstanding		Outstanding Total Debt
										Current	Long-Term	
Hartford Graduate Center	A	11/20/1985	N/A	N/A	N/A	2006	Variable	5,558	5,700	-	-	-
Yale-New Haven Hospital	E*	11/1/1985	N/A	Kidder Peabody	PaineWebber	2012	Variable	14,964	15,000	-	-	-
Trinity College	B*	12/30/1985	Negotiated	Chemical Bank	PaineWebber	2010	Variable	10,590	10,700	-	-	-
Center for Continuing Care of Greater Stamford	A*	5/1/1986	Negotiated	Merrill Lynch	PaineWebber	2001	6.22%	7,780	8,015	-	-	-
Manchester Memorial Hospital	B*	11/15/1986	Negotiated	Merrill Lynch	PaineWebber	2012	6.52%	14,865	15,325	-	-	-
Hebrew Home & Hospital	A*	1/1/1987	Negotiated	Merrill Lynch	PaineWebber	2030	6.98%	21,760	21,760	-	-	-
Yale University	K*	3/1/1987	Negotiated	Merrill Lynch	PaineWebber	2013	6.10%	34,140	34,290	-	-	-
Fairfield University	E*	7/1/1987	Negotiated	Goldman Sachs	PaineWebber	2007	7.07%	15,385	15,575	-	-	-
Capital Asset	A*	2/1/1988	Negotiated	Merrill Lynch/CNB	PaineWebber	1997	5.81%	N/A	10,930	-	-	-
University of Hartford	C*	4/1/1988	Private	N/A	PaineWebber	2018	8.89%	57,014	61,915	-	-	-
Yale University	L-O*	7/28/1988	Negotiated	Shearson Lehman	Advest	2028	Variable	89,644	90,000	-	-	-
Saint Mary's Hospital	B*	8/15/1988	Negotiated	J.P. Morgan	Dillon Read	2019	7.56%	33,425	33,645	-	-	-
Wesleyan University	C*	9/22/1988	Negotiated	Goldman Sachs	Advest	2019	Variable	37,917	38,300	-	-	-
Bradley Health Care	A*	12/1/1988	Negotiated	Herbert J. Sims	Dillon Read	2018	8.93%	7,278	7,385	-	-	-
Hospital of Saint Raphael	B & C*	12/1/1988	Negotiated	Merrill Lynch	Dillon Read	2014	7.68%	71,425	72,440	-	-	-
Kingswood-Oxford School	A*	5/17/1989	Private	N/A	Dillon Read	2009	Variable	2,800	2,800	-	-	-
Lutheran General Health Care System	A*	5/17/1989	Negotiated	Morgan Stanley	Dillon Read	2019	7.37%	10,587	10,650	-	-	-
Stamford Hospital	B*	6/1/1989	Negotiated	Merrill Lynch	Dillon Read	2004	6.82%	10,473	10,450	-	-	-
Yale University	P*	9/27/1989	Negotiated	Shearson Lehman	Dillon Read	2028	6.10%	N/A	6,350	-	-	-
Fairfield University	F*	10/1/1989	Negotiated	Goldman Sachs	Dillon Read	2014	7.03%	11,436	11,700	-	-	-
Bridgeport Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,766	2,795	-	-	-
Middlesex Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,420	2,455	-	-	-
Norwalk Health Care	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1998	6.79%	760	780	-	-	-
Norwalk Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	7,146	7,195	-	-	-
University of New Haven	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	1,775	1,795	-	-	-
Waterbury Hospital	CAP B*	11/1/1989	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	8,184	8,255	-	-	-
Quinnipiac University	B*	11/15/1989	Negotiated	Ehrlich Bober	Dillon Read	2019	7.36%	11,049	11,340	-	-	-
Manchester Memorial Hospital	C*	1/15/1990	Negotiated	Merrill Lynch	Dillon Read	2010	6.96%	4,908	5,005	-	-	-
Lawrence and Memorial Hospital	B*	2/1/1990	Negotiated	Drexel Burnham	Dillon Read	2020	7.03%	9,058	9,295	-	-	-
Bristol Hospital	A*	3/1/1990	Negotiated	Cain Brothers	Dillon Read	2020	7.03%	18,016	18,250	-	-	-
Taft School, The	A*	4/15/1990	Negotiated	Salomon Smith Barney	Dillon Read	2003	7.39%	11,701	11,870	-	-	-
Windham Hospital	B*	6/13/1990	Negotiated	Merrill Lynch	Dillon Read	2020	Variable	20,425	20,600	-	-	-
Loomis Chaffee School	A*	6/28/1990	Private	N/A	Dillon Read	2010	7.00%	6,965	7,000	-	-	-
Saint Mary's Hospital	C*	8/1/1990	Negotiated	J.P. Morgan	P.G. Corbin	2020	7.44%	18,694	18,980	-	-	-
Charlotte Hungerford Hospital	B*	9/20/1990	Negotiated	Bank of Boston	P.G. Corbin	2010	Variable	10,787	10,900	-	-	-
Quinnipiac University	C*	11/1/1990	Negotiated	Dillon Read	P.G. Corbin	2020	7.91%	3,784	4,000	-	-	-
Waterbury Hospital	B*	11/1/1990	Negotiated	First Boston	P.G. Corbin	2020	7.10%	19,727	20,130	-	-	-
Yale-New Haven Hospital	F*	11/1/1990	Negotiated	Goldman Sachs	P.G. Corbin	2025	7.11%	123,529	124,395	-	-	-
Danbury Hospital	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	7,408	7,520	-	-	-
Independent Day School	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	832	845	-	-	-
University of New Haven	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	4,743	4,815	-	-	-
Kent School	A*	12/1/1990	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	Variable	25,792	26,000	-	-	-
Hospital of Saint Raphael	D*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	16,492	17,125	-	-	-
Hospital of Saint Raphael	E*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	3,062	3,155	-	-	-
Stamford Hospital	C*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	15,307	15,585	-	-	-
Stamford Hospital	D*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	5,590	5,690	-	-	-
Stamford Hospital	E*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	939	965	-	-	-
Connecticut College	B*	8/31/1991	Negotiated	Advest	P.G. Corbin	2011	6.63%	5,704	5,800	-	-	-
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	-	-	-

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Saint Francis Hospital	B*	1/1/1992	Negotiated	Salomon Smith Barney	P.G. Corbin	2022	5.52%	27,301	27,845	-	-	-
Hospital of Saint Raphael	F*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.24%	20,249	20,570	-	-	-
Hospital of Saint Raphael	G*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.75%	7,338	7,455	-	-	-
Middlesex Hospital	C-G*	3/1/1992	Negotiated	Dillon Read	P.G. Corbin	2022	5.44%	37,481	38,940	-	-	-
Bridgeport Hospital	A*	3/1/1992	Negotiated	Kidder Peabody	P.G. Corbin	2018	5.51%	25,486	25,890	-	-	-
Yale-New Haven Hospital	G*	4/1/1992	Negotiated	Dillon Read	P.G. Corbin	2012	6.41%	33,842	34,315	-	-	-
Lawrence and Memorial Hospital	C*	4/1/1992	Negotiated	PaineWebber	P.G. Corbin	2022	6.14%	50,069	51,950	-	-	-
Norwalk Health Care	A*	5/1/1992	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.25%	12,809	13,060	-	-	-
Norwalk Hospital	B-D*	5/15/1992	Negotiated	Dillon Read	P.G. Corbin	2022	4.89%	22,555	23,100	-	-	-
Trinity College	C*	7/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.07%	20,033	20,370	-	-	-
Yale University	Q-R*	8/3/1992	Negotiated	Lehman Brothers	P.G. Corbin	2030	5.93%	86,972	87,600	-	-	-
William W. Backus Hospital	C*	9/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.44%	14,270	14,700	-	-	-
University of Hartford	D*	10/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.82%	75,871	76,720	-	-	-
Sacred Heart University	A*	11/1/1992	Negotiated	Advest	P.G. Corbin	2022	6.77%	6,084	6,160	-	-	-
Manchester Memorial Hospital	D*	2/1/1993	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.05%	8,058	8,430	-	-	-
Griffin Hospital	A*	3/1/1993	Negotiated	Alex Brown	P.G. Corbin	2023	6.22%	28,911	30,285	-	-	-
Taft School, The	B*	7/1/1993	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.34%	13,204	13,425	-	-	-
Quinnipiac University	D*	8/1/1993	Negotiated	Dillon Read	P.G. Corbin	2023	6.12%	49,839	50,700	-	-	-
Fairfield University	G*	9/15/1993	Negotiated	Goldman Sachs	PFM	2018	4.74%	24,679	25,255	-	-	-
Sacred Heart University	B*	10/1/1993	Negotiated	Advest	PFM	2023	5.73%	12,342	12,500	-	-	-
Saint Francis Hospital	C	10/1/1993	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	5.12%	108,253	110,505	-	-	-
Forman School , The	A*	11/12/1993	Negotiated	Cain Brothers	PFM	2014	Variable	3,098	4,000	-	-	-
Hospital of Saint Raphael	H*	11/1/1993	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.19%	72,597	73,575	-	-	-
Lawrence and Memorial Hospital	D*	12/1/1993	Negotiated	PaineWebber	P.G. Corbin	2022	5.46%	55,795	58,165	-	-	-
New Britain General Hospital	B*	4/1/1994	Negotiated	Salomon Smith Barney	PFM	2024	6.01%	46,620	48,870	-	-	-
Trinity College	D*	4/1/1994	Negotiated	Advest	PFM	2024	6.23%	16,707	17,000	-	-	-
Newington Children's Hospital	A*	8/15/1994	Negotiated	US Securities	P.G. Corbin	2021	6.00%	52,767	53,750	-	-	-
Choate Rosemary Hall	A*	11/15/1994	Negotiated	Salomon Smith Barney	PFM	2025	6.91%	24,752	25,070	-	-	-
Pomfret School	A*	1/25/1995	Negotiated	Alex Brown	PFM	2024	Variable	7,670	7,785	-	-	-
Loomis Chaffee School	B*	1/1/1995	Negotiated	First Albany	PFM	2025	6.43%	9,830	10,260	-	-	-
Bridgeport Hospital	B*	4/12/1995	Negotiated	Merrill Lynch	P.G. Corbin	2010	Variable	31,258	31,500	-	-	-
Kent School	B*	7/27/1995	Negotiated	Salomon Smith Barney	PFM	2023	5.64%	26,297	26,915	-	-	-
Day Kimball Hospital	A*	11/3/1995	Negotiated	Alex Brown	P.G. Corbin	2026	5.71%	18,336	19,150	-	-	-
Bridgeport Hospital	C*	12/20/1995	Negotiated	Merrill Lynch	P.G. Corbin	2025	5.57%	53,174	54,805	-	-	-
Danbury Hospital	F*	1/24/1996	Negotiated	First Union	PFM	2023	5.36%	19,831	20,000	-	-	-
Greenwich Academy	A*	3/1/1996	Negotiated	Advest	PFM	2026	5.60%	15,705	16,000	-	-	-
Greenwich Hospital	A*	3/1/1996	Negotiated	Goldman Sachs	P.G. Corbin	2026	5.93%	61,632	62,905	-	-	-
Sacred Heart University	C*	4/1/1996	Negotiated	Advest	PFM	2026	6.65%	34,821	35,395	-	-	-
Westminster School	A*	5/1/1996	Negotiated	Salomon Smith Barney	P.G. Corbin	2026	5.96%	9,417	10,195	-	-	-
University of New Haven	D*	5/1/1996	Negotiated	Advest	PFM	2026	6.79%	23,839	24,400	-	-	-
Taft School, The	C*	6/1/1996	Negotiated	Salomon Smith Barney	PFM	2026	6.27%	15,893	16,730	-	-	-
Trinity College	E*	7/1/1996	Negotiated	Advest	PFM	2026	5.97%	34,034	35,000	-	-	-
Yale-New Haven Hospital	H*	7/1/1996	Negotiated	Morgan Stanley	PFM	2025	5.78%	118,073	120,240	-	-	-
Veterans Memorial Medical Center	A*	8/1/1996	Negotiated	Roosevelt & Cross	P.G. Corbin	2026	5.50%	67,745	69,785	-	-	-
Loomis Chaffee School	C*	8/1/1996	Negotiated	First Albany	P.G. Corbin	2026	5.67%	10,938	11,435	-	-	-
Stamford Hospital	F*	10/15/1996	Negotiated	Merrill Lynch	PFM	2004	5.36%	22,899	23,645	-	-	-
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	-	111,205	111,205
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	-	-	-

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Issue	Series	Date	Type	Underwriter/Placement Agent	CHEFA Financial Advisor	Final	Interest	Net	Amount	Outstanding		Outstanding
						Maturity	Cost	Proceeds	Issued	Current	Long-Term	Total Debt
Edgehill Retirement Community	A&B*	7/23/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2027	6.87%	83,471	84,370	-	-	-
Suffield Academy	A*	9/24/1997	Negotiated	Advest	PFM	2027	5.41%	7,775	8,070	-	-	-
Sharon Hospital	A*	9/30/1997	Private	Bank Boston	N/A	2027	Variable	7,568	7,610	-	-	-
Middlesex Hospital	H*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	45,500	46,990	-	-	-
Middlesex Health Services	I*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	8,160	8,450	-	-	-
Yale University	T**	11/5/1997	Negotiated	Goldman Sachs	N/A	2029	4.80%	249,488	250,000	-	125,000	125,000
Hospital for Special Care	B*	12/17/1997	Negotiated	Advest	P.G. Corbin	2027	5.68%	68,103	69,795	-	-	-
Masonicare	A*	12/18/1997	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.21%	51,353	53,045	-	-	-
Bradley Health Care	B*	12/22/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2029	Variable	19,532	19,630	-	-	-
Jerome Home	C*	12/22/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2019	Variable	3,761	3,780	-	-	-
Hospital of Saint Raphael	J*	1/8/1998	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	19,978	20,100	-	-	-
Hospital of Saint Raphael	K*	1/8/1998	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	8,647	8,700	-	-	-
Trinity College	F	4/30/1998	Negotiated	Advest	P.G. Corbin	2028	5.07%	41,350	41,570	1,670	3,620	5,290
Masonicare	B*	5/5/1998	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.30%	10,670	11,085	-	-	-
Taft School, The	D*	5/6/1998	Negotiated	A.G. Edwards	PFM	2022	6.01%	16,577	17,060	-	-	-
Hopkins School, The	A*	6/18/1998	Negotiated	PaineWebber	PFM	2028	4.99%	9,772	10,000	-	-	-
Canterbury School	A*	8/12/1998	Negotiated	BankBoston	PFM	2028	5.16%	10,164	10,230	-	-	-
Charlotte Hungerford Hospital	C*	8/14/1998	Negotiated	BankBoston	PFM	2013	Variable	14,261	14,340	-	-	-
William W. Backus Hospital	E*	8/26/1998	Negotiated	Advest	P.G. Corbin	2022	4.99%	13,566	13,655	-	-	-
Fairfield University	H*	8/27/1998	Negotiated	J.P. Morgan	PFM	2028	5.70%	27,860	28,000	-	-	-
Salisbury School	A*	10/21/1998	Negotiated	A.G. Edwards	PFM	2028	4.81%	16,038	16,135	-	-	-
Sacred Heart University	E*	12/9/1998	Negotiated	Advest	PFM	2028	5.06%	75,488	76,020	-	-	-
Quinnipiac University	E*	12/22/1998	Negotiated	J.P. Morgan	P.G. Corbin	2028	4.81%	59,303	59,660	-	-	-
Charity Obligated Group-St. Vincent's	1999B*	2/4/1999	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	45,000	45,000	-	-	-
Hebrew Home & Hospital	B*	2/4/1999	Negotiated	Herbert J. Sims	P.G. Corbin	2038	5.19%	19,053	19,215	-	-	-
Stamford Hospital	G*	3/24/1999	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.99%	66,975	67,440	-	-	-
Stamford Hospital	H*	3/24/1999	Negotiated	Merrill Lynch	P.G. Corbin	2024	Variable	29,880	30,000	-	-	-
Norwalk Hospital	E* & F*	4/20/1999	Negotiated	First Union	PFM	2022	4.84%	31,238	31,480	-	-	-
Westminster School	B*	4/22/1999	Negotiated	A.G. Edwards	PFM	2029	4.96%	7,904	7,960	-	-	-
Yale University	U-1&2	4/29/1999	Negotiated	Lehman Brothers	N/A	2033	Variable	249,503	250,000	-	250,000	250,000
Saint Joseph College	A*	5/5/1999	Negotiated	Roosevelt & Cross	PFM	2024	5.20%	11,360	11,400	-	-	-
Brunswick School	A*	5/20/1999	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.00%	43,287	44,635	-	-	-
UConn Foundation	A*	8/11/1999	Negotiated	Advest	PFM	2029	5.34%	7,925	8,000	-	-	-
Miss Porter's School	A*	9/1/1999	Negotiated	State Street	P.G. Corbin	2029	5.69%	9,931	10,000	-	-	-
Fairfield University	I*	9/9/1999	Negotiated	J.P. Morgan	PFM	2029	5.47%	66,490	70,000	-	-	-
Horace Bushnell Memorial Hall	A*	9/22/1999	Negotiated	Advest	PFM	2029	5.62%	14,887	15,000	-	-	-
Danbury Hospital	G*	9/29/1999	Negotiated	Roosevelt & Cross	PFM	2029	5.62%	41,754	43,240	-	-	-
Catholic Health East	F*	10/19/1999	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.81%	17,927	18,610	-	-	-
Ascension Health	1999	11/1/1999	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	44,375	44,500	1,700	20,200	21,900
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	-	-	-
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	-	-	-

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						Maturity	Cost	Proceeds	Issued	Current	Long-Term	Total Debt
Westover School	A*	12/7/2000	Negotiated	Advest	P.G. Corbin	2030	5.70%	9,957	10,000	-	-	-
Edgehill Retirement Community	C*	12/13/2000	Negotiated	Merrill Lynch	P.G. Corbin	2027	Variable	21,641	22,000	-	-	-
Kent School	C*	2/15/2001	Negotiated	A.G. Edwards	PFM	2030	Variable	10,260	10,500	-	-	-
Trinity College	G*	3/28/2001	Negotiated	Advest	P.G. Corbin	2031	4.98%	49,399	50,000	-	-	-
Loomis Chaffee School	D*	5/23/2001	Negotiated	First Albany	Lamont Financial Services	2031	5.33%	27,561	27,625	-	-	-
Gunnery School, The	A*	5/24/2001	Negotiated	A.G. Edwards	PFM	2031	5.09%	10,956	11,455	-	-	-
Greenwich Academy	B*	5/31/2001	Negotiated	Salomon Smith Barney	PFM	2032	5.31%	31,603	32,920	-	-	-
United Methodist Home of Sharon	A*	6/1/2001	Negotiated	First Union	Lamont Financial Services	2031	Variable	7,671	7,740	-	-	-
Wesleyan University	D*	6/7/2001	Negotiated	Lehman Brothers	P.G. Corbin	2035	Variable	92,498	93,000	-	-	-
Yale University	V	7/12/2001	Negotiated	Lehman Brothers	N/A	2036	Variable	199,592	200,000	-	200,000	200,000
Middlesex Hospital	J*	7/25/2001	Negotiated	First Union	PFM	2026	Variable	11,815	11,895	-	-	-
Whitby School	A*	8/3/2001	Negotiated	Bank of New York	PFM	2021	Variable	6,000	6,000	-	-	-
Fairfield University	J*	8/7/2001	Negotiated	J.P. Morgan	PFM	2029	4.95%	17,280	18,000	-	-	-
Taft School, The	F*	9/20/2001	Negotiated	A.G. Edwards	PFM	2020	4.55%	11,405	11,480	-	-	-
Williams School	A*	10/18/2001	Negotiated	Advest	PFM	2031	Variable	5,445	5,500	-	-	-
Loomis Chaffee School	E*	10/25/2001	Negotiated	First Albany	Lamont Financial Services	2025	4.94%	11,308	11,155	-	-	-
Quinnipiac University	F*	10/31/2001	Negotiated	J.P. Morgan	P.G. Corbin	2031	Variable	58,293	60,000	-	-	-
Washington Montessori School	A*	11/30/2001	Negotiated	Wachovia Securities	Lamont Financial Services	2031	Variable	7,914	7,990	-	-	-
Bristol Hospital	B*	1/8/2002	Negotiated	Cain Brothers	P.G. Corbin	2032	5.55%	35,880	38,000	-	-	-
Westminster School	C	2/20/2002	Negotiated	A.G. Edwards	PFM	2032	Variable	8,143	8,250	100	6,650	6,750
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	490	4,510	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	2,335	2,480
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	-	-	-

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										Current	Long-Term	
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	-	-	-
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	1,510	22,265	23,775
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 Rehabilitation	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	840	21,870	22,710
Jerome Home	D	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	350	8,820	9,170
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	-	-	-

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Issue	Series	Date	Type	Underwriter/Placement Agent	CHEFA Financial Advisor	Final Maturity	Interest Cost	Net Proceeds	Amount Issued	Outstanding		Outstanding Total Debt
										Current	Long-Term	
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	900	12,900	13,800
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	-	-	-
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	2,970	23,800	26,770
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	515	14,210	14,725
Trinity College	L	8/5/2008	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	540	9,825	10,365
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	415	4,425	4,840
Yale University	2010 A-1*	2/24/2010	Negotiated	Barclays Capital	PFM	2025	4.26%	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	-	-	-

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										<u>Current</u>	<u>Long-Term</u>	
Fairfield University	P	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2028	4.50%	11,095	11,095	660	7,550	8,210
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	1,230	1,280	2,510
Westminster School	F*	4/14/2010	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2029	4.04%	6,350	6,350	-	-	-
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	6,030	87,400	93,430
Trinity College	M	6/29/2010	Negotiated	Stifel, Nicolaus & Company	Public Financial	2028	4.10%	22,230	22,230	95	16,680	16,775
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	364	11,305	11,669
University of Bridgeport	C	12/9/2010	Private	RBC Capital	N/A	2040	3.98%	30,000	30,000	756	24,154	24,910
Norwalk Hospital	G	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2025	5.12%	25,000	25,000	1,710	12,275	13,985
Norwalk Hospital	H	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.49%	10,040	10,040	1,130	1,170	2,300
Norwalk Hospital	I	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.40%	11,800	11,800	1,320	1,370	2,690
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	210	8,085	8,295
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	165	2,840	3,005
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	2,735	8,275	11,010
Loomis Chaffee School	H	8/23/2011	Negotiated	RBC Capital	N/A	2024	3.72%	7,740	7,740	620	3,605	4,225
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	4,740	231,815	236,555
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	1,760	30,395	32,155
Rectory School	B	1/5/2012	Private	George K. Baum & Company	N/A	2041	Variable	7,500	7,500	193	6,086	6,279
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	518	10,204	10,722
Brunswick School	C	3/19/2012	Negotiated	Bank of America Merrill Lynch	Acacia Financial	2033	3.76%	38,470	38,470	1,465	29,020	30,485
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	298	9,814	10,112
University of Hartford	H	4/26/2012	Private	RBC Capital	N/A	2032	Variable	30,000	30,000	1,376	20,088	21,464
University of Hartford	I	4/26/2012	Private	RBC Capital	N/A	2032	2.85%	28,600	28,600	1,296	19,180	20,476
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	2,745	19,545	22,290
Pomfret School	B-1	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.59%	2,200	2,200	75	1,835	1,910
Pomfret School	B-2	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	6.09%	15,550	15,550	505	13,100	13,605
Stamford Hospital	J	6/20/2012	Negotiated	Goldman Sachs	Lamont Financial Services	2042	4.83%	250,000	250,000	1,760	244,990	246,750
Westminster School	G*	6/29/2012	Private	Stifel, Nicolaus & Company	N/A	2042	2.50%	6,125	6,125	-	-	-
Renbrook School, The	B	8/22/2012	Private	Stifel, Nicolaus & Company	N/A	2022	2.69%	8,600	8,600	294	6,478	6,772
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	300	6,840	7,140
University of Bridgeport	D	11/2/2012	Private	RBC Capital	N/A	2042	Variable	12,000	12,000	312	10,372	10,684
Taft School, The	I	11/7/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2032	2.58%	18,462	18,060	1,665	13,050	14,715
Norwalk Hospital	J	12/7/2012	Private	Hammond Hanlon Camp LLC	N/A	2039	Variable	82,000	82,000	2,440	69,205	71,645

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										<u>Current</u>	<u>Long-Term</u>	
Canterbury School	C	12/28/2012	Private	Stifel, Nicolaus & Company	N/A	2036	Variable	7,160	7,160	260	6,395	6,655
Washington Montessori School	B	1/25/2013	Private	N/A	N/A	2036	Variable	6,339	6,339	240	4,713	4,953
Yale New Haven	N	2/14/2013	Negotiated	Barclays Capital	Acacia Financial	2048	3.43%	49,999	44,815	1,150	43,665	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	555	11,330	11,885
Pierce Memorial Baptist	B	3/13/2013	Private	Ziegler Capital Markets Group	N/A	2038	3.44%	11,454	11,454	363	9,103	9,466
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	216	3,279	3,495
Ethel Walker School	C	4/3/2013	Private	Stifel, Nicolaus & Company	N/A	2040	Variable	8,665	8,665	265	7,320	7,585
UCONN Foundation	C	4/24/2013	Private	Wells Fargo	N/A	2023	1.90%	20,000	20,000	2,500	7,500	10,000
King Low Heywood School	B	4/30/2013	Private	N/A	A.C. Advisory	2033	2.17%	9,100	9,100	380	6,600	6,980
Day Kimball Hospital	B	6/6/2013	Private	Piper Jaffray & Co.	N/A	2043	5.78%	30,330	30,330	1,205	21,460	22,665
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	210	2,903	3,113
South Kent School	A	8/29/2013	Private	Stifel, Nicolaus & Company	N/A	2039	Variable	7,300	7,300	218	6,380	6,598
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	468	7,073	7,541
Lawrence & Memorial Hospital	G	10/10/2013	Private	Morgan Stanley	Fairmount Capital	2038	3.25%	30,000	30,000	950	24,785	25,735
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	834	20,083	20,917
University of Saint Joseph	C	11/1/2013	Private	RBC	N/A	2038	Variable	10,800	10,800	336	8,723	9,059
University of Saint Joseph	D	11/1/2013	Private	RBC	N/A	2043	3.55%	10,800	10,800	281	9,146	9,427
Lawrence & Memorial Hospital	H	11/5/2013	Negotiated	Morgan Stanley	Fairmount Capital	2034	Variable	21,405	21,405	-	-	-
Suffield Academy	C	11/20/2013	Private	Stifel, Nicolaus & Company	N/A	2038	Variable	13,750	13,750	443	11,129	11,572
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	-	-	-
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	4,550	4,742
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	7,310	49,415	56,725
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	2,695	68,600	71,295
Trinity College	N	7/15/2014	Private	N/A	A.C. Advisory	2026	2.67%	22,535	22,535	1,867	11,592	13,459
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	420	18,495	18,915
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	588	22,939	23,527
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	4,530	4,638
Kent School	G	11/13/2014	Negotiated	Stifel, Nicolaus & Company	A.C. Advisory	2023	1.92%	12,765	11,545	1,335	5,300	6,635
Cherry Brook Health Care Center	B	12/11/2014	Private	N/A	Acacia Financial	2024	3.03%	4,200	4,200	408	2,057	2,465
Greater Hartford YMCA	D	12/23/2014	Private	N/A	N/A	2044	2.24%	27,500	27,500	900	23,675	24,575
Choate Rosemary Hall	E	3/27/2015	Private	N/A	N/A	2037	3.64%	36,110	36,110	1,125	30,750	31,875
Westminster School	I	4/30/2015	Private	Stifel, Nicolaus & Company	N/A	2026	2.03%	5,556	5,556	462	3,252	3,714
Western CT Healthcare	O	5/8/2015	Private	N/A	N/A	2041	0.97%	122,120	122,120	-	122,120	122,120

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						<u>Maturity</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Issued</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total Debt</u>
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	640	15,820	16,460
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	10,666	10,686
Trinity College	O	7/15/2015	Private	N/A	A.C. Advisory	2037	2.71%	22,890	22,890	845	19,220	20,065
University of Hartford	J	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2045	Variable	20,450	20,515	612	17,666	18,278
University of Hartford	K	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	14,935	15,000	583	12,252	12,835
University of Hartford	L	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	Variable	9,935	10,000	391	8,161	8,552
University of Hartford	M	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	9,935	10,000	390	8,167	8,557
Miss Porter's School	C-1	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.47%	9,388	9,388	204	8,479	8,683
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	-	-	-
Quinnipiac University	L	9/22/2015	Negotiated	Barclays Capital	N/A	2045	4.27%	350,140	324,995	6,770	311,755	318,525
Church Homes	B	11/18/2015	Private	N/A	N/A	2030	2.62%	15,282	15,282	912	11,810	12,722
Ridgefield Academy	B	12/3/2015	Private	Piper Jaffray & Co.	N/A	2035	Variable	9,736	9,736	497	7,499	7,996
Salisbury School	D	12/10/2015	Private	Stifel Nicolaus	N/A	2046	3.09%	48,194	48,194	1,096	43,840	44,936
Trinity College	P	12/17/2015	Private	Stifel Nicolaus	N/A	2025	Variable	23,000	23,000	577	20,551	21,128
Trinity Health	2016	1/26/2016	Negotiated	Bank of America Merrill Lynch	N/A	2045	4.28%	248,808	220,325	4,235	212,090	216,325
Charlotte Hungerford Hospital	D	2/23/2016	Private	N/A	N/A	2036	2.24%	13,000	13,000	650	10,400	11,050
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	955	16,690	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	-	-	-
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	3,880	93,130	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	168	6,901	7,067
Middlesex Hospital	P	6/10/2016	Private	Piper Jaffray & Co.	N/A	2027	2.03%	9,610	9,683	874	6,188	7,062
Ethel Walker School	D-1	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	8,145	8,145	290	7,160	7,450
Ethel Walker School	D-2	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	5,000	5,000	545	2,764	3,309
Saint Joseph's Living Center	B(R)	6/15/2016	Private	N/A	N/A	2023	Variable	2,840	2,840	84	2,534	2,618
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	445	13,445	13,890
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	1,705	29,655	31,360
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	1,370	10,185	11,555
Hospital for Special Care	F	10/6/2016	Private	Oppenheimer & Co, Inc.	N/A	2038	2.63%	23,661	42,837	1,668	39,076	40,744
Masonicare	F	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	116,589	110,030	2,370	103,965	106,335
Masonicare	G	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	5,633	5,755	-	-	-
Griffin Hospital	E	1/20/2017	Private	PFM	Acacia Financial	2042	Variable	40,652	40,652	-	40,652	40,652
Griffin Hospital	F	1/20/2017	Private	PFM	Acacia Financial	2022	2.48%	7,930	7,930	1,638	2,753	4,391
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	245	2,465	2,710
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	290	7,020	7,310
Odd Fellows Healthcare	A	3/9/2017	Private	SK Advisors	N/A	2047	Variable	18,923	18,960	305	18,040	18,345
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

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					Financial Advisor	Maturity	Cost	Proceeds	Issued	Current	Long-Term	Total Debt	
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	533	10,244	10,777	
Middlesex Hospital Issue	Q	11/21/2017	Private	Piper Jaffray & Co.	N/A	2027	2.29%	11,512	11,599	192	11,042	11,234	
Sacred Heart University	I-1	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2042	2.46%	156,732	134,850	3,350	128,305	131,655	
Sacred Heart University	I-2	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2028	3.08%	25,702	25,805	1,925	21,980	23,905	
Sacred Heart University	J-1	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2041	Variable	53,465	53,465	1,796	47,908	49,704	
Sacred Heart University	J-2	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2022	Variable	2,300	2,300	458	1,005	1,463	
Ocean Community YMCA	A-1	12/14/2017	Private	N/A	N/A	2047	Variable	1,996	2,000	500	800	1,300	
Ocean Community YMCA	A-2	12/14/2017	Private	N/A	N/A	2047	3.04%	3,992	4,000	144	3,810	3,954	
New Canaan YMCA	A	12/15/2017	Private	N/A	N/A	2043	2.99%	9,145	9,145	240	8,068	8,308	
Hebrew Life	C	12/18/2017	Private	N/A	N/A	2047	3.08%	14,500	14,500	306	13,749	14,055	
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	182	5,894	6,076	
Loomis Chaffee School	J	3/15/2018	Private	Stifel Nicolaus	N/A	2034	Variable	7,500	7,500	285	6,890	7,175	
Fairfield University	S	4/4/2018	Negotiated	Goldman Sachs	Acacia Financial	2034	3.08%	75,080	66,545	235	66,310	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	3,380	3,485	6,865	
Yale University	2018A	7/2/2018	Negotiated	Barclays Capital	N/A	2025	2.44%	79,969	67,610	-	67,610	67,610	
Brass City Charter School	A	7/31/2018	Private	N/A	N/A	2028	Variable	3,375	3,400	-	3,400	3,400	
Cornell Scott Hill-Health Corporation	A	8/2/2018	Private	N/A	N/A	2038	Variable	8,000	8,000	252	7,551	7,803	
Taft School, The	K	9/11/2018	Negotiated	Stifel Nicolaus	Acacia Financial Group	2037	3.53%	22,539	21,625	-	21,625	21,625	
Covenant Retirement Community	B	11/13/2018	Negotiated	Ziegler Capital Markets Group	N/A	2040	4.73%	50,111	46,850	820	46,030	46,850	
University of New Haven	K-3	11/28/2018	Negotiated	Wells Fargo	PFM	2048	4.66%	26,797	25,150	-	25,150	25,150	
University of Saint Joseph	E	12/7/2018	Private	Oppenheimer & Co, Inc.	N/A	2033	Variable	30,000	30,000	-	30,000	30,000	
Greenwich Country Day School	A	12/19/2018	Private	N/A	N/A	2048	Variable	27,878	27,878	-	27,878	27,878	
Greenwich Country Day School	B	12/19/2018	Private	N/A	N/A	2048	Variable	52,122	52,122	-	52,122	52,122	
Westminster School	K	4/11/2019	Negotiated	Stifel Nicolaus	Acacia Financial Group	2042	3.79%	8,967	9,075	-	9,075	9,075	
Bristol Hospital	2019A	6/14/2019	Private	N/A	N/A	249	4.56%	37,111	34,630	-	34,630	34,630	
Total Hospital, Education & Other									19,590,969	20,203,915	129,048	7,879,048	8,008,096
Child Care Program													
Child Care Program	A & B*	11/01/98	Negotiated	First Union	PFM	2028	5.02%	10,331	10,520	-	-	-	
Child Care Program	C*	09/09/99	Negotiated	First Union	PFM	2029	5.61%	18,029	18,690	-	-	-	
Child Care Program	D*	08/16/00	Negotiated	First Union	PFM	2029	5.59%	3,761	3,940	-	-	-	
Child Care Program	E*	04/25/01	Negotiated	First Union	PFM	2030	5.09%	3,746	3,865	-	-	-	
Child Care Program	F	12/20/06	Negotiated	Wachovia Bank NA	PFM	2036	4.71%	20,168	19,165	-	-	-	
Child Care Program	G	10/23/08	Negotiated	Bank of America	Lamont Financial Services	2038	6.12%	16,875	16,875	-	-	-	
Child Care Program	H	08/19/11	Negotiated	Piper Jaffray & Co.	Lamont Financial Services	2031	4.29%	28,840	28,840	1,605	17,385	18,990	
Child Care Program	2015	04/01/15	Negotiated	Piper Jaffray & Co.	Acacia	2038	3.67%	35,709	33,475	1,040	28,570	29,610	
New Opportunities for Waterbury	A*	05/13/98	Private	Greenwich Partners	N/A	2028	6.78%	4,706	5,795	-	-	-	
Total Child Care Program									142,165	141,165	2,645	45,955	48,600
Special Capital Reserve Fund Program (SCRF)													
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 Rehabilitation	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,807	10,045	-	-	-	

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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	2,315	15,160	17,475	
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,200	18,205	19,405	
Connecticut State University System	K	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	4,845	-	4,845	
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	15	45,515	45,530	
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	1,385	25,800	27,185	
Connecticut State University System	N	10/23/2013	Competitive	Competitive	PFM	2033	3.94%	89,171	80,340	3,105	63,875	66,980	
Connecticut State University System	O	9/16/2014	Competitive	Roosevelt & Cross	PFM	2030	2.63%	23,228	21,240	20	16,790	16,810	
Connecticut State University System	P-1	9/13/2016	Competitive	CitiGroup Global Market	PFM	2036	2.64%	61,855	55,030	1,885	49,640	51,525	
Connecticut State University System	P-2	9/3/2016	Competitive	CitiGroup Global Market	PFM	2035	2.30%	20,438	19,530	4,750	5,080	9,830	
Connecticut State University System	Q-1	5/10/2019	Competitive	UBS Financial Services	PFM	2039	3.02%	77,700	71,260	-	71,260	71,260	
Connecticut State University System	Q-2	5/10/2019	Competitive	Wells Fargo	PFM	2031	2.72%	23,332	20,845	-	20,845	20,845	
Total SCRF (SCRF total represents a contingent liability of the State of Connecticut)									1,231,261	1,187,305	19,520	332,170	351,690
Total CHEFA Issued Debt									20,964,395	21,532,385	151,213	8,257,173	8,408,386
Summary of Indebtedness at June 30, 2019									Amount Issued	Outstanding		Outstanding	
Health, Education & Other									20,203,915	129,048	7,879,048	8,008,096	
SCRF - Nursing Home									260,400	-	-	-	
SCRF - Connecticut State University									926,905	19,520	332,170	351,690	
Childcare									141,165	2,645	45,955	48,600	
Total CHEFA Debt Outstanding									21,532,385	151,213	8,257,173	8,408,386	



EXHIBIT B - FISCAL YEAR 2019
AUDITED FINANCIAL STATEMENTS

**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, 2019

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

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

Compliance

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

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Financial Section

Independent Auditor's Report

To the 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, 2019, 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, 2019, 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 20, 2019, 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.

CohnReznick LLP

Hartford, Connecticut
September 20, 2019



**Management's Discussion and Analysis
For the Year Ended June 30, 2019
(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, 2019. This Management's Discussion and Analysis presents a separate discussion for the primary government (CHEFA), which includes the blended component unit CHEFA Community Development Corporation ("CCDC"), and each of the discretely presented 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.

CCDC, a subsidiary of CHEFA, was created in February 2019 to operate as a Certified Community Development Entity ("CDE") within the meaning of Section 45D of the Internal Revenue Code of 1986, as amended (the "Code") and provides financial assistance by serving and/or providing investment capital to institutions for higher education, healthcare institutions, nursing homes, and qualified nonprofit organizations, as defined in C.G.S. § 10a-178 (e), (g), (h), and (n), ("Institutions") in low-income communities located in the State of Connecticut. CCDC's primary activity involves the distribution of awarded tax credits in accordance with the Federal Government's New Markets Tax Credit Program.

Financial Highlights

- CHEFA's net position (which nets the CCDC loss of \$107) increased \$470 for the fiscal year resulting from operating income of \$3,997 net of nonoperating expenses (including grants and childcare expenses) of \$2,957 and the required payment to the state of \$900, offset by investment income of \$330.

Management's Discussion and Analysis (Continued)

- CHESLA's net position increased by \$3,230 for the fiscal year. The increase was due primarily to contributions from CSLF for the scholarship and student loan programs and the increase in investment income.
- CSLF's net position decreased by \$2,234 for the fiscal year, due primarily from the \$3,500 contribution made to CHESLA for its scholarship program (\$1,500) and funding for the in-school student loan program (\$2,000).
- CHESLA's loan activity during the fiscal year was the issuance of new loans, net of returns, totaling \$24,441 from the in-school loan program and \$3,323 from the Refi CT program. Payments received of \$20,336, net of adjustments, include \$19,643 from the in-school loans and the remainder from the Refi CT loans.
- CSLF received loan payments of \$33,799 during the fiscal year.
- CHESLA issued debt of \$40,550. \$35,550 to be used for in-school loans and \$5,000 for refinance loans.
- CSLF's bonds payable decreased by \$27,975 from voluntary redemptions made during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to CHEFA's basic financial statements. CHEFA's basic financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. Separate financial statements are presented for CHEFA (primary government), which includes CCDC, and the two discretely presented 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 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 in 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.

Management's Discussion and Analysis (Continued)

Connecticut Health and Educational Facilities Authority (CHEFA) (including CCDC)

Financial Analysis

Assets exceeded liabilities at June 30, 2019. 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 30.7%. CHEFA's net position invested in capital assets was 1.5%. The remaining portion of net position (67.8%) is unrestricted.

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

Summary Statement of Net Position (in thousands)

	CHEFA	
	2019	2018
Current and other assets	\$ 226,948	\$ 244,119
Capital assets (net)	223	106
Total assets	227,171	244,225
Assets held on behalf of the State of CT	2,165	2,170
Other liabilities	210,543	228,062
Total liabilities	212,708	230,232
Net investment in capital assets	223	106
Restricted	4,448	4,487
Unrestricted	9,792	9,400
Total net position	\$ 14,463	\$ 13,993

At June 30, 2019 – CCDC maintained \$107 in current liabilities (Due to CHEFA) and an unrestricted net position of (\$107), included above.

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 \$470 (\$577 net of \$107 loss for CCDC).

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

Statement of Changes in Net Position (in thousands)

	CHEFA	
	2019	2018
Operating revenues:		
Administrative fees	\$ 7,488	\$ 7,463
Supporting services fees	282	282
Bond issuance fees	45	59
Other revenues	3	153
Total operating revenues	7,818	7,957
Operating expenses:		
Salaries and related expenses	2,943	2,807
General and administrative	611	545
Contracted services	267	133
Total operating expenses	3,821	3,485
Operating income	3,997	4,472
Nonoperating income (expenses):		
Investment income	330	192
Payment to State	(900)	(900)
Grants and childcare subsidy expense	(2,957)	(2,879)
Total nonoperating expenses	(3,527)	(3,587)
Increase in net position	470	885
Net position, July 1, 2018	13,993	13,108
Net position, June 30, 2019	\$ 14,463	\$ 13,993

At June 30, 2019, CCDC expenses included above totaled \$29 in general and administrative and \$78 in contracted services, for a total change in unrestricted net position of (\$107).

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)

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

Revenues totaled \$7,818 for fiscal year 2019. Administrative fees are the largest revenue source and represent 95.8% of total revenues. Supporting services fees for support services provided to CHESLA, CSLF and CCDC totaled \$282, representing 3.6% of revenues for the year. The balance includes application fees for the conduit debt issued and other revenues at .6%.

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

- Administrative fees increased by \$25 to \$7,488 during the year. The increase is due to the change in the par value of loans outstanding at June 30, 2019 compared to June 30, 2018. 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, 2019 was \$8,408,386 as compared to \$8,349,699 at June 30, 2018.

During the year, CHEFA had 13 issues of new conduit debt totaling \$418,445 in par value, of which 35.2% was the refinancing of pre-existing debt.

- Nonoperating investment income increased by \$138 to \$330 from \$192 recognized in fiscal year 2018. This is a result of interest rate increases as compared to the prior year.

Expenses

Expenses totaled \$3,821 for the fiscal year. Of the expenses, 77% or \$2,943 was for salaries and related expenses. General and administrative expenses amounted to \$611, or 16%, while contracted services amounted to \$267 or 7%.

Significant changes from the prior year are as follows:

- Salaries and related expenses increased by \$136 from fiscal year 2018 to \$2,943.
- Contracted services increased by \$134 from fiscal year 2018 to \$267.
- Grants and childcare subsidy expense increased from fiscal year 2018 by \$78.

Capital Assets

At June 30, 2019, CHEFA's capital assets amounted to \$223, net of depreciation. This includes leasehold improvements, furniture and fixtures, and computer and office equipment. Capital assets increased by \$117 due to capital asset additions of \$171, offset by depreciation of \$54. Capital asset purchases during the year were related to a network infrastructure project.

Additional information on 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 as both may impact borrower issuance and/or refinancing options.

Management's Discussion and Analysis (Continued)

Connecticut Higher Education Supplemental Loan Authority (CHESLA)

Financial Analysis

For CHESLA, assets exceeded liabilities at June 30, 2019. 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 80.49%. CHESLA's net position invested in capital assets was 0.01%. The remaining portion of net position (19.50%) is unrestricted.

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

Summary Statement of Net Position (in thousands)

	CHESLA	
	2019	2018
Current and other assets	\$ 212,005	\$ 182,470
Capital assets, net	3	3
Total assets	212,008	182,473
Long-term liabilities outstanding	176,543	151,965
Other liabilities	1,070	843
Total liabilities	177,613	152,808
Deferred inflows of resources	1,507	7
Net invested in capital assets	3	3
Restricted	26,471	18,087
Unrestricted	6,414	11,568
Total net position	\$ 32,888	\$ 29,658

CHESLA's unrestricted net position consists primarily of board designated assets for the refinance and the scholarship programs. In fiscal year 2019, CHESLA funded new loans, net of returns, of \$24,441 of in-school loans and \$3,323 in Refi CT loans, compared to \$21,597 and \$2,877, respectively, in fiscal year 2018. Resulting in increases of 13% for in-school and 15% for Refi CT over fiscal year 2018.

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 \$3,230.

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

Statement of Changes in Net Position (in thousands)

	CHESLA	
	2019	2018
Operating revenues:		
Interest income on loans receivable	\$ 7,433	\$ 7,333
Administrative fees	738	669
Contributions from CSLF	4,000	3,993
Other revenues	-	32
Total operating revenues	12,171	12,027
Operating expenses:		
Interest expense	5,898	5,994
Salaries and related expenses	184	137
General and administrative	631	565
Refinance program	53	40
Scholarships	2,000	1,993
Loan service fees	565	598
Contracted services	51	39
Bond issuance costs	825	709
Provision for loan losses	660	581
Total operating expenses	10,867	10,656
Operating income	1,304	1,371
Nonoperating income:		
Investment income	1,926	784
Increase in net position	3,230	2,155
Net position, July 1, 2018	29,658	27,503
Net position, June 30, 2019	\$ 32,888	\$ 29,658

The increase in net position for fiscal year 2019 reflects the funds received from CSLF for the scholarship and Refi CT programs and an increase in investment income.

Management's Discussion and Analysis (Continued)

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 \$69 to \$738 during the year.
- Contributions from CSLF totaled \$5,500:
 - The Scholarship Fund received \$3,500 as compared to \$2,000 in fiscal year 2018. The current year contributions were authorized by the Board in fiscal year 2018 and \$2,000 was disbursed throughout fiscal year 2019. The remaining monies of \$1,500 are recorded as a deferred inflows, to be disbursed in fiscal year 2020.
 - A contribution of \$2,000 was also received for the in-school student loan program.
- Nonoperating investment income increased by \$1,142 in fiscal year 2019, primarily due to the increase in market value 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 \$10,867 for the fiscal year. The largest expense representing 54.3% or \$5,898 of total expenses was for interest payments on debt. This is a decrease of 2.0% from the 56.3% in fiscal year 2018. Scholarship expenses amounted to \$2,000 or 18.4%. General and administrative expenses amounted to \$631 or 5.8%. Bond issue costs totaled \$825 or 7.6%, loan servicing fees totaled \$565 or 5.2% and provision for loan losses totaled \$660 or 6.1% of the total expenses.

Significant changes from the prior year are as follows:

- Interest expense decreased by \$96 as compared to fiscal year 2018 resulting from the change in the principal balance of outstanding debt, the issuance of new bonds and the early redemption of bonds in September 2018.
- Salaries and related expenses increased by \$47.
- General and administrative expenses increased by \$66 primarily due to an increase in marketing costs and other expenses.
- The refinance program expenses increased by \$13. The program was originally funded during fiscal year 2016 by a contribution from CSLF (\$6,000). \$500 of the program funding was designated for start-up and marketing costs. \$171 was spent in fiscal year 2016, \$201 in fiscal year 2017, \$40 in fiscal year 2018, and \$53 in the current year with the remainder for this program to be spent on marketing in future years.
- Bond issuance increased by \$116. Three bond issues closed in fiscal year 2019 as compared to two in fiscal year 2018.

Management's Discussion and Analysis (Continued)

- Provision for loan losses increased by \$79. \$660 in fiscal year 2019 as compared to \$581 in fiscal year 2018. This expense continues to increase yearly, reflecting additional loan originations.

Capital assets

At June 30, 2019, CHESLA's capital assets remained level at \$3.

Long-term debt

Long-term debt for CHESLA is as follows:

Bonds Payable (in thousands)	CHESLA	
	2019	2018
Revenue bonds	\$ 171,570	\$ 147,810
Premiums/discounts	4,973	4,155
Total long-term liabilities	<u>\$ 176,543</u>	<u>\$ 151,965</u>

CHESLA's increase in the principal revenue bonds outstanding is a result of new issuances totaling \$40,550 and redemptions of \$16,790.

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.

Management's Discussion and Analysis (Continued)

Connecticut Student Loan Foundation (CSLF)

Financial Analysis

CSLF's assets exceeded liabilities at June 30, 2019. Due to the nature of CSLF's operations, a portion of net position is subject to bond resolution restrictions. At fiscal year-end, the restricted net position was 21.9% or \$4,759. The remaining portion of net position is unrestricted and represents 78.1% of the total net position. The increase was due primarily to loan interest revenue net of the \$3,500 contributed to CHESLA for the scholarship and in-school loan programs authorized by the Board.

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

Summary Statement of Net Position (in thousands)

	CSLF	
	2019	2018
Current and other assets	<u>\$ 193,792</u>	<u>\$ 226,083</u>
Total assets	<u>193,792</u>	<u>226,083</u>
Long-term liabilities outstanding	171,302	199,181
Other liabilities	<u>734</u>	<u>2,912</u>
Total liabilities	<u>172,036</u>	<u>202,093</u>
Restricted	4,759	4,693
Unrestricted	<u>16,997</u>	<u>19,297</u>
Total net position	<u><u>\$ 21,756</u></u>	<u><u>\$ 23,990</u></u>

Statement of Changes in Net Position. The statement of changes in net position's purpose is presenting information on how the net position changed during the most recent fiscal year. For the fiscal year, CSLF's net position decreased by \$2,234.

Management's Discussion and Analysis (Continued)

A statement of changes in net position follows:

Statement of Changes in Net Position (in thousands)

	CSLF	
	2019	2018
Operating revenues:		
Interest income on loans receivable	\$ 10,403	\$ 10,475
Not-for-profit servicing income	210	207
Total operating revenues	10,613	10,682
Operating expenses:		
Interest expense	6,580	5,626
General and administrative	247	262
Loan service fees	772	875
Consolidation rebate fees	1,281	1,430
Contracted services	222	409
Provision for loan losses	394	–
Total operating expenses	9,496	8,602
Operating income	1,117	2,080
Nonoperating income (expenses):		
Investment income	149	97
Contribution revenue/expense	(3,500)	(4,000)
Total nonoperating expenses	(3,351)	(3,903)
Decrease in net position	(2,234)	(1,823)
Net position, July 1, 2018	23,990	25,813
Net position, June 30, 2019	\$ 21,756	\$ 23,990

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 2019 totaled \$10,403 (98.0%) compared to \$10,475 for fiscal year ended June 30, 2018. 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. 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, 2019, CSLF paid \$1,695 to the US Department of Education

Management's Discussion and Analysis (Continued)

compared to \$3,298 paid during fiscal year 2018.

The balance of CSLF revenues is the not-for-profit service fee of \$210 or 2.0% 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 totaling \$10,403, a decrease of \$72 from the prior year amount of \$10,475 as a result of decreasing loan balances outstanding.
- Not-for-profit servicing income totaled \$210 for the fiscal year ended 2019, an increase of \$3 as compared to fiscal year 2018.

Expenses

Expenses totaled \$9,496 for the fiscal year. The largest of which was 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 \$6,580 or 69.3%. Consolidation rebate fees paid to the U.S. Department of Education totaled \$1,281 or 13.5% of total expenses and loan servicing fees totaled \$772 or 8.1% of total expenses.

Significant changes from the prior year are as follows:

- Bond interest expense increased in 2019 by \$954. 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 \$103 reflecting the decrease in the number of loans serviced, due to loan repayments.
- Consolidation rebate fees decreased by \$149 reflecting the decrease in the principal balance of federal consolidation loans outstanding as the portfolio matures.
- After several years of improvement, performance of the CSLF Federal loans deteriorated over the course of 2019. Incorporating the changes in performance into projections of future losses results in a shortfall in the federal loan loss reserve of \$441. The performance of the Private Student loan portfolio was in line with prior expectations and revised projections results in a decrease of the private loan loss reserve of \$47. In June 2019, the board approved the adjusted reserve levels.
- Nonoperating expense decreased by \$500, relating to the Board authorized contribution to CHESLA of \$1,500 for the scholarship program for fiscal year 2019.

Management's Discussion and Analysis (Continued)

Debt Administration

Long-term debt

Long-term debt for CSLF is as follows:

Bonds Payable (in thousands)	CSLF	
	2019	2018
Revenue bonds	\$ 171,625	\$ 199,600
Premiums/discounts	(323)	(419)
Total long-term liabilities	<u>\$ 171,302</u>	<u>\$ 199,181</u>

CSLF's decrease in long-term debt was due to the redemption of \$27,975 of bonds during the fiscal year.

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

Basic Financial Statements

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

Statement of Net Position
June 30, 2019
(In Thousands)

	<u>Primary Government</u>	<u>Component Units</u>		
	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>	<u>Total</u>
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 2,369	\$ 414	\$ 404	\$ 3,187
Investments	7,268	6,887	-	14,155
Receivables				
Accounts (net of allowance for uncollectibles of \$86)	357	-	17	374
Current portion of loans receivable	-	73	-	73
Interest receivable on investments	-	6	-	6
Loan interest receivable	-	21	-	21
Related parties	56	-	-	56
Prepaid expenses and other assets	83	25	1	109
Total unrestricted assets	10,133	7,426	422	17,981
Restricted assets				
Investments				
Institutions	210,153	-	-	210,153
Bond indenture trusts	-	47,661	6,629	54,290
Current portion of loans receivable	-	20,560	10,564	31,124
Interest receivable on investments	-	214	-	214
Loan interest receivable	-	494	5,597	6,091
Total restricted assets	210,153	68,929	22,790	301,872
Total current assets	220,286	76,355	23,212	319,853
Noncurrent assets				
Unrestricted assets				
Capital assets (net of accumulated depreciation)	223	3	-	226
Loans receivable (net of allowance for uncollectibles)	-	631	-	631
Restricted assets				
Investments	6,662	23,650	-	30,312
Loans receivable (net of allowance for uncollectibles)	-	111,369	170,580	281,949
Total noncurrent assets	6,885	135,653	170,580	313,118
Total assets	\$ 227,171	\$ 212,008	\$ 193,792	\$ 632,971

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

Statement of Net Position
June 30, 2019
(In Thousands)

	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>	<u>Total</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 33	\$ 189	\$ 22	\$ 244
Accrued expenses	361	13	66	440
Amounts held for institutions	210,149	-	-	210,149
Accrued interest payable	-	868	-	868
U.S. Department of Education payable	-	-	310	310
Trust Estate payable	-	-	336	336
Current portion of bonds payable	-	12,085	-	12,085
Total current liabilities	<u>210,543</u>	<u>13,155</u>	<u>734</u>	<u>224,432</u>
Noncurrent liabilities				
Bonds payable and related liabilities, net of current portion	-	164,458	171,302	335,760
Amount held for the State of Connecticut	<u>2,165</u>	<u>-</u>	<u>-</u>	<u>2,165</u>
Total noncurrent liabilities	<u>2,165</u>	<u>164,458</u>	<u>171,302</u>	<u>337,925</u>
Total liabilities	<u>212,708</u>	<u>177,613</u>	<u>172,036</u>	<u>562,357</u>
<u>Deferred Inflows of Resources</u>				
Unearned revenue	<u>-</u>	<u>1,507</u>	<u>-</u>	<u>1,507</u>
<u>Net Position</u>				
Net investment in capital assets	223	3	-	226
Restricted	4,448	26,471	4,759	35,678
Unrestricted	<u>9,792</u>	<u>6,414</u>	<u>16,997</u>	<u>33,203</u>
Total net position	<u>14,463</u>	<u>32,888</u>	<u>21,756</u>	<u>69,107</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 227,171</u>	<u>\$ 212,008</u>	<u>\$ 193,792</u>	<u>\$ 632,971</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, 2019
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
Operating revenues				
Interest income on loans receivable	\$ -	\$ 7,433	\$ 10,403	\$ 17,836
Administrative fees	7,488	738	-	8,226
Supporting services fees	282	-	-	282
Contributions from CSLF (scholarships and Refi Program)	-	4,000	-	4,000
Bond issuance fees	45	-	-	45
Not-for-profit servicing income	-	-	210	210
Other revenues	3	-	-	3
Total operating revenues	7,818	12,171	10,613	30,602
Operating expenses				
Interest expense	-	5,898	6,580	12,478
Salaries and related expenses	2,943	184	-	3,127
General and administrative	611	631	247	1,489
Refinance program	-	53	-	53
Scholarships	-	2,000	-	2,000
Loan service fees	-	565	772	1,337
Consolidation rebate fees	-	-	1,281	1,281
Contracted services	267	51	222	540
Bond issuance costs	-	825	-	825
Provision for loan losses	-	660	394	1,054
Total operating expenses	3,821	10,867	9,496	24,184
Operating income	3,997	1,304	1,117	6,418
Nonoperating income (expenses)				
Investment income	330	1,926	149	2,405
Payment to State (legislative mandate)	(900)	-	-	(900)
Grants and child care subsidy expense	(2,957)	-	-	(2,957)
Contributions to CHESLA	-	-	(3,500)	(3,500)
Total nonoperating income (expenses)	(3,527)	1,926	(3,351)	(4,952)
Change in net position	470	3,230	(2,234)	1,466
Net position, July 1, 2018	13,993	29,658	23,990	67,641
Net position, June 30, 2019	\$ 14,463	\$ 32,888	\$ 21,756	\$ 69,107

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, 2019
(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Cash flows from operating activities			
Cash received from loan payments	\$ -	\$ 20,336	\$ 33,799
Interest received on loans	-	7,390	6,578
Fees received on loans	-	-	182
Contributions received from CSLF	-	5,500	-
Cash received for administrative fees	7,477	-	-
Cash received for recovery of loans	-	2	-
Cash received for general administrative fees	276	-	-
Cash received for not-for-profit servicing	-	-	210
Cash received for other revenues	3	-	-
Cash received for bond issuance fees	45	-	-
Cash payments for employee wages and benefits	(2,928)	(178)	-
Cash payments for interest on bonds	-	(6,134)	(6,484)
Cash payments for excess interest	-	-	(953)
Cash payments for loans issued	-	(27,764)	-
Cash payments for loans repurchased	-	-	(682)
Cash payments for loan servicing fees	-	(565)	(772)
Cash payments for consolidation fees	-	-	(1,268)
Cash payments for contracted services	(266)	(271)	(222)
Cash payments for refinance program	-	(53)	-
Cash payments for other operating expenses	(329)	(1,047)	(2,305)
Cash payments for scholarships	-	(2,000)	-
Net cash provided by (used in) operating activities	4,278	(4,784)	28,083
Cash flows from noncapital financing activities			
Proceeds from bond sales	407,045	40,550	-
Proceeds from bond premiums	30,661	1,152	-
Proceeds from institutions	19,968	-	-
Payments to institutions	(77,697)	-	-
Proceeds from investment income			
for amounts held for others	4,034	-	-
Releases from amounts held for institutions	(401,732)	-	-
Cash paid to State (legislative mandate)	(900)	-	-
Cash paid to grantees and child care subsidy	(2,962)	-	-
Payments of bond principal	-	(16,790)	(27,975)
Contributions to CHESLA	-	-	(3,500)
Net cash provided by (used in) noncapital financing activities	(21,583)	24,912	(31,475)

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

Statement of Cash Flows
For the Year Ended June 30, 2019
(In Thousands)

	<u>Government</u>	<u>Component Units</u>	
	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (171)	\$ -	\$ -
Cash flows from investing activities			
Proceeds from sale of investments	366,393	92,349	46,593
Purchase of investments	(348,060)	(114,238)	(43,837)
Investment income	330	1,845	149
Net cash provided by investing activities	18,663	(20,044)	2,905
Net increase (decrease) in cash	1,187	84	(487)
Cash (including restricted cash), July 1, 2018	1,182	330	891
Cash (including restricted cash), June 30, 2019	<u>\$ 2,369</u>	<u>\$ 414</u>	<u>\$ 404</u>
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income	<u>\$ 3,997</u>	<u>\$ 1,304</u>	<u>\$ 1,117</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	54	-	-
Bond discount/premium amortization	-	(334)	96
Provision for loan losses	-	662	394
Issuance of loans receivable used to pay origination fees	-	(738)	-
Interest on loans paid through loan advances	-	-	(3,182)
Loan advances to capitalize interest to loans	-	-	3,182
(Increase) decrease in:			
Accounts receivable	(11)	-	13
Accounts receivable - related party	(6)	-	-
Prepaid expenses and other assets	42	(7)	-
Loans receivable	-	(7,355)	29,935
Loan interest receivable	-	(43)	(1,294)
Increase (decrease) in:			
Accounts payable	(1)	121	(9)
Accrued expenses	203	6	(2,049)
Accrued interest payable	-	100	-
U.S. Department of Education payable	-	-	(127)
Trust Estate payable	-	-	7
Unearned revenue	-	1,500	-
Net adjustments to operating income	281	(6,088)	26,966
Net cash provided by (used in) operating activities	<u>\$ 4,278</u>	<u>\$ (4,784)</u>	<u>\$ 28,083</u>

See Notes to Financial Statements.

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

**Notes to Financial Statements
June 30, 2019
(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 funds, 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 2019 Bond Fund is governed by the 2019 Revenue Bond Resolution, as amended, supplemented and restated, pursuant to which all outstanding bonds were issued during 2019.

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. Separate financial statements are not prepared for CHESLA.

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. Separate financial statements are not prepared for CSLF.

In February 2019, CHEFA created a new subsidiary, the CHEFA Community Development Corporation ("CCDC"). As a subsidiary of CHEFA, CCDC retains its legal identity as a non-profit entity as defined by the Internal Revenue Service and is 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. CCDC was established to offer financing programs utilizing available federal tax credits to fund projects for non-profit organizations serving low income Connecticut Communities. Separate financial statements are not prepared for CCDC.

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

**Notes to Financial Statements
June 30, 2019
(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, 2019
(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 and 2019 Revenue Bond Resolutions. 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, 2019
(In Thousands)**

I. Summary of significant accounting policies

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

Nonoperating activity

Activities not related to CHEFA's primary purpose are considered nonoperating. Nonoperating activities consist primarily of income on investments and expenses related to CHEFA's grant program. All of CHESLA's revenues and expenses are considered operating, except for income on investments. CSLF's nonoperating 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, 2019
(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, 2019
(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, 2019
(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.

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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, 2017 Series C bonds and 2018 bonds. The 2019 Bond Fund is governed by the 2019 Revenue Bond Resolution pursuant to which all outstanding bonds in the fund are issued.

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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, 2019, 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 financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,500 for all assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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
Domain name	15 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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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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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, 2019, \$3,251 of CHEFA's bank balance of \$3,501 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,901
Uninsured and collateral held by the pledging bank's trust department, not in CHEFA's name	<u>350</u>
Total amount subject to custodial credit risk	<u><u>\$ 3,251</u></u>

CHESLA

As of June 30, 2019, \$189 of CHESLA's bank balance of \$440 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 146
Uninsured and collateral held by the pledging bank's trust department, not in CHESLA's name	<u>44</u>
Total amount subject to custodial credit risk	<u><u>\$ 189</u></u>

CSLF

As of June 30, 2019, \$226 of CSLF's bank balance of \$476 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 178
Uninsured and collateral held by the pledging bank's trust department, not in CSLF's name	<u>48</u>
Total amount subject to custodial credit risk	<u><u>\$ 226</u></u>

Connecticut Health and Educational Facilities Authority
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(In Thousands)

II. Detailed notes

A. Cash and investments

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

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual Funds:					
Government Agency Funds	\$ 169,240	\$ 169,240	\$ -	\$ -	\$ -
Money Market Funds	2,212	2,212	-	-	-
Pooled Fixed Income	9,482	9,482	-	-	-
U.S. Government Securities	5,320	5,320	-	-	-
U.S. Government Agency Securities	3,106	3,106	-	-	-
Corporate Bonds	24,723	24,723	-	-	-
Repurchase agreement	10,000	10,000	-	-	-
Total	\$ 224,083	\$ 224,083	\$ -	\$ -	\$ -

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:					
Bond	\$ 2	\$ -	\$ -	\$ -	\$ 2
Bank Money Market Funds	319	319	-	-	-
Pooled Fixed Income	67,045	67,045	-	-	-
U.S. Government Securities	6,861	-	-	6,861	-
Guaranteed Investment Contracts	3,971	-	2,764	1,207	-
Total	\$ 78,198	\$ 67,364	\$ 2,764	\$ 8,068	\$ 2

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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	\$ 5,321	\$ 5,321
Pooled Fixed Income	1,308	1,308
	<u>\$ 6,629</u>	<u>\$ 6,629</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	\$ 169,240	\$ 169,240	\$ -	\$ -
Money Market Mutual Funds	2,212	2,212	-	-
Short-Term:				
U.S. Government Securities	5,320	5,320	-	-
U.S. Government Agency Securities	3,106	3,106	-	-
Corporate Bonds	24,723	24,723	-	-
Repurchase agreement	10,000	10,000	-	-
Total investments by fair value level	214,601	<u>\$ 214,601</u>	<u>\$ -</u>	<u>\$ -</u>

Other Investments

Pooled Fixed Income	<u>9,482</u>
Total Investments	<u>\$ 224,083</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
Bond Mutual Funds	\$ 2	\$ 2	\$ -	\$ -
U.S. Government Securities	6,861	-	6,861	-
Total investments by fair value level	6,863	\$ 2	\$ 6,861	\$ -

Other Investments

Money Market (bank)	319
Guaranteed Investment Contracts	3,971
Pooled Fixed Income	67,045
Total other investments	71,335
Total Investments	\$ 78,198

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Government Agency Mutual Funds	\$ 5,321	\$ 5,321	\$ -	\$ -

Other Investments

Pooled Fixed Income	1,308
Total Investments	\$ 6,629

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: quoted prices for identical securities in markets that are not active

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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 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	Corporate Bonds	Government Agency Mutual Funds	Money Market Mutual Funds
AAA	\$ 9,482	\$ -	\$ 169,240	\$ 2,212
AA	-	202	-	-
A	-	4,528	-	-
BBB	-	19,993	-	-
Total	<u>\$ 9,482</u>	<u>\$ 24,723</u>	<u>\$ 169,240</u>	<u>\$ 2,212</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
AAA	<u>\$ 67,045</u>	<u>\$ 3,971</u>	<u>\$ 2</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>\$ 1,308</u>	<u>\$ 5,321</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
U.S. Government Securities	\$ 5,320	\$ 500	\$ 4,820
U.S. Government Agency Securities	3,106	500	2,606
Corporate Bonds	24,723	-	-
Total	<u>\$ 33,149</u>	<u>\$ 1,000</u>	<u>\$ 32,149</u>

CHESLA

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
U.S. Government Securities	<u>\$ 6,861</u>	<u>\$ 500</u>	<u>\$ 6,361</u>

CSLF

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
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 bond mutual 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.

**Connecticut Health and Educational Facilities Authority
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(In Thousands)**

II. Detailed notes
B. Receivables

Receivables as of June 30, 2019 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, 2019 are as follows:

	Active Loans	Loans in Collection	Total
Current portion	\$ 20,633	\$ -	\$ 20,633
Long-term portion	113,088	2,244	115,332
Less allowance	(2,872)	(460)	(3,332)
Net long-term portion	110,216	1,784	112,000
Total net receivables	\$ 130,849	\$ 1,784	\$ 132,633

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. A .25% rate reduction is applied for those who enroll in auto-payment. The interest rate on new loans ranges from 4.75% - 6.9%.

During the fiscal year, CHESLA wrote off loans receivable of \$366, which had previously been provided for through the allowance for loan losses.

During the fiscal year, CHESLA recovered \$2 in loans receivable and other credits that were written off in previous years.

Connecticut Health and Educational Facilities Authority
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II. Detailed notes
B. Receivables

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

	FFELP	Alternative	Total
Current portion	\$ 10,322	\$ 242	\$ 10,564
Long-term portion	168,270	3,371	171,641
Less allowance	(697)	(364)	(1,061)
Net long-term portion	167,573	3,007	170,580
Total net receivables	\$ 177,895	\$ 3,249	\$ 181,144

During the fiscal year, CSLF wrote off federal loans receivable of \$150 (CSLF risk share only), and \$42 of private loans, which is net of \$111 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.

Connecticut Health and Educational Facilities Authority
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(In Thousands)

II. Detailed notes
B. Receivables

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

June 30, 2020	\$	10,564
2021		11,252
2022		11,986
2023		12,767
2024		13,598
2025-2029		79,517
2030-2034		<u>42,521</u>
Total	\$	<u>182,205</u>

C. Capital assets

CHEFA capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July, 1 2018	Increases	Decreases	Balance June 30, 2019
Capital assets being depreciated:				
Leasehold improvements	\$ 157	\$ -	\$ -	\$ 157
Computer equipment	255	6	-	261
Furniture and fixtures	256	-	-	256
Office equipment	448	165	-	613
Total capital assets being depreciated	<u>1,116</u>	<u>171</u>	<u>-</u>	<u>1,287</u>
Less accumulated depreciation for:				
Leasehold improvements	155	2	-	157
Computer equipment	252	5	-	257
Furniture and fixtures	246	2	-	248
Office equipment	357	45	-	402
Total accumulated depreciation	<u>1,010</u>	<u>54</u>	<u>-</u>	<u>1,064</u>
Total capital assets being depreciated, net	<u>\$ 106</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 223</u>

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

Notes to Financial Statements
June 30, 2019
(In Thousands)

II. Detailed notes

C. Capital assets

CHESLA capital asset activity for the year ended June 30, 2019 was as follows:

CHESLA	Balance July, 1 2018	Increases	Decreases	Balance June 30, 2019
Capital asset being depreciated:				
Domain name	\$ 3	\$ -	\$ -	\$ 3
Less accumulated depreciation for:				
Domain name	\$ -	\$ -	\$ -	\$ -
Total capital asset being depreciated, net	\$ 3	\$ -	\$ -	\$ 3

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, 2019:

CHEFA

Description	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion
Other liability					
Amount held for the State of Connecticut	\$ 2,170	\$ 12	\$ 17	\$ 2,165	\$ -

**Connecticut Health and Educational Facilities Authority
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**Notes to Financial Statements
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(In Thousands)**

II. Detailed notes

D. Changes in long-term obligations

CHESLA

Description	Original Amount	Date of Issue	Final Date of Maturity	Interest Rate	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019	Current Portion
Bond 2009 A	\$ 30,000	8/6/2009	11/15/2027	1.9 - 5.05%	\$ 11,740	\$ -	\$ 2,055	\$ 9,685	\$ 995
Bond 2010 A	45,000	10/19/2010	11/15/2035	2.0 - 5.25%	25,790	-	3,455	22,335	2,425
Bond 2013 A	25,000	4/2/2013	11/15/2029	2.0 - 4.0%	16,805	-	2,655	14,150	1,705
Bond 2014 A	23,000	6/18/2014	11/15/2030	3.0 - 5.0%	19,230	-	2,230	17,000	1,500
Bond 2015 A	21,465	7/2/2015	11/15/2031	1.65 - 4.375%	12,810	-	2,740	10,070	1,900
Bond 2016 A	15,000	6/30/2016	11/15/2033	3.0 - 5.0%	14,600	-	715	13,885	800
Bond 2017 A	27,880	5/16/2017	11/15/2033	3.25 - 5.0%	26,380	-	1,740	24,640	1,000
Bond 2017 B	9,155	8/17/2017	11/15/2025	4.0 - 5.0%	9,155	-	1,200	7,955	1,200
Bond 2017 C	11,300	12/21/2017	11/15/2034	3.5 - 5.0%	11,300	-	-	11,300	380
Bond 2018	10,000	9/17/2018	11/15/2034	3.5 - 5.0%	-	10,000	-	10,000	180
Bond 2019 A	5,000	5/22/2019	11/15/2035	3.95%	-	5,000	-	5,000	-
Bond 2019 B	25,550	5/22/2010	11/15/2035	3.25 - 5.0%	-	25,550	-	25,550	-
Total CHESLA					147,810	40,550	16,790	171,570	12,085
Premiums					4,178	1,152	336	4,994	
Discounts					(23)	-	(2)	(21)	-
Total Bonds and related liabilities					\$ 151,965	\$ 41,702	\$ 17,124	\$ 176,543	\$ 12,085

CSLF

Description	Original Amount	Date of Issue	Date of Final Maturity	Variable Interest Rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion
Bond 06 A-1	\$ 80,000	7/27/2006	6/1/2046	2.013 - 4.101%	\$ 72,925	\$ -	\$ -	\$ 72,925	\$ -
Bond 06 A-2	100,000	12/14/2006	6/1/2046	2.013 - 4.022%	81,475	-	2,750	78,725	-
Bond 04 B	62,900	10/15/2004	6/1/2034	2.419 - 4.006%	25,225	-	25,225	-	-
Bond 06 B	20,000	7/27/2006	6/1/2046	2.423 - 4.006%	19,975	-	-	19,975	-
Total Bonds					199,600	-	27,975	171,625	-
Discounts					(419)	-	(96)	(323)	-
Total bonds and related amounts					\$ 199,181	\$ -	\$ 27,879	\$ 171,302	\$ -

**Connecticut Health and Educational Facilities Authority
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**Notes to Financial Statements
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(In Thousands)**

II. Detailed notes

D. Changes in long-term obligations

The annual requirements to amortize bonds payable at June 30, 2019, are as follows:

CHESLA

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 12,085	\$ 6,728
2021	13,115	6,252
2022	14,505	5,674
2023	15,120	5,023
2024	15,235	4,326
2025-2029	58,405	13,342
2030-2034	37,040	4,193
2035-2036	6,065	195
Total	<u>\$ 171,570</u>	<u>\$ 45,733</u>

The 1990 Resolution bonds are secured by all revenues, education loans, proceeds of the bonds and amounts deposited in the funds and accounts other than the rebate fund. The 2019 Resolution bonds are secured by all revenues, loans, proceeds of the bonds and amounts deposited in the funds and accounts other than the rebate fund and the purchase fund, and any and all other property.

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if CHESLA is unable to make payment.

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
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(In Thousands)

II. Detailed notes
D. Changes in long-term obligations

CSLF

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

Fiscal Year Ended	Principal	Interest
2020	\$ -	\$ 6,033
2021	-	6,033
2022	-	6,033
2023	-	6,033
2024	-	6,033
2025-2029	-	30,165
2030-2034	-	30,165
2035-2039	-	30,165
2040-2044	-	30,165
2045-2046	171,625	18,099
Total	\$ 171,625	\$ 168,924

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, 2019 year-end ranged from 3.149% to 3.901%.

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.

The bonds are secured by proceeds of the bonds and amounts deposited in the funds and accounts other than the rebate fund, all loans and institution loans, all guarantee or insurance payments with respect to the loans, all other revenues, all rights under swap agreements and any assets or revenues as may be assigned and pledged by a supplemental indenture.

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if CSLF is unable to make payment.

**Connecticut Health and Educational Facilities Authority
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**Notes to Financial Statements
June 30, 2019
(In Thousands)**

II. Detailed notes

D. Changes in long-term obligations

2. Conduit debt

As of June 30, 2019, CHEFA had total outstanding principal balances of special obligation bonds of \$8,408,386. 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

Childcare	\$ 48,600
Connecticut State University System – Special Capital Reserve Fund	351,690
Higher Education	4,468,308
Hospitals	2,385,556
Social and other	74,978
Independent Schools	678,779
Senior Living	<u>400,475</u>
Total	<u><u>\$ 8,408,386</u></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.

CHEFA had a total of \$15,381 of principal balances outstanding in relation to the EZ Loan program. The loans are issued on behalf of not for profits to finance equipment. These loans are conduit debt obligations of CHEFA and do not constitute obligations of CHEFA and, therefore, are not reported within the statement of net position.

Loans Outstanding by Sector

Higher Education	\$ 4,711
Hospitals	9,036
Social and other	<u>1,634</u>
Total	<u><u>\$ 15,381</u></u>

3. Authorized/unissued debt

At June 30, 2019, there was no authorized unissued debt for CHESLA.

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

**Notes to Financial Statements
June 30, 2019
(In Thousands)**

II. Detailed notes

E. Restricted net position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$128 for CHEFA.

F. Net position classification

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

	CHEFA	CHESLA	CSLF
Invested in capital assets	\$ 223	\$ 3	\$ -
Restricted:			
Child care facilities loan program	4,320	-	-
Student loan guarantee program	128	-	-
Bond funds	-	26,471	-
Trust Estate	-	-	4,759
Total restricted	4,448	26,471	4,759
Unrestricted	9,792	6,414	16,997
Total net position	\$ 14,463	\$ 32,888	\$ 21,756

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, 2019, outstanding loan balances totaled \$4,922.

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 \$128.

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, 2019, the ratio was 112.17%. At June 30, 2019, the Board has not authorized any funds to be transferred to operations; however, the amount available to transfer is \$14,000.

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

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

**Notes to Financial Statements
June 30, 2019
(In Thousands)**

II. Detailed notes

G. Condensed component unit information

Condensed component unit information for CCDC, the Authority's blended component unit, for the year ended June 30, 2019, is as follows:

Condensed Statement of Net Position

Liability	
Accounts payable	<u>\$ 107</u>
Net position	<u>\$ (107)</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating expenses	<u>\$ 107</u>
Change in net position	(107)
Net position, July 1, 2018	<u>-</u>
Net position, July 1, 2019	<u>\$ (107)</u>

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 \$201 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. CHEFA charged CSLF an annual fee of \$80 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 \$33 and \$22, respectively. CSLF contributed \$2,000 to CHESLA for the refinance program. The \$1,500 contribution for the scholarship program was not spent and is recorded as a deferred inflow.

**Connecticut Health and Educational Facilities Authority
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**Notes to Financial Statements
June 30, 2019
(In Thousands)**

III. Other information

C. Operating leases

CHEFA leases office space and other office equipment for use in operations. Lease expense was \$258. As of June 30, 2019, minimum future rental commitments of the leases are as follows:

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 State of Connecticut Health & Educational Facilities Authority Money Purchase Pension 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 designated authorized officers. CHEFA and CHESLA contribute annually to the Plan an amount equal to 10% of each qualified employee's annual salary. Forfeitures may be used to pay plan expenses. Any forfeitures left after paying plan expenses are used to offset future contributions. For the year ended June 30, 2019, there were no forfeitures and retirement plan expense was \$245.

There were 20 employees covered under the Plan. All employees can participate in the Plan after three months of service. A participant's employer contribution account fully vests after four years of service. At age 65, participants are entitled to begin receiving benefits based upon the option selected.

CHEFA also maintains a deferred compensation plan, which was established in 1991 in accordance with the Internal Revenue Code Section 457 and is available to CHEFA employees. Employees are permitted to defer a portion of their salaries, subject to certain limitations. CHEFA and CHESLA match up to \$1.50 of employee contributions. For the year ended June 30, 2019, there were no forfeitures and the plan expense was \$28.

Supplemental Schedules

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

Combining Schedule of Net Position - Connecticut Health and Educational Facilities Authority
June 30, 2019
(In Thousands)

	<u>CHEFA</u>	<u>CCDC</u>	<u>Eliminations</u>	<u>Total</u>
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 2,369	\$ -	\$ -	\$ 2,369
Investments	7,268	-	-	7,268
Receivables				
Accounts (net of allowance for uncollectibles of \$86)	357	-	-	357
Related parties	163	-	(107)	56
Prepaid expenses and other assets	83	-	-	83
Total unrestricted assets	10,240	-	(107)	10,133
Restricted assets				
Investments				
Institutions	210,153	-	-	210,153
Total current assets	220,393	-	(107)	220,286
Noncurrent assets				
Unrestricted assets				
Capital assets (net of accumulated depreciation)	223	-	-	223
Restricted assets				
Investments	6,662	-	-	6,662
Total noncurrent assets	6,885	-	-	6,885
Total assets	\$ 227,278	\$ -	\$ (107)	\$ 227,171
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 33	\$ 107	\$ (107)	\$ 33
Accrued expenses	361	-	-	361
Amounts held for institutions	210,149	-	-	210,149
Total current liabilities	210,543	107	(107)	210,543
Noncurrent liabilities				
Amount held for the State of Connecticut	2,165	-	-	2,165
Total liabilities	212,708	107	(107)	212,708
<u>Net Position</u>				
Net investment in capital assets	223	-	-	223
Restricted	4,448	-	-	4,448
Unrestricted	9,899	(107)	-	9,792
Total net position	14,570	(107)	-	14,463
Total liabilities and net position	\$ 227,278	\$ -	\$ (107)	\$ 227,171

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
Health and Educational Facilities Authority
For the Year Ended June 30, 2019
(In Thousands)

	<u>CHEFA</u>	<u>CCDC</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Administrative fees	\$ 7,488	\$ -	\$ -	\$ 7,488
Supporting services fees	297	-	(15)	282
Bond issuance fees	45	-	-	45
Other revenues	3	-	-	3
	<u>7,833</u>	<u>-</u>	<u>(15)</u>	<u>7,818</u>
Total operating revenues				
Operating expenses				
Salaries and related expenses	2,943	-	-	2,943
General and administrative	597	29	(15)	611
Contracted services	189	78	-	267
	<u>3,729</u>	<u>107</u>	<u>(15)</u>	<u>3,821</u>
Total operating expenses				
Operating income (loss)	<u>4,104</u>	<u>(107)</u>	<u>-</u>	<u>3,997</u>
Nonoperating income (expenses)				
Investment income	330	-	-	330
Payment to State (legislative mandate)	(900)	-	-	(900)
Grants and child care subsidy expense	(2,957)	-	-	(2,957)
	<u>(3,527)</u>	<u>-</u>	<u>-</u>	<u>(3,527)</u>
Total nonoperating expenses				
Change in net position	577	(107)	-	470
Net position, July 1, 2018	<u>13,993</u>	<u>-</u>	<u>-</u>	<u>13,993</u>
Net position, June 30, 2019	<u>\$ 14,570</u>	<u>\$ (107)</u>	<u>\$ -</u>	<u>\$ 14,463</u>

**Connecticut Health and Educational Facilities Authority
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**Combining Schedule of Net Position - Connecticut Higher Education Supplemental Loan Authority
June 30, 2019
(In Thousands)**

	Agency operating fund	Other program funds	Bond Funds		Total CHESLA
			1990 resolution	2019 resolution	
<u>Assets</u>					
Current assets					
Unrestricted assets					
Cash	\$ 64	\$ 284	\$ -	\$ 66	\$ 414
Investments	3,503	3,355	27	2	6,887
Current portion of loans receivable	-	73	-	-	73
Interest receivable on investments	-	6	-	-	6
Loan interest receivable	-	11	-	10	21
Prepaid expenses and other assets	25	-	-	-	25
Total unrestricted assets	3,592	3,729	27	78	7,426
Restricted assets					
Investments					
Bond indenture trusts	-	-	18,603	29,058	47,661
Other	-	-	-	-	-
Current portion of loans receivable	-	-	19,928	632	20,560
Interest receivable on investments	-	-	149	65	214
Loan interest receivable	-	-	494	-	494
Total restricted assets	-	-	39,174	29,755	68,929
Total current assets	3,592	3,729	39,201	29,833	76,355
Noncurrent assets					
Unrestricted assets					
Capital assets	3	-	-	-	3
Loans receivable, net of current portion and allowance	-	631	-	-	631
Restricted assets					
Investments	-	-	20,635	3,015	23,650
Loans receivable, net of current portion and allowance	-	-	105,711	5,658	111,369
Total noncurrent assets	3	631	126,346	8,673	135,653
Total assets	\$ 3,595	\$ 4,360	\$ 165,547	\$ 38,506	\$ 212,008
<u>Liabilities</u>					
Current liabilities					
Accounts payable	\$ 14	\$ 4	\$ 35	\$ 136	189
Accrued expenses	13	-	-	-	13
Accrued interest payable	-	-	741	127	868
Current portion of bonds payable	-	-	12,085	-	12,085
Total current liabilities	27	4	12,861	263	13,155
Noncurrent liabilities					
Bonds payable, net of current portion	-	-	132,983	31,475	164,458
Total liabilities	27	4	145,844	31,738	177,613
<u>Deferred Inflows of Resources</u>					
Unearned revenue	-	1,507	-	-	1,507
<u>Net Position</u>					
Net investment in capital assets	3	-	-	-	3
Restricted	-	-	19,703	6,768	26,471
Unrestricted	3,565	2,849	-	-	6,414
Total net position	3,568	2,849	19,703	6,768	32,888
Total liabilities, deferred inflows of resources and net position	\$ 3,595	\$ 4,360	\$ 165,547	\$ 38,506	\$ 212,008

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, 2019
(In Thousands)

	Agency operating fund	Other program funds	Bond funds			Total CHESLA
			1990 resolution	2019 resolution	Eliminations	
Operating revenues						
Interest income on loans receivable	\$ -	\$ 305	\$ 7,096	\$ 32	\$ -	\$ 7,433
Administrative fees	948	-	738	-	(948)	738
Contributions from CSLF	-	4,000	-	-	-	4,000
Total operating revenues	948	4,305	7,834	32	(948)	12,171
Operating expenses						
Interest expense	-	-	5,777	121	-	5,898
Salaries and related expenses	184	-	-	-	-	184
General and administrative	472	46	1,061	-	(948)	631
Refinance program	53	-	-	-	-	53
Scholarships	-	2,000	-	-	-	2,000
Loan service fees	-	74	487	4	-	565
Contracted services	51	-	-	-	-	51
Bond issuance costs	-	-	220	605	-	825
Provision for loan losses (net of recoveries)	-	296	364	-	-	660
Total operating expenses	760	2,416	7,909	730	(948)	10,867
Operating income (loss)	188	1,889	(75)	(698)	-	1,304
Nonoperating income						
Investment income	89	99	1,656	82	-	1,926
Total nonoperating income	89	99	1,656	82	-	1,926
Change in net position	277	1,988	1,581	(616)	-	3,230
Transfers	(1,016)	(6,403)	35	7,384	-	-
Net position, July 1, 2018	4,307	7,264	18,087	-	-	29,658
Net position, June 30, 2019	\$ 3,568	\$ 2,849	\$ 19,703	\$ 6,768	\$ -	\$ 32,888

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, 2019
(In Thousands)

	Trust Estate	Operating	Eliminations	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ -	\$ 404	\$ -	\$ 404
Receivables (net of allowance for uncollectibles)	-	17	-	17
Prepaid expenses and other assets	-	1	-	1
Total unrestricted assets	-	422	-	422
Restricted assets				
Investments				
Bond indenture trusts	6,629	-	-	6,629
Current portion of loans receivable	10,564	-	-	10,564
Loan interest receivable	5,597	-	-	5,597
Total restricted assets	22,790	-	-	22,790
Total current assets	22,790	422	-	23,212
Noncurrent assets				
Restricted assets				
Loans receivable (net of allowance for uncollectibles)	170,580	-	-	170,580
Total assets	\$ 193,370	\$ 422	\$ -	\$ 193,792
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ -	\$ 22	\$ -	\$ 22
Accrued expenses	-	66	-	66
U.S. Department of Education payable	310	-	-	310
Trust Estate payable	336	-	-	336
Total current liabilities	646	88	-	734
Noncurrent liabilities				
Bonds payable and related liabilities	171,302	-	-	171,302
Total liabilities	171,948	88	-	172,036
<u>Net Position</u>				
Restricted	4,759	-	-	4,759
Unrestricted	16,663	334	-	16,997
Total net position	21,422	334	-	21,756
Total liabilities and net position	\$ 193,370	\$ 422	\$ -	\$ 193,792

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, 2019
(In Thousands)

	<u>Trust Estate</u>	<u>Operating</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Interest income on loans receivable	\$ 10,403	\$ -	\$ -	\$ 10,403
Not-for-profit servicing income	-	210	-	210
Administration fee	-	490	(490)	-
Total operating revenues	<u>10,403</u>	<u>700</u>	<u>(490)</u>	<u>10,613</u>
Operating expenses				
Interest expense	6,580	-	-	6,580
General and administrative	130	117	-	247
Loan service fees	772	-	-	772
Administration fee	490	-	(490)	-
Consolidation rebate fees	1,281	-	-	1,281
Contracted services	-	222	-	222
Provision for loan losses	394	-	-	394
Total operating expenses	<u>9,647</u>	<u>339</u>	<u>(490)</u>	<u>9,496</u>
Operating income	<u>756</u>	<u>361</u>	<u>-</u>	<u>1,117</u>
Nonoperating income (expenses)				
Investment income	149	-	-	149
Contributions to CHESLA	(2,710)	(790)	-	(3,500)
Total nonoperating expenses	<u>(2,561)</u>	<u>(790)</u>	<u>-</u>	<u>(3,351)</u>
Change in net position	(1,805)	(429)	-	(2,234)
Net position, July 1, 2018	<u>23,227</u>	<u>763</u>	<u>-</u>	<u>23,990</u>
Net position, June 30, 2019	<u>\$ 21,422</u>	<u>\$ 334</u>	<u>\$ -</u>	<u>\$ 21,756</u>

Compliance

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

Board of Directors
Connecticut Health and Educational Facilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of the Connecticut Health and Educational Facilities Authority ("Authority") as of and for the year ended June 30, 2019, 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 20, 2019.

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 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 *Government 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 20, 2019



Independent Member of Nexia International

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EXHIBIT C - FISCAL YEAR 2020 OPERATING AND CAPITAL BUDGET

CHEFA Budget Summary
Budget for the Twelve Months Ending June 30, 2020

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Revenues				
Administrative (CHEFA) Fees	\$ 7,463,556	\$ 7,575,375	\$ 7,487,495	\$ 7,548,860
General and Administrative (Support Services)	282,341	289,287	281,498	378,488
Bond Issuance Fees	58,700	30,000	40,000	40,000
Miscellaneous Earnings & Recoveries	152,588	0	2,950	0
Total Revenues	\$ 7,957,185	\$ 7,894,661	\$ 7,811,943	\$ 7,967,347
Expenses				
Salaries and Related Expenses				
Salaries	\$ 2,148,338	\$ 2,245,586	\$ 2,185,771	\$ 2,298,000
Employee Benefits	658,902	726,990	695,646	758,325
General and Administrative				
Operating Expenses	436,334	536,077	451,291	544,698
Depreciation	42,171	54,160	56,369	79,002
Business and Education	20,790	58,750	36,439	73,535
Membership Dues	10,642	13,705	13,442	23,805
Contracted Services				
Maintenance Contracts	64,829	89,579	68,275	110,843
Outside Services	72,471	165,377	111,776	201,102
Total Expenses	\$ 3,454,477	\$ 3,890,223	\$ 3,619,009	\$ 4,089,309
Excess Revenue from Operations	\$ 4,502,708	\$ 4,004,438	\$ 4,192,934	\$ 3,878,038
Nonoperating Income (Expenses)				
Investment Income	161,920	295,533	295,197	292,181
Program Related Expense	(2,879,161)	(3,049,728)	(3,014,739)	(3,147,140)
Total Nonoperating Income (Expenses)	\$ (2,717,241)	\$ (2,754,195)	\$ (2,719,542)	\$ (2,854,959)
Change in Net Position before Transfer	\$ 1,785,467	\$ 1,250,243	\$ 1,473,392	\$ 1,023,079
Use of Net Position				0
Non Operating Revenue (Expense)				
State of Connecticut - Transfer (Public Acts)	(900,000)	(900,000)	(900,000)	0
Change in net position after Transfer	\$ 885,467	\$ 350,243	\$ 573,392	\$ 1,023,079

Benefit % to Compensation	30.67%	32.37%	31.83%	33.00%
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NOTE: Projected Actual 2019 is based on Actual Financials as of February 28, 2019, plus 4 months of projected amounts.

CHEFA Salary & Benefits Expense
Budget for the Twelve Months Ending June 30, 2020

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Staff Compensation (inc Labor Grade)	2,147,472	2,245,586	\$ 2,177,575	\$ 2,298,000
Temporary Salaries	866	0	8,196	0
Total Compensation	\$ 2,148,338	2,245,586	\$ 2,185,771	\$ 2,298,000
Payroll Taxes	155,768	155,046	\$ 158,921	\$ 157,113
Medical & Life Insurance				
Medical w/CBIA Life	183,887	233,287	209,536	253,523
Deductible Funding HSA (CHEFA)	45,150	45,075	45,150	47,175
Less: Medical Co-insurance	(44,306)	(54,757)	(48,330)	(58,184)
Net Medical Insurance	184,731	223,605	206,356	242,514
 CHEFA Alternative Insurance	17,733	16,800	17,769	16,800
 Life Insurance	8,204	9,141	8,951	9,366
Dental	24,804	26,381	27,025	31,013
Less: Dental Co-insurance	(569)	(264)	(1,312)	(1,690)
Total Medical, Life Insurance & Other	234,903	275,663	258,790	298,003
Pension				
Contributions	202,264	224,559	228,260	229,800
Administrative Fee	6,006	6,006	5,527	5,368
Pension	208,270	230,565	233,787	235,168
457 Plan & Administrative Fee	27,292	28,500	27,807	28,500
Vacation	11,234	5,000	5,000	5,000
Disability Insurance - Long Term	7,093	8,203	7,939	8,749
Disability Insurance - Short Term	8,941	9,239	9,114	9,664
Workers Compensation	5,401	4,774	4,419	6,128
Tuition	-	10,000	-	10,000
 Total Employee Benefits	658,902	726,990	705,777	758,325
 Total Employment	\$ 2,807,240	2,972,576	\$ 2,891,548	\$ 3,056,325
 Benefit % to Compensation	30.67%	32.37%	32.29%	33.00%

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2020

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Lease & Storage				
Lease - Office Space	\$ 225,497	\$ 231,096	\$ 231,645	\$ 237,636
Lease - Common area fee & Taxes	0	920	886	1,500
Offsite Storage & Files Anywhere (electronic storage)	7,267	15,900	7,850	16,400
Total Lease & Storage	232,764	247,916	240,381	255,536
Business Insurance				
Office Package	6,102	6,407	6,130	6,436
Cyber Policy	780	1,638	1,365	1,638
Fiduciary, Performance Bond, Crime & Terrorism	2,664	2,798	2,665	2,798
Directors and Officers Liability / Public Officials Policy	56,613	62,274	56,614	62,274
Total Business Insurance	66,159	73,117	66,774	73,146
Office Supplies and Non Capital Equipment				
General Office/Computer/Network & Printer supplies	6,117	10,000	8,393	16,250
Non-Capital Furniture, Equipment & Software Licensing	3,505	36,692	35,464	32,033
Total Office Supplies and Non Capital Equip	9,622	46,692	43,857	48,283
Communications: Telephone & Internet				
Phone (Voice & Data Svc) & Conferencing	20,398	20,791	22,244	24,310
Website and Email Security (DNS, SSL)	981	1,342	1,352	903
Financial Data Platform	25,581	25,680	25,680	17,480
Total Communications: Phone & Internet	46,960	47,813	49,276	42,693
Postage Expense				
Postage & Courier Expense	2,895	4,000	3,266	3,500
Postage - Meter Rental & New Eng. Mail Mach.	2,707	2,639	2,799	2,639
Total Postage Expense	5,602	6,639	6,065	6,139
Publications & Resource Materials	4,099	4,400	3,543	4,400
Bond Issuance Cost	16,406	20,000	14,836	12,000
Legal	33,981	10,000	11,546	10,000
Marketing Costs				
Client Conferences & Education	1,500	10,000	2,006	10,000
Communications Strategy Implementation	0	40,000	0	50,000
Miscellaneous - Advertising, Signs	415	7,000	149	8,000
Total Marketing Costs	1,915	57,000	2,155	68,000
Miscellaneous				
Kitchen Supplies	5,791	7,000	5,265	7,500
Staff Activities - Holiday, Summer & Team Building	2,912	3,000	2,132	2,500
Bank Fees	8,057	6,000	1,824	6,000
Acknowledgement Fund	1,402	2,000	1,291	2,500
Miscellaneous	665	1,000	596	1,000
Total Miscellaneous	18,826	19,000	11,108	19,500

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2020

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Contributions	0	3,500	1,750	5,000
Provision for Uncollectibles	0	0	0	0
Total General and Administrative Expenses	\$ 436,334	\$ 536,077	\$ 451,291	544,698

**CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2020**

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Depreciation	\$ 42,171	\$ 54,160	\$ 56,369	\$ 79,002
Meeting Expense				
Employee Reimbursable expenses	2,097	3,500	2,520	3,500
Onsite Meetings (validated parking)	412	600	344	250
Cellular Data Plan Services	-	0	0	0
Total Employee Reimbursable	2,509	4,100	2,864	3,750
Board Expense				
Monthly Board Lunches	2,343	2,000	1,811	2,500
Board Business expenses	947	1,500	1,158	2,500
Total Board Expense	3,290	3,500	2,969	5,000
Conference & Education Expense				
Conferences (including expenses)	7,895	33,650	16,239	36,500
Applications-Staff Education (non tuition, computer and	5,821	15,000	14,367	25,785
Total Conference & Education Expense	13,716	48,650	30,606	62,285
Education - Board	1,275	2,500	0	2,500
Total Business Education, Board and Reimbursable	\$ 20,790	\$ 58,750	\$ 36,439	\$ 73,535
Memberships Dues	\$ 10,642	\$ 13,705	\$ 13,442	\$ 23,805

CHEFA Non Salary Expense

Budget for the Twelve Months Ending June 30, 2020

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Proj Actual	FYE June 30, 2020 Budget
Accounting Systems				
Special programming-Accounting	3,372	15,000	3,242	15,000
Service Contract-Accounting	3,187	3,352	3,192	3,352
Total Accounting Systems	6,559	18,352	6,434	18,352
Consultant Others				
Arbitrage - Calculation Review or Legal	0	0	0	0
Information Technology		15,000	0	28,750
Human Resources	15,538	45,000	20,218	45,000
Strategic - Website Redesign	13,136	25,000	34,151	38,000
Other - Consultant (Economic Study & Insurance)	9,000	9,000	3,000	18,000
Consultant - Others	37,674	94,000	57,369	129,750
Maintenance Service & Contracts				
Copiers - Leases & Network Charge	11,237	16,702	11,136	17,005
Copiers - Usage	688	1,980	2,035	2,695
Printer, Fax & Phone Support	1,707	2,750	1,470	250
Co-location Svcs (Bus Continuity)	23,620	22,170	24,345	24,854
Plant Service	2,160	2,280	2,195	2,280
Maintenance Contracts (Software Platforms)	7,025	12,250	10,667	31,689
Maintenance Contracts (Network Systems & General)	18,392	31,447	16,427	32,070
Total Maintenance Service & Contracts	64,829	89,579	68,275	110,843
Audit				
Independent Auditors	25,750	26,525	26,525	26,500
Audit Engagements (other)	2,488	25,000	21,448	25,000
State Audit		1,500	0	1,500
	28,238	53,025	47,973	53,000
Annual Report	0	0	0	0
Total Contracted Services	\$ 137,300	\$ 254,955	\$ 180,051	\$ 311,944
Transfer of Reserves - Due to State of CT	900,000	900,000	900,000	0
Program Related Expense				
Grant Programs	2,785,448	2,902,588	2,936,622	3,000,000
Child Care Programs				
Guar. Loan Fund - Administrative Expense	16,602	22,140	22,136	22,140
Guar. Loan Fund Investment Earnings	(14,015)	0	(22,136)	0
Net Guaranteed Loan Fund Expense	2,587	22,140	0	22,140
3% Child Care Interest Subsidy	91,126	125,000	78,117	125,000
Child Care Programs	93,713	147,140	78,117	147,140
Total Program Related Expense	\$ 2,879,161	\$ 3,049,728	\$ 3,014,739	\$ 3,147,140

CHEFA Revenue Budget FY 2020

	Refinance	New Money	Totals
Estimated Closings FY 2020			8
Up-Front Fees (Closings @ \$5,000 each)			40,000
CHEFA Fees Income (@ 9 basis points)			
Bristol Hospital - end of June early July 2019	22,600,000	7,400,000	30,000,000
Greenwich Academy - July		35,000,000	35,000,000
Mary Wade - August		40,000,000	40,000,000
Westport - September		20,000,000	20,000,000
Western CT Health Network (refi via CHEFA)		0	0
Sacred Heart - December		80,000,000	80,000,000
Misc - Feb		25,000,000	25,000,000
Misc - May		25,000,000	25,000,000
			0
Projected Closings through FYE 2020	22,600,000	232,400,000	255,000,000
Estimated 12 month revenue on New Issues -->		209,160	
Estimated Revenue on New Issues (based on each Issue's anticipated closing date)-->			124,410
Bond Issues - Current Portfolio (Reg, CSU & Childcare)			7,424,450
Total FY 2020 Accrued CHEFA Fees			7,548,860
Average Investment balance	\$ 14,609,072		2.000%
Estimated Interest Income			\$292,181
General and Administrative (Support Services)			378,488
Total FYE 2020 Revenue Budget			\$8,259,528

CHEFA Budget
Capital Budget for the Twelve Months Ending June 30, 2020

Item	Total Cost	Useful Life	FY 2020 Depreciation
Current Depreciation Schedule at FYE June 2019			\$ 58,814
<u>Additions:</u>			
<u>Software</u>			
Accounting/Finance Software (Tyler)	89,000	10	6,120
Accounting/Finance Software (Emphasys)	132,600	10	6,630
	\$188,000		
Contingency (25%)	55,400		3,188
Subtotal for IT (Software)	\$277,000		\$15,938
<u>Capital Projects</u>			
Router	2,000	5	200
POE Switches (3)	24,000	5	2,400
Avaya Phone System Upgrade	8,000	5	800
	\$42,500		
Contingency (25%)	8,500		850
Subtotal for Capital Projects	\$42,500		\$4,250
<u>Leasehold Improvements</u>			
	\$0		
Contingency (25%)	0		0
Subtotal for Leasehold	\$0		\$0
Total Fixed Assets (FY 2020)	\$319,500		\$20,188
Total NEW Capital & Leasehold Purchases	\$ 319,500		\$20,188
New FY 2020 Asset Depreciation			\$20,188
Total Depreciation Expense Budget			\$79,002
Monthly Estimated Expense			\$6,583