

The Connecticut Health and Educational Facilities Authority



2020 Annual Report

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CHEFA
Connecticut Health & Educational
Facilities Authority

September 28, 2020

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, 2020.

Sincerely,

Jeanette W. Weldon
Executive Director

cc: John C. Geragosian
Robert J. Kane



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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 106 clients with a total of approximately \$8.1 billion of bonds outstanding consisting of healthcare, higher education, independent 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

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



GOVERNANCE

BOARD MEMBERS - STATUTORILY DESIGNATED

Ex Officio Members	Member's Designee
The Honorable Shawn T. Wooden State Treasurer	Darrell V. Hill 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 R. Lopez
Lawrence Davis	Susan Martin
Barbara B. Lindsay, Esq.	Barbara Rubin
Dr. Peter W. Lisi	Mark Varholak



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
Communications and Government Affairs Specialist	Hispanic or Latino	Male
Senior Finance Associate	White, non-Hispanic	Male
Senior Transaction Specialist	White, non-Hispanic	Female
Manager, Administrative	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	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 2020 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.

PILLAR 1: COLLABORATION

- Continued CHEFA CDC collaboration. CHEFA CDC received its 501(c)3 designation on December 10, 2019
- Completed work with the Urban Institute regarding opportunities to play a role in outcomes-based financing with state agencies & nonprofits

PILLAR 2: ECONOMIC AND WORKFORCE DEVELOPMENT FOR THE PUBLIC GOOD

- Created COVID-19 grant program to disburse in FY 2021
- Completed economic impact study for CHEFA for the 5 years ending December 2018.

PILLAR 3: TECHNOLOGY

- Successful transition to working remotely; electronic bill payment and videoconferencing
- Began CHEFA website rebuild
- Transition to Microsoft 365 and increased bandwidth to enhance technology toward expanded cloud computing

PILLAR 4: INNOVATION

- Created CHEFA revolving loan fund
- Restructured grant programs in response to COVID -19; disbursements in FY 2021
- Implemented a timely and innovative response to COVID-19 pandemic to provide financial relief to clients

PILLAR 5: PUBLIC ENGAGEMENT AND ACCOUNTABILITY

- Launched new branding for the Authority and social media presence to enhance client communications
- Began implementation of new accounting system
- Conducted staff engagement survey and compensation study



GRANT PROGRAMS

The Authority disbursed \$3.08 million in grant dollars through its Client, Not-For-Profit and Targeted Grant Programs.

Client Grant Program	\$1,025,937
Targeted Grant Program	\$1,000,000
Nonprofit Grant Program	<u>\$1,054,687</u>
Total 2020 CHEFA Grants	\$3,080,624

<u>Client Grant Program</u>			<u>\$1,025,937</u>
Grantee	Location/County	Purpose	
Capital Community College	Hartford; Middlesex; Tolland	SimBaby Simulator For Pediatric Nursing Practice	\$49,908
Cornell Scott-Hill Health Corporation	New Haven	Ophthalmic and IT Equipment	\$75,000
Day Kimball Healthcare, Inc.	Windham	Mobile Computerized Workstations	\$75,000
Eagle Hill Foundation, Inc.	Fairfield	FM Systems for Classrooms	\$30,000
Eastern Connecticut State University	Statewide	Physical Therapeutic Lab Equipment	\$74,303
Griffin Hospital	Fairfield; Hartford; New Haven	C-Arm Acquisition	\$75,000
Manchester Early Learning Center, Inc.	Hartford	Preschool Renovations	\$75,000
Middlesex Community College	Middlesex	Radiology Program Energized Laboratory	\$71,956
Middlesex Hospital	Middlesex	Upgrade paramedic service communication network and equipment	\$75,000
Mount Olive Child Development Center, Inc.	Hartford	Minor Capital Improvement Project	\$30,000
Naugatuck Valley Community College	Statewide	Advanced Computerized Numerical Control (CNC)	\$71,662
Norwalk Hospital Association	Fairfield	Pediatric Simulation Learning Project	\$74,963
Quinnipiac University	Statewide	Simulation Equipment Women's Health	\$68,716
The Village for Families & Children, Inc.	Hartford	Building Capacity for Telepsychiatry	\$74,941



University of Hartford	Statewide	Equipment for new Bachelor of Science in Nursing program	\$74,488
Yale New Haven Hospital, Inc.	New Haven	YNHH Emergency Response Vehicle and EMS Equipment	\$30,000

<u>Targeted Program</u>			<u>\$1,000,000</u>
Grantee	Location/County	Purpose	
Career Resources, Inc.	Hartford; New Haven; Fairfield	STRIVE Statewide Workforce Development and Job Readiness Training	\$250,000
Connecticut Council for Philanthropy, Inc.	Hartford; New Haven; Fairfield; Middlesex	CT Working Cities Workforce Project	\$250,000
Connecticut Workforce Development Council	Statewide	Connecticut Youth Employment Expansion Initiative	\$250,000
Connecticut Workforce Development Council	Statewide	Scale up evidence-based, demand-driven job training models statewide.	\$250,000

<u>Nonprofit Program</u>			<u>\$1,054,687</u>
Grantee	Location/County	Purpose	
American National Red Cross	Statewide	Two Blast Freezers for the Connecticut Blood Supply	\$75,000
Charter Oak Temple Restoration Association, Inc	Hartford	Youth Arts Institute	\$40,000
Community Partners in Action	Hartford	Reentry Workforce Development Basic Needs Assistance	\$23,223
Connecticut Foundation for Dental Outreach, Inc.	Statewide	Connecticut Mission of Mercy Free Dental Clinic	\$75,000
Connecticut Historical Society	Statewide	CHS Roof Replacement	\$52,000
Fair Haven Community Health Clinic Inc.	New Haven	Enhancing Cardiovascular Health Among Vulnerable Populations	\$72,473
Generations Family Health Center, Inc.	New London	Improved Patient Experience for Generations Family Health Center's Norwich Health Facility	\$75,000
Harriet U Allyn Testamentary Trust	New London	Lyman Allyn First Free Saturdays	\$15,000
Junior Achievement of Southwest New England, Inc.	Hartford ; Litchfield ; Middlesex ; New	Junior Achievement: Work Readiness for Connecticut Young People	\$75,000



	Haven ; New London ; Tolland ; Windham		
Leadership, Education and Athletics in Partnership, Inc	New Haven	LEAP Children's and Youth Development Programs	\$75,000
Malta House of Care, Inc.	Hartford	Convenient, Free Primary Care for Uninsured Adults	\$75,000
Planned Parenthood of Southern New England	New Haven	Waterbury Health Center Relocation	\$61,606
The Bridge Family Center, Inc.	Hartford	Bridge's mental health clinic renovations for expansion.	\$75,000
The Carver Foundation of Norwalk	Fairfield	Free Late Transportation Afterschool	\$75,000
The Children's Center of Hamden, Inc.	Fairfield ; New Haven	Information Technology Upgrade	\$73,963
The Connecticut Forum	Hartford	Connecticut YOUTH Forum	\$53,156
The New Haven Reads Community Book Bank, Inc.	New Haven	Transforming student lives through literacy	\$25,000
United Community and Family Services, Inc.	New London	Accuvax Vaccine Management System at UCFS' Griswold Health Center	\$38,266

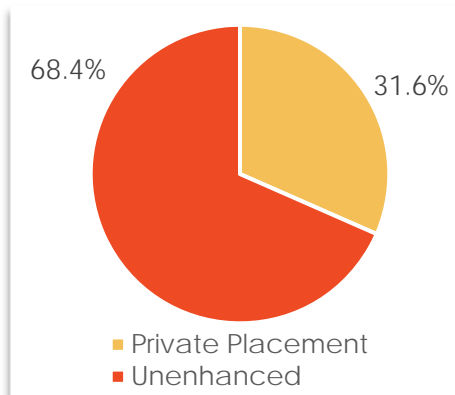


BOND ISSUANCE

In FY 2020, CHEFA issued bonds totaling \$1,069.5 million representing 19 bond offerings.

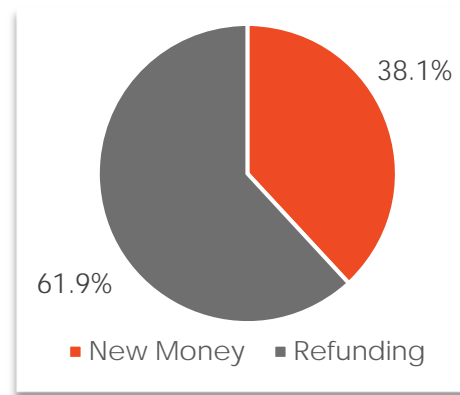
BOND ISSUANCE STATISTICS FOR FY 2020

Issuance Structure



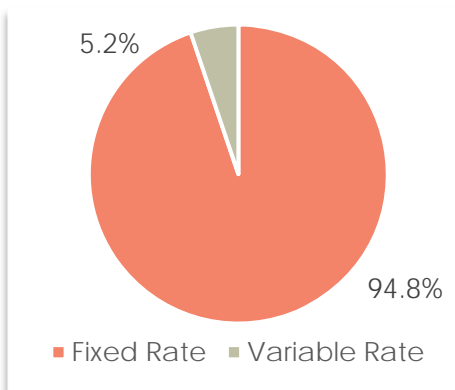
Approximately 32% of issuance was private placements with the balance being unenhanced public offerings

New Money vs. Refunding



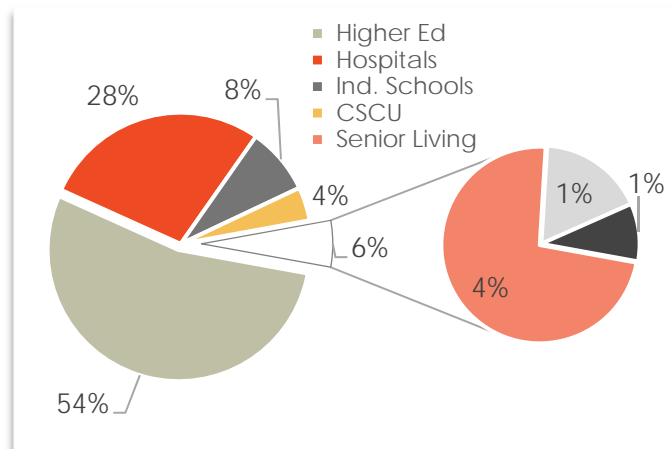
New money financings represent 38% of the \$1,069.5 MM in bonds issued

Fixed vs. Variable



Variable rate transactions represent 5% of the \$1,069.5 MM in bonds issued

Fiscal Year End Outstanding Par Amounts



Higher education represents 58% (Higher Ed and CSCU) of the total outstanding bonds on June 30, 2020.

Four percent () 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 2020

Closing Date		Issue Name	Total (000's)
6/29/2020		Trinity College Issue, Series R	\$49,015
5/28/2020	+	Kent School Issue, Series I	\$5,615
5/1/2020	+*	Hamden Hall Country Day School Issues, Series B	\$20,385
4/2/2020		Hartford Healthcare Issue, Series 2020	\$11,995
2/28/2020		Choate Rosemary Hall Issue, Series F	\$31,555
1/30/2020	+	Canterbury School Issue, Series E	\$19,122
1/29/2020		Hartford Healthcare Issue, Series 2020 A	\$183,590
1/29/2020		Hartford Healthcare Issue, Series 2020 B-1	\$60,635
1/29/2020		Hartford Healthcare Issue, Series 2020 B-2	\$49,550
1/8/2020		The Griffin Hospital Issue, Series G-1	\$58,540
1/8/2020	T	The Griffin Hospital Issue, Series G-2	\$5,055
12/5/2019		University of Hartford Issue, Series N	\$132,000
12/5/2019	T	University of Hartford Issue, Series O	\$1,650
11/14/2019	+	The Westport Weston YMCA Issue, Series A	\$20,000
9/26/2019		Mary Wade Home Issue, Series A-1	\$42,800
9/26/2019	T	Mary Wade Home Issue, Series A-2	\$2,900
8/28/2019		Nuvance Health Issue, Series 2019	\$340,110
8/22/2019	+*	Greenwich Academy Issue, Series F-1	\$20,000
8/22/2019	+*	Greenwich Academy Issue, Series F-2	\$15,000
+ Private Placement * Variable Rate T Taxable			

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, 2020 was \$332,170,000 as compared to the June 30, 2019 figure of \$351,690,000. 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

10 Columbus Acquisitions LLC	Ink & Pixel
Affirmative Investments Inc **	Iron Mountain
American National Red Cross	Junior Achievement of Southwest New England
Aniello Associates	Leadership Education and Athletics in Partnership
Bank of America	Local Initiatives Support Corp
BerryDunn	Malta House of Care Inc
Bloomberg Finance L.P.	Manchester Early Learning
Bridgeport Hospital	Metlife
Capital Community College	Middlesex Community College
Career Resources	Mount Olive Child Development Center Inc.
CBIA Health Connections	Multiview
CDW Government, Inc.	Naugatuck Valley Community College
Charter Oak Temple Restoration	NH Learning Solutions Corp
Checkmate Payroll	Norwalk Hospital
Chubb & Son Inc.	Office Team
Cohn Reznick LLP	People's United Bank
Cologix, Inc.	Planned Parenthood of Southern New England
Community Partners in Action	Principal Group
Connecticut Business Systems	Quinnipiac University
Connecticut Center for Advanced Technology	Robert Half Technology
Connecticut Council for Philanthropy	Shipman & Goodwin *
Connecticut Foundation for Dental Outreach	Standard Insurance Company
Connecticut Historical Society	Suburban Stationers Inc
Connecticut Workforce Development	The Bank of New York Mellon
Cornell Scott Hill Health	The Carver Foundation of Norwalk
CT Computer Service Inc	The Children's Center of Hamden
Day Kimball Hospital	The Connecticut Forum
Eagle Hill Foundation Inc.	The Hartford Insurance
Eastern Connecticut State University	The Human Resource Consortium
Fair Haven Community Health Clinic	The New Haven Reads Community Book Bank
Foundant Technologies	The Village for Families
Generations Family Health	United Community and Family Services Inc
Griffin Hospital	University of Hartford
Harriet U Allyn Testamentary	US Bank
Harvard Pilgrim Healthcare	Verizon
IHS Global	

* Includes amounts paid on behalf of CHEFA CDC

** Paid on behalf of CHEFA CDC



CONSTRUCTION FUND ACCOUNT DISBURSEMENTS

Acacia Financial Group	Keeney Rigging & Trucking Co
Adtech Systems Inc	Martin Laviero Contractor
AI Engineers, Inc	Laydon Industries LLC
Allston Supply Company	Macchi Engineers LLC
American Hotel Register	Marcum LLP
Armani Restoration	The Marvelwood School
A Secondino & Son Inc	McCarter & English, LLP
AWL Painting LLC	MD Stetson Company
Bank of America	Mercury Security LLC
Barbizon Lighting	Mohanty Gargiulo
Bartholomew Contract Interiors	Moody's Investor Services
Bay State Elevator Company	Murtha, Cullina, Richter
BlumShapiro	O & G Industries
Bank of New York	OFI Contract Interiors
Bristol Hospital	Oppenheimer & Co Inc
Builders Hardware	Paparone Law
Canterbury School	Parrett Porto Parese & Colwell
Carmody Torrance Sandak & Hennessey LLP	PFM Asset Mangament
CT Boiler Repair and Manufacturing	Presidio Networked Solutions
Central Mechanical Services	Public Financial Mgt Inc
Chapman and Cutler, LLP	Pullman & Comley LLC
Chicago Title Insurance	Robinson & Cole
Christopher Williams Architects	Church Homes
Church Homes	Red Thread Spaces LLC
Consigli Construction Co	Reid & Reige PC
Creative Office Interiors	RKL LLP
Connecticut College	Rockwell Communications Inc
Danbury Drywall Systems	Ropes & Gray
Day Pitney	Shipman & Goodwin
Dell Marketing	SMG Corporate Services
Desman Associates	SNE Building Systems
DH Marvin & Son	Standard & Poors
Diversity Construction Group	Stantec Consulting Services
Eagle Fence and Guardrail	Stifel, Nicolaus & Co Inc
East Side Welding	Strategic Building Solutions
Ernst & Young LLP	Swenson Granite Company LLC
Fairfield University	T&M Billiards and Barstools
Fidelity National Title Ins Co	T & T Complete Landscaping
First Republic Bank	Tecogen Inc
Fuss & O'Neill	Tecton Architects
Gaylord Hospital	Terracon Consultants
George K Baum & Company	The Mary Wade School
GL Capasso Inc	The Planning and Zoneing Resource Company
Grainger	Tradesman New England LLC



Griffin Hospital
Harris Beach
Hawkins, Delafield & Wood
Hinckley Allen & Snyder LLP
Hoffman Architects
Howard P Fairfield LLP
Hartford Healthcare
HV Contractor Group
Image Master
Insalco Corporation
Jacobs Project Management
Johnson Controls
Kaufman Hall & Associates

TRC Lockbox
Treasurer state of CT
TriMark United East LLC
Tri-State Brick of CT
University of Hartford
University of New Haven
Updike, Kelly & Spellacy
US Bank
WB Mason
Wilmington Trust Company
Winthrop Resources Corporation
Wiss Janney, Elstner Associates Inc
Wyndham Corporation Interiors LLC

DISBURSEMENTS OVER \$5,000 FOR BONDS ISSUED

Listed in chronological order of issuance:

Greenwich Academy
Nuvance Health
Mary Wade Home
The Westport Weston YMCA
University of Hartford
The Griffin Hospital
Hartford Healthcare
Canterbury School
Choate Rosemary Hall
Hamden Hall Country Day School s
Kent School
Trinity College

FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS

The audited financial statements, which includes the Management Discussion & Analysis, for the Fiscal Year Ending June 30, 2020 is attached as Exhibit B.



FISCAL YEAR 2021 OPERATING AND CAPITAL BUDGET

The operating and capital budget for Fiscal Year 2021 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 2021 PLANNED ACTIVITIES

PILLAR 1: COLLABORATION

- Building Governmental Relationships - Develop relationships to continue to pursue legislative agenda and outreach activities

PILLAR 2: ECONOMIC AND WORKFORCE DEVELOPMENT FOR THE PUBLIC GOOD

- Develop metrics and collection process to measure impact of Authority economic and workforce development activities

PILLAR 3: TECHNOLOGY

- Complete restructure of CHEFA website
- Plan for development of client portal and begin execution if feasible
- Go live with new accounting system

PILLAR 4: INNOVATION

- Continue to research and seek development of innovative programs as appropriate

PILLAR 5: PUBLIC ENGAGEMENT AND ACCOUNTABILITY

- Implement new performance evaluation process for staff
- Conduct internal effective communications training for both management and staff
- Launch new accounting system
- Implement internal audit recommendations
- Business continuity testing and procedures update



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

EXHIBIT A - SCHEDULE OF
INDEBTEDNESS

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2020
(In Thousands of Dollars)

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

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										<u>Current</u>	<u>Long-Term</u>
Hospital of Saint Raphael	A*	10/1/1984	N/A	N/A	N/A	2024	10.01%	N/A	45,030	-	-
Fairfield University	D*	11/20/1984	N/A	N/A	N/A	2009	Variable	2,224	2,300	-	-
Hospital Equipment	A*	3/1/1985	N/A	N/A	N/A	1995	6.66%	14,107	14,530	-	-
University of New Haven	C*	6/27/1985	N/A	N/A	N/A	2010	Variable	N/A	2,275	-	-
Yale-New Haven Hospital	D*	7/1/1985	N/A	N/A	N/A	2012	8.00%	44,882	45,900	-	-
Yale University	G-J*	10/15/1985	N/A	N/A	N/A	2015	Variable	90,400	90,400	-	-
William W. Backus Hospital	B*	11/15/1985	N/A	N/A	N/A	2005	Variable	4,733	4,860	-	-
Hartford Graduate Center	A*	11/20/1985	N/A	N/A	N/A	2006	Variable	5,558	5,700	-	-
Yale-New Haven Hospital	E*	11/1/1985	N/A	Kidder Peabody	PaineWebber	2012	Variable	14,964	15,000	-	-
Trinity College	B*	12/30/1985	Negotiated	Chemical Bank	PaineWebber	2010	Variable	10,590	10,700	-	-
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	-	-

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										<u>Current</u>	<u>Long-Term</u>
Waterbury Hospital	B*	11/1/1990	Negotiated	First Boston	P.G. Corbin	2020	7.10%	19,727	20,130	-	-
Yale-New Haven Hospital	F*	11/1/1990	Negotiated	Goldman Sachs	P.G. Corbin	2025	7.11%	123,529	124,395	-	-
Danbury Hospital	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	7,408	7,520	-	-
Independent Day School	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	832	845	-	-
University of New Haven	CAP C*	12/1/1990	Negotiated	Advest	P.G. Corbin	2020	6.95%	4,743	4,815	-	-
Kent School	A*	12/1/1990	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	Variable	25,792	26,000	-	-
Hospital of Saint Raphael	D*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	16,492	17,125	-	-
Hospital of Saint Raphael	E*	4/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	3,062	3,155	-	-
Stamford Hospital	C*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	15,307	15,585	-	-
Stamford Hospital	D*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	5,590	5,690	-	-
Stamford Hospital	E*	5/1/1991	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	939	965	-	-
Connecticut College	B*	8/31/1991	Negotiated	Advest	P.G. Corbin	2011	6.63%	5,704	5,800	-	-
Danbury Hospital	E**	9/1/1991	Negotiated	Cain Brothers	P.G. Corbin	2014	5.99%	36,708	37,620	-	-
Sharon Health Care, Inc.	A*	11/1/1991	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.92%	7,568	7,290	-	-
New Britain Memorial Hospital	A*	12/1/1991	Negotiated	Dillon Read	P.G. Corbin	2022	7.70%	43,703	44,805	-	-
Tolland County Health Care, Inc.	A*	12/1/1991	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.90%	8,762	8,900	-	-
Johnson Evergreen Corporation	A*	1/1/1992	Negotiated	Herbert J. Sims	P.G. Corbin	2022	8.24%	8,354	8,590	-	-
Saint Francis Hospital	B*	1/1/1992	Negotiated	Salomon Smith Barney	P.G. Corbin	2022	5.52%	27,301	27,845	-	-
Hospital of Saint Raphael	F*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.24%	20,249	20,570	-	-
Hospital of Saint Raphael	G*	1/1/1992	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.75%	7,338	7,455	-	-
Middlesex Hospital	C-G*	3/1/1992	Negotiated	Dillon Read	P.G. Corbin	2022	5.44%	37,481	38,940	-	-
Bridgeport Hospital	A*	3/1/1992	Negotiated	Kidder Peabody	P.G. Corbin	2018	5.51%	25,486	25,890	-	-
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	-	-

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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
Sacred Heart University	D*	4/1/1997	Negotiated	Advest	PFM	2027	6.44%	6,045	6,185	-	-
William W. Backus Hospital	D*	4/1/1997	Negotiated	Advest	PFM	2027	6.01%	16,724	17,240	-	-
Saint Mary's Hospital	D* & E*	5/1/1997	Negotiated	Roosevelt & Cross	P.G. Corbin	2014	5.94%	45,886	47,150	-	-
Choate Rosemary Hall	B*	7/8/1997	Negotiated	Lehman Brothers	PFM	2027	5.20%	31,474	33,075	-	-
Edgehill Retirement Community	A&B*	7/23/1997	Negotiated	Herbert J. Sims	P.G. Corbin	2027	6.87%	83,471	84,370	-	-
Suffield Academy	A*	9/24/1997	Negotiated	Advest	PFM	2027	5.41%	7,775	8,070	-	-
Sharon Hospital	A*	9/30/1997	Private	Bank Boston	N/A	2027	Variable	7,568	7,610	-	-
Middlesex Hospital	H*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	45,500	46,990	-	-
Middlesex Health Services	I*	10/9/1997	Negotiated	Paine Webber	PFM	2027	5.24%	8,160	8,450	-	-
Yale University	T**	11/5/1997	Negotiated	Goldman Sachs	N/A	2029	4.80%	249,488	250,000	-	93,625
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	1,760	1,860
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	-	-

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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
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	-	-
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
Hartford Hospital	B*	8/3/2000	Negotiated	Fleet Securities	PFM	2030	Variable	31,105	31,175	-	-
Rectory School	A*	11/9/2000	Negotiated	Gates Capital	Lamont Financial Services	2030	Variable	7,047	7,100	-	-
Westover School	A*	12/7/2000	Negotiated	Advest	P.G. Corbin	2030	5.70%	9,957	10,000	-	-
Edgehill Retirement Community	C*	12/13/2000	Negotiated	Merrill Lynch	P.G. Corbin	2027	Variable	21,641	22,000	-	-
Kent School	C*	2/15/2001	Negotiated	A.G. Edwards	PFM	2030	Variable	10,260	10,500	-	-
Trinity College	G*	3/28/2001	Negotiated	Advest	P.G. Corbin	2031	4.98%	49,399	50,000	-	-
Loomis Chaffee School	D*	5/23/2001	Negotiated	First Albany	Lamont Financial Services	2031	5.33%	27,561	27,625	-	-
Gunnery School, The	A*	5/24/2001	Negotiated	A.G. Edwards	PFM	2031	5.09%	10,956	11,455	-	-
Greenwich Academy	B*	5/31/2001	Negotiated	Salomon Smith Barney	PFM	2032	5.31%	31,603	32,920	-	-
United Methodist Home of Sharon	A*	6/1/2001	Negotiated	First Union	Lamont Financial Services	2031	Variable	7,671	7,740	-	-
Wesleyan University	D*	6/7/2001	Negotiated	Lehman Brothers	P.G. Corbin	2035	Variable	92,498	93,000	-	-
Yale University	V	7/12/2001	Negotiated	Lehman Brothers	N/A	2036	Variable	199,592	200,000	-	200,000
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	-	-

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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	200	6,450
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	750	4,250
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
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	300	2,035
Quinnipiac University	G*	11/18/2003	Negotiated	J.P. Morgan	P.G. Corbin	2023	Variable	16,214	16,340	-	-
Sacred Heart University	F*	12/11/2003	Negotiated	Advest	PFM	2033	Variable	21,581	21,700	-	-
Salisbury School	B*	2/19/2004	Negotiated	Quick & Reilly	PFM	2034	Variable	5,469	5,510	-	-
Fairfield University	K*	4/14/2004	Negotiated	J.P. Morgan	PFM	2034	Variable	37,820	38,075	-	-
University of Hartford	F*	5/6/2004	Negotiated	Advest	Lamont Financial Services	2034	Variable	24,851	25,000	-	-
Connecticut Children's Medical Center	B*	5/13/2004	Negotiated	Advest	PFM	2021	1.05%	21,287	21,285	-	-
Connecticut Children's Medical Center	C*	5/13/2004	Negotiated	Advest	PFM	2018	Variable	22,510	23,700	-	-
Lawrence & Memorial Hospital	E*	6/24/2004	Negotiated	UBS Financial Services	PFM	2034	Variable	22,086	22,990	-	-
Greenwich Academy	C*	6/25/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2037	Variable	11,676	11,770	-	-
Norwich Free Academy	A*	6/30/2004	Negotiated	Banc of America Securities	Lamont Financial Services	2034	4.91%	18,015	18,740	-	-
Trinity College	H*	7/5/2004	Negotiated	Advest	P.G. Corbin	2026	4.74%	33,720	33,370	-	-
Eastern CT Health Network	B*	7/21/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	20,000	20,000	-	-
Greenwich Academy	D*	9/16/2004	Negotiated	Citigroup Global Markets	Lamont Financial Services	2026	4.20%	15,366	15,490	-	-
Kent School	D*	10/6/2004	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2023	4.14%	22,697	21,725	-	-
Trinity College	I*	12/9/2004	Negotiated	Advest	P.G. Corbin	2034	Variable	15,000	15,000	-	-
Hospital of Saint Raphael	L*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	29,525	29,525	-	-
Hospital of Saint Raphael	M*	12/16/2004	Negotiated	UBS Financial Services	PFM	2024	Variable	30,420	30,420	-	-
Griffin Hospital	B*	2/1/2005	Negotiated	Wachovia Securities	PFM	2023	4.56%	25,770	24,800	-	-

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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	3,200	19,065
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	875	20,995
Jerome Home	D	3/29/2007	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	365	8,455
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	-	-

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The Stanwich School	A*	5/3/2007	Private	Merrill Lynch	N/A	2037	Variable	15,500	15,500	-	-
Griffin Hospital ***	C*	5/15/2007	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	23,125	23,125	-	-
Griffin Hospital ***	D*	5/15/2007	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	10,925	10,925	-	-
Chase Collegiate School	A*	6/7/2007	Negotiated	Stifel, Nicolaus	P.G. Corbin	2037	4.80%	11,296	11,060	-	-
Choate Rosemary Hall	C*	6/21/2007	Negotiated	Lehman Brothers	PFM	2037	Variable	42,000	42,000	-	-
Hospital for Special Care	C*	6/28/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	5.12%	47,786	46,635	-	-
Hospital for Special Care	D*	6/28/2007	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	Variable	15,000	15,000	-	-
Gaylord Hospital	B	7/3/2007	Negotiated	Banc of America Securities	Lamont Financial Services	2037	Variable	21,530	21,530	940	11,960
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	3,065	20,735
Yale New Haven	K-1*	5/14/2008	Negotiated	Lehman Brothers	PFM	2025	Variable	54,555	54,555	-	-
Yale New Haven	K-2*	5/14/2008	Negotiated	Lehman Brothers	PFM	2025	Variable	54,550	54,550	-	-
Yale New Haven	L-1*	5/14/2008	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	-
Yale New Haven	L-2*	5/14/2008	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	-
Salisbury School	C*	5/22/2008	Negotiated	Stifel, Nicolaus & Company	P.G. Corbin Group	2038	4.73%	49,782	48,160	-	-
St. Francis Hospital	E*	5/29/2008	Negotiated	Cain Brothers & Company	Lamont Financial Services	2027	6.11%	39,745	39,745	-	-
Mid State Medical Center	HEI B-1*	6/18/2008	Negotiated	Banc of America Securities	PFM	2038	Variable	30,000	30,000	-	-
Hopkins School	B*	6/26/2008	Negotiated	Lehman Brothers	P.G. Corbin Group	2038	4.73%	9,240	9,240	-	-
Danbury Hospital	J*	6/27/2008	Negotiated	Wachovia Securities	PFM	2036	Variable	35,580	35,580	-	-
St. Francis Hospital	F*	6/30/2008	Negotiated	Cain Brothers & Company	Lamont Financial Services	2047	Variable	175,000	175,000	-	-
University of New Haven	H*	7/2/2008	Negotiated	Wachovia	Lamont Financial Services	2038	Variable	46,000	46,000	-	-
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	-	-
Trinity College	L	8/5/2008	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	570	9,255
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	-	-

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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	425	4,000
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
Yale University	2010 A-4	2/24/2010	Negotiated	Barclays Capital	PFM	2049	4.22%	150,000	150,000	-	150,000
Fairfield University	O*	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2040	5.03%	73,820	73,820	-	-
Fairfield University	P	3/17/2010	Negotiated	J. P. Morgan	Lamont Financial Services	2028	4.50%	11,095	11,095	685	6,865
Ascension Health	2010*	3/25/2010	Negotiated	Morgan Stanley	N/A	2040	4.96%	93,265	93,265	-	-
Catholic Health East	2010	4/7/2010	Negotiated	Merrill Lynch	N/A	2029	4.71%	19,560	19,560	1,280	-
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
Stamford Hospital	I	5/27/2010	Negotiated	Goldman Sachs	Acacia Financial	2030	4.80%	132,990	132,990	6,280	81,120
Trinity College	M*	6/29/2010	Negotiated	Stifel, Nicolaus & Company	Public Financial	2028	4.10%	22,230	22,230	-	-
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	-	-
University of Bridgeport	C*	12/9/2010	Private	RBC Capital	N/A	2040	3.98%	30,000	30,000	-	-
Norwalk Hospital	G*	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2025	5.12%	25,000	25,000	-	-
Norwalk Hospital	H*	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.49%	10,040	10,040	-	-
Norwalk Hospital	I*	12/9/2010	Private	Shattuck Hammond Partners LLC	N/A	2020	3.40%	11,800	11,800	-	-
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	220	7,865
Western CT Healthcare	K*	6/17/2011	Private	Morgan Keegan & Company, Inc	N/A	2036	Variable	33,035	33,035	-	-
Sacred Heart University	G*	6/29/2011	Negotiated	RBC Capital	Lamont Financial Services	2041	5.46%	43,905	43,905	-	-
Connecticut College	H-1	6/30/2011	Negotiated	RBC Capital	Lamont Financial Services	2041	4.99%	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	170	2,670
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	-	-
Middlesex Hospital	N	7/26/2011	Negotiated	Piper Jaffray & Co.	PFM	2027	4.26%	37,360	37,360	2,865	5,410
Loomis Chaffee School	H	8/23/2011	Negotiated	RBC Capital	N/A	2024	3.72%	7,740	7,740	650	2,955
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	-	-
Hartford HealthCare Corporation	B*	9/29/2011	Negotiated	Merrill Lynch	N/A	2049	Variable	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	-	-
Rectory School	B	1/5/2012	Private	George K. Baum & Company	N/A	2041	Variable	7,500	7,500	198	5,889

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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	-	-
Brunswick School	C	3/19/2012	Negotiated	Bank of America Merrill Lynch	Acacia Financial	2033	3.76%	38,470	38,470	1,530	27,490
Connecticut College	I	4/4/2012	Negotiated	RBC Capital	PFM	2032	3.74%	12,240	12,240	125	6,850
Winston Preparatory School	A	4/13/2012	Private	Stifel, Nicolaus & Company	N/A	2022	Variable	11,378	11,378	309	9,504
University of Hartford	H*	4/26/2012	Private	RBC Capital	N/A	2032	Variable	30,000	30,000	-	-
University of Hartford	I*	4/26/2012	Private	RBC Capital	N/A	2032	2.85%	28,600	28,600	-	-
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	2,880	16,665
Pomfret School	B-1	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.59%	2,200	2,200	75	1,760
Pomfret School	B-2	6/14/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	6.09%	15,550	15,550	520	12,580
Stamford Hospital	J	6/20/2012	Negotiated	Goldman Sachs	Lamont Financial Services	2042	4.83%	250,000	250,000	1,850	243,140
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	-	-
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	310	6,530
University of Bridgeport	D*	11/2/2012	Private	RBC Capital	N/A	2042	Variable	12,000	12,000	-	-
Taft School, The	I	11/7/2012	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2032	2.58%	18,462	18,060	1,705	11,345
Norwalk Hospital	J*	12/7/2012	Private	Hammond Hanlon Camp LLC	N/A	2039	Variable	82,000	82,000	-	-
Canterbury School	C*	12/28/2012	Private	Stifel, Nicolaus & Company	N/A	2036	Variable	7,160	7,160	-	-
Washington Montessori School	B	1/25/2013	Private	N/A	N/A	2036	Variable	6,339	6,339	240	4,473
Yale New Haven	N	2/14/2013	Negotiated	Barclays Capital	Acacia Financial	2048	3.43%	49,999	44,815	1,195	42,470
Yale New Haven	O	2/14/2013	Negotiated	Barclays Capital	Acacia Financial	2053	Variable	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	575	10,755
Pierce Memorial Baptist	B	3/13/2013	Private	Ziegler Capital Markets Group	N/A	2038	3.44%	11,454	11,454	376	8,727
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	3,065
Ethel Walker School	C	4/3/2013	Private	Stifel, Nicolaus & Company	N/A	2040	Variable	8,665	8,665	300	7,020
UConn Foundation	C	4/24/2013	Private	Wells Fargo	N/A	2023	1.90%	20,000	20,000	2,500	5,000
King Low Heywood School	B	4/30/2013	Private	N/A	A.C. Advisory	2033	2.17%	9,100	9,100	385	6,215
Day Kimball Hospital	B	6/6/2013	Private	Piper Jaffray & Co.	N/A	2043	5.78%	30,330	30,330	1,260	20,200
Yale University	2013A	7/2/2013	Negotiated	J.P. Morgan	N/A	2042	Variable	100,000	100,000	-	100,000
Williams School	B*	8/13/2013	Private	N/A	N/A	2031	Variable	4,195	4,195	-	-
South Kent School	A*	8/29/2013	Private	Stifel, Nicolaus & Company	N/A	2039	Variable	7,300	7,300	-	-
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	480	6,589
Lawrence & Memorial Hospital	G	10/10/2013	Private	Morgan Stanley	Fairmount Capital	2038	3.25%	30,000	30,000	1,000	23,785
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	431	19,652
University of Saint Joseph	C	11/1/2013	Private	RBC	N/A	2038	Variable	10,800	10,800	348	8,364
University of Saint Joseph	D	11/1/2013	Private	RBC	N/A	2043	3.55%	10,800	10,800	288	8,849
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	458	10,671
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	-	-

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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	4,358
Hartford HealthCare Corporation	E	3/26/2014	Negotiated	Citigroup Global Markets	Fairmount Capital	2042	4.82%	85,959	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
Yale-New Haven Hospital	B	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2049	Variable	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	7,565	41,850
Yale-New Haven Hospital	D	6/23/2014	Negotiated	Barclays Capital	Acacia Financial	2048	Variable	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	2,830	65,770
Trinity College	N	7/15/2014	Private	N/A	A.C. Advisory	2026	2.67%	22,535	22,535	1,872	9,709
Yale University	2014A	7/23/2014	Negotiated	Barclays Capital	N/A	2048	0.81%	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	455	18,040
Duncaster Incorporated	A	9/24/2014	Negotiated	Ziegler Capital Markets Group	A.C. Advisory	2044	5.09%	11,881	12,000	-	12,000
University of Bridgeport	E*	9/30/2014	Private	Oppenheimer & Co, Inc.	N/A	2024	1.45%	25,000	25,000	-	-
Connecticut College	J	9/30/2014	Private	RBS Citizens, N.A.	N/A	2044	3.17%	9,200	9,200	252	8,786
Connecticut College	K	9/30/2014	Private	RBS Citizens, N.A.	N/A	2044	TBD	3,300	3,300	96	3,141
Our Piece of the Pie	A	9/30/2014	Private	N/A	N/A	2044	3.78%	5,600	5,600	108	4,521
Kent School	G	11/13/2014	Negotiated	Stifel, Nicolaus & Company	A.C. Advisory	2023	1.92%	12,765	11,545	1,325	3,975
Cherry Brook Health Care Center	B	12/11/2014	Private	N/A	Acacia Financial	2024	3.03%	4,200	4,200	420	1,628
Greater Hartford YMCA	D	12/23/2014	Private	N/A	N/A	2044	2.24%	27,500	27,500	920	22,755
Choate Rosemary Hall	E*	3/27/2015	Private	N/A	N/A	2037	3.64%	36,110	36,110	-	-
Westminster School	I	4/30/2015	Private	Stifel, Nicolaus & Company	N/A	2026	2.03%	5,556	5,556	474	2,778
Western CT Healthcare	O*	5/8/2015	Private	N/A	N/A	2041	0.97%	122,120	122,120	-	-
Hartford HealthCare Corporation	G	5/12/2015	Negotiated	Morgan Stanley	N/A	2045	4.59%	76,203	71,965	-	58,965
Hartford HealthCare Corporation	F*	5/12/2015	Negotiated	Morgan Stanley	N/A	2049	1.10%	50,665	50,665	-	-
Middlesex Hospital	O	5/19/2015	Negotiated	Piper Jaffray & Co.	Acacia Financial	2036	3.90%	19,492	18,275	655	15,165
Yale University	2015A	7/1/2015	Negotiated	Barclays Capital	N/A	2035	Variable	300,000	300,000	-	300,000
Canterbury School	D*	7/14/2015	Private	Stifel Nicolaus	Acacia Financial	2035	4.05%	10,757	10,757	-	-
Trinity College	O*	7/15/2015	Private	N/A	A.C. Advisory	2037	2.71%	22,890	22,890	-	-
University of Hartford	J*	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2045	Variable	20,450	20,515	-	-
University of Hartford	K*	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	14,935	15,000	-	-
University of Hartford	L*	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	Variable	9,935	10,000	-	-
University of Hartford	M*	7/24/2015	Private	Oppenheimer & Co, Inc.	N/A	2036	3.06%	9,935	10,000	-	-
Miss Porter's School	C-1	8/18/2015	Private	George K. Baum & Company	N/A	2045	3.47%	9,388	9,388	8,476	-
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	1,023	-
Westminster School	J	8/19/2015	Private	Stifel Nicolaus	N/A	2040	3.07%	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	6,930	304,825
Church Homes	B	11/18/2015	Private	N/A	N/A	2030	2.62%	15,282	15,282	467	11,339
Ridgefield Academy	B	12/3/2015	Private	Piper Jaffray & Co.	N/A	2035	Variable	9,736	9,736	496	7,003
Salisbury School	D	12/10/2015	Private	Stifel Nicolaus	N/A	2046	3.09%	48,194	48,194	1,134	42,706
Trinity College	P*	12/17/2015	Private	Stifel Nicolaus	N/A	2025	Variable	23,000	23,000	-	-

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					<u>Financial Advisor</u>	<u>Maturity</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Issued</u>	<u>Current</u>	<u>Long-Term</u>
Trinity Health	2016	1/26/2016	Negotiated	Bank of America Merrill Lynch	N/A	2045	4.28%	248,808	220,325	1,875	210,215
Charlotte Hungerford Hospital	D*	2/23/2016	Private	N/A	N/A	2036	2.24%	13,000	13,000	-	-
Fairfield University	Q1	2/25/2016	Negotiated	J.P. Morgan	Acacia Financial	2046	4.48%	53,425	46,600	-	46,600
Fairfield University	Q2	3/30/2016	Negotiated	J.P. Morgan	Acacia Financial	2034	3.03%	20,007	17,645	975	15,715
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
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	4,080	89,050
Miss Porter's School	C-2 (C)	4/4/2016	Private	George K. Baum & Company	Acacia Financial	2045	3.56%	7,567	7,567	6,901	-
Middlesex Hospital	P	6/10/2016	Private	Piper Jaffray & Co.	N/A	2027	2.03%	9,610	9,683	874	5,314
Ethel Walker School	D-1	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	8,145	8,145	290	6,870
Ethel Walker School	D-2	6/15/2016	Private	Stifel Nicolaus	N/A	2040	Variable	5,000	5,000	200	2,464
Saint Joseph's Living Center	B(R)	6/15/2016	Private	N/A	N/A	2023	Variable	2,840	2,840	84	2,450
Yale University	2016 A-1	7/1/2016	Negotiated	Barclays Capital	N/A	2042	1.51%	150,000	249,320	-	150,000
Yale University	2016 A-2	7/1/2016	Negotiated	Barclays Capital	N/A	2042	1.51%	249,696	150,000	-	249,320
Eagle Hill School	B	7/12/2016	Private	Gates Capital	N/A	2026	2.33%	14,740	14,740	455	12,990
Stamford Hospital	F	7/27/2016	Negotiated	Goldman Sachs	N/A	2046	3.78%	50,609	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	1,785	27,870
Connecticut College	L-1	9/21/2016	Negotiated	Oppenheimer & Co, Inc.	N/A	2046	3.56%	45,061	40,725	-	40,725
Connecticut College	L-2	9/21/2016	Negotiated	Oppenheimer & Co, Inc.	N/A	2027	2.49%	12,910	12,910	1,270	8,915
Hospital for Special Care	F	10/6/2016	Private	Oppenheimer & Co, Inc.	N/A	2038	2.63%	23,661	42,837	1,716	37,344
Masonicare	F	11/15/2016	Negotiated	Ziegler Capital Markets Group	Fairmount Capital	2043	4.56%	116,589	110,030	2,465	101,500
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	-	-
Griffin Hospital	F*	1/20/2017	Private	PFM	Acacia Financial	2022	2.48%	7,930	7,930	-	-
Loomis Chaffee School	I-1	02/24/17	Negotiated	Stifel Nicolaus	N/A	2038	2.79%	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	360	2,105
Western CT Healthcare	P*	3/1/2017	Private	Kaufman, Hall & Associates	N/A	2036	2.29%	40,390	40,390	-	-
Hopkins School	D	3/8/2017	Private	Stifel Nicolaus	N/A	2032	2.59%	7,860	7,860	305	6,715
Odd Fellows Healthcare	A	3/9/2017	Private	SK Advisors	N/A	2047	Variable	18,923	18,960	330	17,710
Trinity College	Q	4/26/2017	Private	Citizens Bank, N.A.	N/A	2026	2.57%	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	464	18,336
Yale University	2017 A-1	6/7/2017	Negotiated	Barclays Capital	N/A	2042	1.50%	99,999	85,460	-	85,460
Yale University	2017 A-2	6/7/2017	Negotiated	Barclays Capital	N/A	2042	1.50%	99,999	85,460	-	85,460
Yale University	2017 B-1	6/7/2017	Negotiated	Barclays Capital	N/A	2029	1.17%	124,995	112,100	29,670	82,430
Yale University	2017 B-2	6/7/2017	Negotiated	Barclays Capital	N/A	2037	1.17%	124,995	112,100	-	112,100
Westover School	C	6/13/2017	Private	George K. Baum & Company	N/A	2032	2.81%	14,539	6,791	168	6,623
Westover School	D	6/13/2017	Private	George K. Baum & Company	N/A	2032	2.81%	6,791	14,539	360	14,179
LiveWell Alliance	A	11/1/2017	Private	Ziegler Capital Markets Group	N/A	2025	Variable	11,636	11,636	546	9,698
Middlesex Hospital Issue	Q	11/21/2017	Private	Piper Jaffray & Co.	N/A	2027	2.29%	11,512	11,599	196	10,846
Sacred Heart University	I-1	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2042	2.46%	156,732	134,850	3,525	124,780
Sacred Heart University	I-2	11/22/2017	Negotiated	Oppenheimer & Co, Inc.	Fairmount Capital	2028	3.08%	25,702	25,805	1,965	20,015
Sacred Heart University	J-1	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2041	Variable	53,465	53,465	1,872	46,037
Sacred Heart University	J-2	11/22/2017	Private	Oppenheimer & Co, Inc.	Fairmount Capital	2022	Variable	2,300	2,300	472	533
Ocean Community YMCA	A-1	12/14/2017	Private	N/A	N/A	2047	Variable	1,996	2,000	250	605
Ocean Community YMCA	A-2	12/14/2017	Private	N/A	N/A	2047	3.04%	3,992	4,000	144	3,671

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New Canaan YMCA	A	12/15/2017	Private	N/A	N/A	2043	2.99%	9,145	9,145	240	7,283
Hebrew Life	C	12/18/2017	Private	N/A	N/A	2047	3.08%	14,500	14,500	316	13,433
Fairfield University	R	12/20/2017	Negotiated	Goldman Sachs	Acacia Financial	5047	3.81%	121,555	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
Yale University	2017 C-2	12/22/2017	Negotiated	Barclays Capital	N/A	2023	4.62%	300,003	260,110	-	260,110
Marvelwood School	B	12/28/2017	Private	Gates Capital	N/A	2042	Variable	6,328	6,328	188	5,706
Loomis Chaffee School	J	3/15/2018	Private	Stifel Nicolaus	N/A	2034	Variable	7,500	7,500	195	6,695
Fairfield University	S	4/4/2018	Negotiated	Goldman Sachs	Acacia Financial	2034	3.08%	75,080	66,545	4,445	61,865
University of New Haven	K-1	5/1/2018	Negotiated	Wells Fargo	PFM	2039	4.00%	97,265	86,455	-	86,455
University of New Haven	K-2	5/1/2018	Negotiated	Wells Fargo	PFM	2020	3.55%	10,208	10,250	3,485	-
Yale University	2018A	7/2/2018	Negotiated	Barclays Capital	N/A	2025	2.44%	79,969	67,610	-	67,610
Brass City Charter School	A	7/31/2018	Private	N/A	N/A	2028	Variable	3,375	3,400	61	3,339
Cornell Scott Hill-Health Corporation	A	8/2/2018	Private	N/A	N/A	2038	Variable	8,000	8,000	252	7,304
Taft School, The	K	9/11/2018	Negotiated	Stifel Nicolaus	Acacia Financial Group	2037	3.53%	22,539	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	1,130	44,900
University of New Haven	K-3	11/28/2018	Negotiated	Wells Fargo	PFM	2048	4.66%	26,797	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
Greenwich Country Day School	A	12/19/2018	Private	N/A	N/A	2048	Variable	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
Westminster School	K	4/11/2019	Negotiated	Stifel Nicolaus	Acacia Financial Group	2042	3.79%	8,967	9,075	-	9,075
Bristol Hospital	2019A	6/14/2019	Private	Cain Brothers & Company	N/A	2049	4.56%	37,111	34,630	-	34,630
Greenwich Academy	F-1	8/22/2019	Private	George K. Baum & Company	N/A	2049	1.90%	20,000	20,000	-	20,000
Greenwich Academy	F-2	8/22/2019	Private	George K. Baum & Company	N/A	2049	2.20%	15,000	15,000	-	15,000
Nuance	2019 A	8/28/2019	Negotiated	Bank of America Merrill Lynch	N/A	2049	3.12%	504,628	340,110	8,040	332,070
Mary Wade	A-1	9/26/2019	Negotiated	Herbert J. Sims & Co.	Acacia Financial Group	2028	4.67%	46,514	42,800	100	42,700
Mary Wade	A-2	9/26/2019	Negotiated	Herbert J. Sims & Co.	Acacia Financial Group	2028	4.67%	2,848	2,900	-	2,900
Westport/Weston YMCA	A	11/14/2019	Private	Not for Profit Strategies	N/A	2049	3.45%	25,000	20,000	-	20,000
University of Hartford	N	12/5/2019	Negotiated	Oppenheimer & Co, Inc.	Acacia Financial Group	2021	3.68%	144,694	132,000	-	132,000
University of Hartford	O	12/5/2019	Negotiated	Oppenheimer & Co, Inc.	Acacia Financial Group	2049	3.05%	1,650	1,650	-	1,650
Griffin Hospital	G-1	1/8/2020	Negotiated	UBS Financial Services	PFM	2027	4.28%	67,523	58,540	-	58,540
Griffin Hospital	G-2	1/8/2020	Negotiated	UBS Financial Services	PFM	2050	5.89%	5,055	5,055	-	5,055
Hartford Health Care	2020 A	1/29/2020	Negotiated	Citigroup Global Markets	N/A	2053	3.02%	222,731	183,590	-	183,590
Hartford Health Care	2020 -B-1	1/29/2020	Negotiated	Citigroup Global Markets	N/A	2053	1.28%	71,454	60,635	-	60,635
Hartford Health Care	2020 -B-2	1/29/2020	Negotiated	Citigroup Global Markets	N/A	2040	1.54%	60,983	49,550	-	49,550
Hartford Health Care	2020 -C	4/2/2020	Negotiated	Citigroup Global Markets	N/A	2045	3.60%	13,226	11,995	-	11,995
Canterbury School	E	1/30/2020	Private	Salisbury Bank and Trust Co.	N/A	2030	2.65%	19,122	19,122	-	19,122
Choate Rosemary Hall	F	2/28/2020	Private	Oppenheimer & Co, Inc.	N/A	2042	2.61%	38,539	31,555	285	31,270
Hamden Hall	B	5/1/2020	Private	Oppenheimer & Co, Inc.	N/A	2039	1.90%	20,385	20,385	647	19,738
Kent School	I	5/28/2020	Private	Stifel Nicolaus	N/A	2030	2.61%	5,615	5,615	-	5,615
Trinity College	R	6/29/2020	Negotiated	Barclays Capital	Public Financial	2045	3.37%	59,246	49,015	-	49,015
Total Hospital, Education & Other								20,935,182	21,273,432	162,825	7,595,097

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	-	-

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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	1,385	16,000
Child Care Program	2015	04/01/15	Negotiated	Piper Jaffray & Co.	Acacia	2038	3.67%	35,709	33,475	1,070	27,500
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	2,455	43,500
<u>Special Capital Reserve Fund Program (SCRF)</u>											
Noble Horizons	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	6,270	6,435	-	-
Cherry Brook Nursing Center	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,154	9,380	-	-
Mansfield Center for Nursing and Rehabilitation	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.05%	9,807	10,045	-	-
St. Joseph's Living Center	SCRF	01/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2019	5.08%	13,070	13,385	-	-
Sharon Health Care	SCRF*	04/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2021	6.28%	8,832	8,975	-	-
St. Joseph's Manor	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	6.24%	12,632	12,805	-	-
Pope John Paul II Center for Health Care	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2013	6.11%	9,361	9,450	-	-
St. Camillus Health Center	SCRF*	07/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2018	6.27%	13,819	14,020	-	-
Jewish Home for the Elderly	SCRF*	08/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2020	6.28%	7,591	7,750	-	-
Wadsworth Glen	SCRF*	10/13/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.55%	7,403	7,445	-	-
Highland View Manor	SCRF*	10/13/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.52%	9,955	10,010	-	-
AHF Hartford	SCRF*	11/15/94	Negotiated	J. P. Morgan/ US Sec	P.G. Corbin	2024	7.40%	43,880	45,495	-	-
AHF Windsor	SCRF*	11/15/94	Negotiated	J. P. Morgan/ US Sec	P.G. Corbin	2024	7.35%	15,439	16,020	-	-
New Horizons Village	SCRF*	11/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2016	7.15%	9,975	10,050	-	-
Maefair Health Care	SCRF*	06/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	9.15%	12,688	12,705	-	-
Shady Knoll	SCRF*	09/01/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	8.83%	10,410	10,460	-	-
Laurelwood	SCRF*	11/15/94	Negotiated	Herbert J. Sims	P.G. Corbin	2024	9.35%	13,766	13,800	-	-
Sheriden Woods	SCRF*	03/15/95	Negotiated	Herbert J. Sims	P.G. Corbin	2017	8.70%	9,925	9,915	-	-
Abbott Terrace Health Center	SCRF*	04/15/96	Negotiated	Herbert J. Sims	P.G. Corbin	2014	6.41%	13,235	13,430	-	-
3030 Park Fairfield	SCRF*	05/15/96	Negotiated	Herbert J. Sims	P.G. Corbin	2021	6.90%	18,383	18,825	-	-
Connecticut State University System	A**	11/05/95	Competitive	First Albany	PFM	2015	5.12%	44,449	44,580	-	-
Connecticut State University System	B**	03/15/97	Competitive	Merrill Lynch	PFM	2017	5.31%	38,757	38,995	-	-
Connecticut State University System	C**	11/01/99	Competitive	Merrill Lynch	PFM	2019	5.20%	22,394	23,000	-	-
Connecticut State University System	D**	03/26/02	Competitive	Goldman Sachs	PFM	2022	4.73%	76,879	76,150	-	-
Connecticut State University System	E**	05/29/03	Competitive	CitiGroup Global Market	PFM	2033	4.35%	146,897	142,090	-	-
Connecticut State University System	F**	02/18/04	Competitive	CitiGroup Global Market	PFM	2015	3.38%	53,303	49,475	-	-
Connecticut State University System	G*	06/17/05	Competitive	Wachovia Bank, NA	PFM	2035	3.94%	51,108	50,595	-	-
Connecticut State University System	H*	06/17/05	Competitive	CitiGroup Global Market	PFM	2019	4.10%	53,285	48,515	-	-
Connecticut State University System	I	04/18/07	Competitive	Wachovia Bank, NA	PFM	2033	4.20%	62,416	62,760	-	15,160
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,235	16,970
Connecticut State University System	K*	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	-	-
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	15	45,500
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	1,455	24,345
Connecticut State University System	N	10/23/2013	Competitive	Competitive	PFM	2033	3.94%	89,171	80,340	3,260	60,615
Connecticut State University System	O	9/16/2014	Competitive	Roosevelt & Cross	PFM	2030	2.63%	23,228	21,240	20	16,770
Connecticut State University System	P-1	9/13/2016	Competitive	CitiGroup Global Market	PFM	2036	2.64%	61,855	55,030	1,980	47,660

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2020
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA Financial Advisor</u>	<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>		
										<u>Current</u>	<u>Long-Term</u>	
Connecticut State University System	P-2	9/3/2016	Competitive	CitiGroup Global Market	PFM	2035	2.30%	20,438	19,530	-	5,080	
Connecticut State University System	Q-1	5/10/2019	Competitive	UBS Financial Services	PFM	2039	3.02%	77,700	71,260	2,215	69,045	
Connecticut State University System	Q-2	5/10/2019	Competitive	Wells Fargo	PFM	2031	2.72%	23,332	20,845	8,165	12,680	
Total SCRF <i>(SCRF total represents a contingent liability of the State of Connecticut)</i>									1,231,261	1,187,305	18,345	313,825
Total CHEFA Issued Debt									22,308,608	22,601,902	183,625	7,952,422

**Summary of Indebtedness
at June 30, 2020**

	<u>Amount Issued</u>	<u>Outstanding</u>	
		<u>Current</u>	<u>Long-Term</u>
Health, Education & Other	21,273,432	162,825	7,595,097
SCRF - Nursing Home	260,400	-	-
SCRF - Connecticut State University	926,905	18,345	313,825
Childcare	141,165	2,455	43,500
Total CHEFA Debt Outstanding	22,601,902	183,625	7,952,422

Definitions:

Current - Bonds payable after June 30, 2020 but prior to June 30, 2021

Long-term - Bonds payable after June 30, 2020

*Defeased issue

**Partially defeased issue

*** Converted to Fixed Rate



CHEFA

EXHIBIT B - FISCAL YEAR 2020
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, 2020

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, 2020, 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, 2020, 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 17 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 24, 2020, on our consideration of the Connecticut Health and Educational Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Connecticut Health and Educational Facilities Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Connecticut Health and Educational Facilities Authority's internal control over financial reporting and compliance.



Hartford, Connecticut
September 24, 2020



CHEFA

Connecticut Health & Educational
Facilities Authority

Management's Discussion and Analysis For the Year Ended June 30, 2020 (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, 2020. 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 will be 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 recognizes the CCDC loss of \$137) decreased \$922 for the fiscal year resulting from operating income of \$1,941 net of nonoperating expenses (including grants and childcare expenses) of \$3,058 offset by investment income of \$195.



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- CHESLA's net position increased by \$451 for the fiscal year resulting from operating income of \$9,402 net of operating expenses of \$10,806, offset by investment income of \$1,855.
- CSLF's net position increased \$1,321 for the fiscal year, resulting from operating income of \$1,732 and nonoperating expenses of \$500 in contributions to CHESLA, offset by investment income of \$89.
- CHESLA's loan activity during the fiscal year was the issuance of new loans, net of returns, totaling \$23,350 from the in-school loan program and \$2,256 from the Refi CT program. Payments received of \$22,105, net of adjustments, include \$19,643 from the in-school loans and the remainder from the Refi CT loans.
- CSLF received loan payments of \$30,368 during the fiscal year.
- CHESLA issued debt of \$26,955 to be used for in-school loans and refinancing of prior bonds.
- CSLF's bonds payable decreased by \$27,800 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.



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

Financial Analysis

Assets exceeded liabilities at June 30, 2020. 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 33%. CHEFA's net position invested in capital assets was 2%. The remaining portion of net position (65%) is unrestricted.

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

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

	CHEFA	
	2020	2019
Current and other assets	\$ 320,396	\$ 226,948
Capital assets (net)	245	223
Total assets	320,641	227,171
Assets held on behalf of the State of CT	2,163	2,165
Other liabilities	304,937	210,543
Total liabilities	307,100	212,708
Net investment in capital assets	245	223
Restricted	4,448	4,448
Unrestricted	8,848	9,792
Total net position	\$ 13,541	\$ 14,463

At June 30, 2020 – CCDC maintained \$244 in current liabilities (Due to CHEFA) and an unrestricted net position of (\$244), 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 decreased \$922 (a loss of \$785 for CHEFA and a \$137 loss for CCDC).



A statement of changes in net position follows:

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

	CHEFA	
	2020	2019
Operating revenues:		
Administrative fees	\$ 5,605	\$ 7,488
Supporting services fees	146	282
Bond issuance fees	65	45
Other revenues	-	3
Total operating revenues	5,816	7,818
Operating expenses:		
Salaries and related expenses	3,018	2,943
General and administrative	535	611
Contracted services	322	267
Total operating expenses	3,875	3,821
Operating income	1,941	3,997
Nonoperating income (expenses):		
Investment income	195	330
Payment to State	-	(900)
Grants and childcare subsidy expense	(3,058)	(2,957)
Total nonoperating expenses	(2,863)	(3,527)
Change in net position	(922)	470
Net position, July 1, 2019	14,463	13,993
Net position, June 30, 2020	\$ 13,541	\$ 14,463

At June 30, 2020, CCDC expenses included above totaled \$2 in general and administrative and \$135 in contracted services, for a total change in unrestricted net position of (\$137).



CHEFA

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Revenues

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

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

Revenues totaled \$5,816 for fiscal year 2020. Administrative fees are the largest revenue source and represent 96% of total revenues. Supporting services fees for support services provided to CHESLA, CSLF and CCDC totaled \$146, representing 3% of revenues for the year. The balance includes application fees for the conduit debt issued and other revenues at 1%.

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

- In response to the COVID-19 pandemic, the Authority board approved a waiver of 25% of the annual Administrative fees due by June 30, 2020, and; a deferral of another 25% of the fees to September 2020. As a result, and due to the change in the par value of loans outstanding at June 30, 2020 compared to June 30, 2019, Administrative fees decreased to \$5,605. 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, 2020 was \$8,136,047 as compared to \$8,408,386 at June 30, 2019.

During the year, CHEFA had 19 issues of new conduit debt totaling \$1,069,517 in par value, of which 62% was the refinancing of pre-existing debt.

- Nonoperating investment income decreased by \$135 to \$195 from \$330 recognized in fiscal year 2019. This is a result of interest rate decreases as compared to the prior year.
- Supporting services fees decreased to \$146 from the 2019 level of \$282. This is due to a change in the method of billing through the integration of cost center tracking with payroll processing during fiscal year 2020.

Expenses

Expenses totaled \$3,875 for the fiscal year. Of the expenses, 78% or \$3,018 was for salaries and related expenses. General and administrative expenses amounted to \$535, or 14%, while contracted services amounted to \$322 or 8%.

Significant changes from the prior year are as follows:

- Salaries and related expenses increased by \$75 from fiscal year 2019 to \$3,018 in fiscal year 2020.
- Contracted services increased by \$55 from fiscal year 2019 to \$322 in fiscal year 2020.
- Grants and childcare subsidy expense increased from fiscal year 2019 by \$101.



CHEFA

Connecticut Health & Educational
Facilities Authority

Capital Assets

At June 30, 2020, CHEFA's capital assets amounted to \$245, net of depreciation. This includes leasehold improvements, furniture and fixtures, and computer and office equipment. Capital assets increased by \$22 due to capital asset additions of \$86, offset by depreciation of \$64. Capital asset purchases during the year were related primarily to the ongoing implementation of an accounting system.

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.

In May 2020, the CHEFA Board of Directors approved three initiatives to provide financial assistance to CHEFA clients during the COVID-19 pandemic crisis to include the following:

1. Creating a revolving loan fund for working capital financing,
2. In June 2020, the Board approved the grant recipients for the \$3 million fiscal year 2021 grant program. This program was restructured to provide relief specifically related to the pandemic available for distribution in three tranches, as funds become available,
3. Restructuring the fiscal year 2021 grant programs to provide relief specifically related to the pandemic available for distribution in three tranches as funds become available, and
4. To provide a level of cash-flow relief:
 - a. three months of administrative fees due by June 30, 2020 were waived (effectively reducing fiscal year 2020 administrative fee revenues), and;
 - b. deferring the billing of three months of administrative fees due by June 30, 2020 to the first quarter of fiscal year 2021.

Connecticut Higher Education Supplemental Loan Authority (CHESLA)

Financial Analysis

For CHESLA, assets exceeded liabilities at June 30, 2020. 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%. CHESLA's net position invested in capital assets was less than 0.01%. The remaining portion of net position (20%) is unrestricted.



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

Summary Statement of Net Position
(in thousands)

	CHESLA	
	2020	2019
Current and other assets	\$ 228,131	\$ 212,005
Capital assets, net	3	3
Total assets	228,134	212,008
Long-term liabilities outstanding	193,048	176,543
Other liabilities	1,240	1,070
Total liabilities	194,288	177,613
Deferred inflows of resources	507	1,507
Net invested in capital assets	3	3
Restricted	26,553	26,471
Unrestricted	6,783	6,414
Total net position	\$ 33,339	\$ 32,888

CHESLA's unrestricted net position consists of board designated assets and assets in the refinance and the scholarship programs. In fiscal year 2020, CHESLA funded new loans, net of returns, of \$23,350 of in-school loans and \$2,256 in Refi CT loans, compared to \$24,441 and \$3,323 respectively, in fiscal year 2019. This resulted in a decrease of 5% for in-school and a decrease of 32% for Refi CT over fiscal year 2019.

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 \$451.



A statement of changes in net position follows:

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

	CHESLA	
	2020	2019
Operating revenues:		
Interest income on loans receivable	\$ 7,192	\$ 7,433
Administrative fees	710	738
Contributions from CSLF	1,500	4,000
Total operating revenues	9,402	12,171
Operating expenses:		
Interest expense	6,359	5,898
Salaries and related expenses	258	184
General and administrative	523	631
Refinance program	35	53
Scholarships	1,500	2,000
Loan service fees	1,029	565
Contracted services	75	51
Bond issuance costs	429	825
Provision for loan losses	598	660
Total operating expenses	10,806	10,867
Operating income	(1,404)	1,304
Nonoperating income:		
Investment income	1,855	1,926
Increase in net position	451	3,230
Net position, July 1, 2019	32,888	29,658
Net position, June 30, 2020	\$ 33,339	\$ 32,888

The increase in net position for fiscal year 2020 reflects a revenue reduction in the contributions from CSLF offset by an increase in investment income, while also maintaining operating expenses consistent with fiscal year 2019.



CHEFA

Connecticut Health & Educational
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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 or refinance existing debt. The repayments of such loans service the debt on CHESLA bonds. Revenues include administrative fees, origination fees and the interest charged on the loans.

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

- Administrative fees decreased by \$28 to \$710 during the year 2020 compared to \$738 in fiscal year 2019. This is due to the decrease in the funding of new in-school loans, resulting in a decrease in fees received.
- Contributions from CSLF totaled \$1,500 in fiscal year 2020 and \$4,000 in fiscal year 2019. Transfers approved by the CSLF Board are recorded as deferred inflows of resources with revenues being recognized when funds are disbursed in subsequent fiscal year(s):
 - The Scholarship Fund disbursed approximately \$1,500 in fiscal year 2020 and \$500 will be disbursed in fiscal year 2021.
- Nonoperating investment income decreased by \$71 in fiscal year 2020, primarily due to the 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 a decrease in interest rates.

Expenses

Expenses totaled \$10,806 for the fiscal year. The largest expense representing 59% or \$6,359 of total expenses was for interest payments on debt. This is an increase of 5% from 54% in fiscal year 2019. Scholarship expenses amounted to \$1,500 or 14%. General and administrative expenses amounted to \$523 or 5%. Bond issue costs totaled \$429 or 4%, loan servicing fees totaled \$1,029 or 10% and provision for loan losses totaled \$598 or 6% of the total expenses.

Significant changes from the prior year are as follows:

- Interest expense increased by \$461 as compared to fiscal year 2019 resulting from the change in the principal balance of outstanding debt net of the issuance of new bonds.
- Salaries and related expenses increased by \$74.
- General and administrative expenses decreased by \$108 primarily due to a decrease in marketing costs and other expenses.
- The refinance program expenses decreased by \$18. 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. Funds were spent in fiscal years 2016 to 2019. During fiscal year 2020 the final amount of \$35 was disbursed.



- Bond issuance decreased by \$396. Three bond issues closed in fiscal year 2020 and 2019.
- Provision for loan losses decreased by \$62.

Capital assets

At June 30, 2020, CHESLA's capital assets remained level at \$3.

Long-term debt

Long-term debt for CHESLA is as follows:

Bonds Payable (in thousands)	CHESLA	
	2020	2019
Revenue bonds	\$ 186,345	\$ 171,570
Premiums/discounts	6,703	4,973
Total long-term liabilities	<u>\$ 193,048</u>	<u>\$ 176,543</u>

CHESLA's increase in the principal revenue bonds outstanding is a result of new issuances totaling \$26,955 and redemptions of \$12,180.

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

CHESLA's in-school loan program offers a Natural Disaster Forbearance which was utilized by some borrowers in connection with the COVID-19 pandemic. In addition, in March 2020 CHESLA suspended the referral of borrowers to collections and instructed its collection company to suspend affirmative collection efforts until September 30, 2020. CHESLA will reevaluate the feasibility of extending any deferral of collection efforts beyond the September 30 date.



Connecticut Student Loan Foundation (CSLF)

Financial Analysis

CSLF's assets exceeded liabilities at June 30, 2020. 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 17% or \$4,024. The remaining portion of net position is unrestricted and represents 83% of the total net position. The increase was due primarily to loan interest revenue net of the \$500 contributed to CHESLA for the scholarship program authorized by the Board.

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

Summary Statement of Net Position (in thousands)

	CSLF	
	2020	2019
Current and other assets	\$ 167,604	\$ 193,792
Total assets	167,604	193,792
Long-term liabilities outstanding	143,571	171,302
Other liabilities	956	734
Total liabilities	144,527	172,036
Restricted	4,024	4,759
Unrestricted	19,053	16,997
Total net position	<u>\$ 23,077</u>	<u>\$ 21,756</u>

Statement of Changes in Net Position. The statement of changes in net position's purpose is presenting information on how the net position changed during the most recent fiscal year. For the fiscal year, CSLF's net position increased by \$1,321.

A statement of changes in net position follows:



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Statement of Changes in Net Position (in thousands)

	CSLF	
	2020	2019
Operating revenues:		
Interest income on loans receivable	\$ 8,022	\$ 10,403
Not-for-profit servicing income	53	210
Total operating revenues	8,075	10,613
Operating expenses:		
Interest expense	4,125	6,580
General and administrative	168	247
Loan service fees	649	772
Consolidation rebate fees	1,129	1,281
Contracted services	193	222
Provision for loan losses	79	394
Total operating expenses	6,343	9,496
Operating income	1,732	1,117
Nonoperating income (expenses):		
Investment income	89	149
Contribution revenue/expense	(500)	(3,500)
Total nonoperating expenses	(411)	(3,351)
Increase (decrease) in net position	1,321	(2,234)
Net position, July 1, 2019	21,756	23,990
Net position, June 30, 2020	\$ 23,077	\$ 21,756

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 participated in the not-for-profit servicer program which terminated September 30, 2019.

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 2020 totaled \$8,022 (99.0%) compared to \$10,403 for fiscal year ended June 30, 2019. These revenue sources are variable in nature and are a direct function of market conditions. Interest



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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, on loans originated before April 1, 2006, calculated to be in excess of congressionally established levels (excess yield) is paid to the U.S. Department of Education. During the fiscal year 2020, CSLF paid \$2,142 to the US Department of Education compared to \$1,695 paid during fiscal year 2019.

The balance of CSLF revenues is the not-for-profit service fee of \$53 or 0.7% 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 \$8,022, a decrease of \$2,381 from the prior year amount of \$10,403 as a result of decreasing loan balances outstanding.
- Not-for-profit servicing income totaled \$53 for the fiscal year ended 2020, a decrease of \$157 as compared to fiscal year 2019.

Expenses

Expenses totaled \$6,343 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 \$4,125 or 65%. Consolidation rebate fees paid to the U.S. Department of Education totaled \$1,129 or 18% of total expenses and loan servicing fees totaled \$649 or 10% of total expenses.

Significant changes from the prior year are as follows:

- Bond interest expense decreased in 2020 by \$2,455. The decrease is due to the decreasing interest rates and the variable rate nature of the bonds during the fiscal year.
- Loan servicing fees decreased by \$123 reflecting the decrease in the number of loans serviced, due to loan repayments.
- Consolidation rebate fees decreased by \$152 reflecting the decrease in the principal balance of federal consolidation loans outstanding as the portfolio matures.
- Performance of the Federal loans in the portfolio of the Connecticut Student Loan Foundation stabilized in 2019 after some deterioration in 2018. However, in April 2020, there was a sharp increase in forbearance levels due to COVID-19. This increase was accompanied by a corresponding drop in delinquency rates. Incorporating the changes in performance into projections of future losses results in a shortfall in the federal loan loss reserve of \$103. 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 \$24. In June 2020, the board approved the adjusted reserve levels. The net expense of \$79, in addition to recoveries and chargeoffs, resulted in a decrease in allowance levels for the Federal and Private loans of \$56 and \$5 for the fiscal year 2020.



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- Nonoperating expense of \$500, represents the Board authorized contribution to CHESLA of \$500 for the scholarship program for fiscal year 2020.

Debt Administration

Long-term debt

Long-term debt for CSLF is as follows:

Bonds Payable (in thousands)	CSLF	
	2020	2019
Revenue bonds	\$ 143,825	\$ 171,625
Premiums/discounts	(254)	(323)
Total long-term liabilities	<u>\$ 143,571</u>	<u>\$ 171,302</u>

CSLF's decrease in long-term debt was due to the redemption of \$27,800 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, 2020
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 304	\$ 18	\$ 687	\$ 1,009
Investments	6,874	6,671	-	13,545
Receivables				
Accounts (net of allowance for uncollectibles of \$190)	1,744	-	-	1,744
Current portion of loans receivable	-	42	-	42
Interest receivable on investments	-	2	-	2
Loan interest receivable	-	2	-	2
Related parties	69	-	-	69
Prepaid expenses and other assets	108	26	2	136
Total unrestricted assets	9,099	6,761	689	16,549
Restricted assets				
Cash	-	8,777	-	8,777
Investments				
Institutions	304,608	-	-	304,608
Bond indenture trusts	-	49,795	6,474	56,269
Current portion of loans receivable	-	21,789	7,945	29,734
Interest receivable on investments	-	85	-	85
Loan interest receivable	-	461	6,493	6,954
Total restricted assets	304,608	80,907	20,912	406,427
Total current assets	313,707	87,668	21,601	422,976
Noncurrent assets				
Unrestricted assets				
Capital assets (net of accumulated depreciation)	245	3	-	248
Loans receivable (net of allowance for uncollectibles)	-	611	-	611
Restricted assets				
Investments	6,689	26,111	-	32,800
Loans receivable (net of allowance for uncollectibles)	-	113,741	146,003	259,744
Total noncurrent assets	6,934	140,466	146,003	293,403
Total assets	\$ 320,641	\$ 228,134	\$ 167,604	\$ 716,379

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

Statement of Net Position
June 30, 2020
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 35	\$ 324	\$ 63	\$ 422
Accrued expenses	294	17	65	376
Amounts held for institutions	304,608	-	-	304,608
Accrued interest payable	-	899	-	899
U.S. Department of Education payable	-	-	666	666
Trust Estate payable	-	-	162	162
Current portion of bonds payable	-	14,105	-	14,105
Total current liabilities	304,937	15,345	956	321,238
Noncurrent liabilities				
Bonds payable and related liabilities, net of current portion	-	178,943	143,571	322,514
Amount held for the State of Connecticut	2,163	-	-	2,163
Total noncurrent liabilities	2,163	178,943	143,571	324,677
Total liabilities	307,100	194,288	144,527	645,915
<u>Deferred Inflows of Resources</u>				
Unearned revenue	-	507	-	507
<u>Net Position</u>				
Net investment in capital assets	245	3	-	248
Restricted				
Child care facilities loan program	4,320	-	-	4,320
Student loan guarantee program	128	-	-	128
Bond funds	-	26,553	-	26,553
Trust Estate	-	-	4,024	4,024
Total restricted	4,448	26,553	4,024	35,025
Unrestricted	8,848	6,783	19,053	34,684
Total net position	13,541	33,339	23,077	69,957
Total liabilities, deferred inflows of resources and net position	\$ 320,641	\$ 228,134	\$ 167,604	\$ 716,379

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, 2020
(In Thousands)

	Primary Government	Component Units		
	CHEFA	CHESLA	CSLF	Total
Operating revenues				
Interest income on loans receivable	\$ -	\$ 7,192	\$ 8,022	\$ 15,214
Administrative fees	5,605	710	-	6,315
Supporting services fees	146	-	-	146
Contributions from CSLF (scholarships and Refi Program)	-	1,500	-	1,500
Bond issuance fees	65	-	-	65
Not-for-profit servicing income	-	-	53	53
Total operating revenues	5,816	9,402	8,075	23,293
Operating expenses				
Interest expense	-	6,359	4,125	10,484
Salaries and related expenses	3,018	258	-	3,276
General and administrative	535	523	168	1,226
Refinance program	-	35	-	35
Scholarships	-	1,500	-	1,500
Loan service fees	-	1,029	649	1,678
Consolidation rebate fees	-	-	1,129	1,129
Contracted services	322	75	193	590
Bond issuance costs	-	429	-	429
Provision for loan losses	-	598	79	677
Total operating expenses	3,875	10,806	6,343	21,024
Operating income (loss)	1,941	(1,404)	1,732	2,269
Nonoperating income (expenses)				
Investment income	195	1,855	89	2,139
Grants and child care subsidy expense	(3,058)	-	-	(3,058)
Contributions to CHESLA	-	-	(500)	(500)
Total nonoperating income (expenses)	(2,863)	1,855	(411)	(1,419)
Change in net position	(922)	451	1,321	850
Net position, July 1, 2019	14,463	32,888	21,756	69,107
Net position, June 30, 2020	\$ 13,541	\$ 33,339	\$ 23,077	\$ 69,957

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, 2020
(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Cash flows from operating activities			
Cash received from loan payments	\$ -	\$ 22,105	\$ 30,368
Interest received on loans	-	7,244	5,691
Fees received on loans	-	-	156
Contributions received from CSLF	-	500	-
Cash received for administrative fees	4,218	-	-
Cash received for recovery of loans	-	63	-
Cash received for general administrative fees	133	-	-
Cash received for not-for-profit servicing	-	-	53
Cash received for bond issuance fees	65	-	-
Cash payments for employee wages and benefits	(3,004)	(254)	-
Cash payments for interest on bonds	-	(6,727)	(4,056)
Cash payments for excess interest	-	-	(1,369)
Cash payments for loans issued	-	(25,606)	-
Cash payments for loans repurchased	-	-	(421)
Cash payments for loan servicing fees	-	(1,029)	(649)
Cash payments for consolidation fees	-	-	(1,112)
Cash payments for contracted services	(322)	(491)	(193)
Cash payments for refinance program	-	(35)	-
Cash payments for other operating expenses	(483)	(402)	(129)
Cash payments for scholarships	-	(1,500)	-
Net cash provided by (used in) operating activities	607	(6,132)	28,339
Cash flows from noncapital financing activities			
Proceeds from bond sales	1,076,338	26,955	-
Proceeds from bond premiums	154,707	2,129	-
Proceeds from institutions	1,379	-	-
Payments to institutions	(150,264)	-	-
Proceeds from investment income for amounts held for others	3,493	-	-
Releases from amounts held for institutions	(991,194)	-	-
Cash paid to grantees and child care subsidy	(3,152)	-	-
Payments of bond principal	-	(12,180)	(27,800)
Contributions to CHESLA	-	-	(500)
Net cash provided by (used in) noncapital financing activities	91,307	16,904	(28,300)

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

Statement of Cash Flows
For the Year Ended June 30, 2020
(In Thousands)

	Primary Government	Component Units	
	CHEFA	CHESLA	CSLF
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (86)	\$ -	\$ -
Cash flows from investing activities			
Proceeds from sale of investments	260,716	69,178	39,218
Purchase of investments	(354,804)	(73,557)	(39,063)
Investment income	195	1,988	89
Net cash provided by (used in) investing activities	(93,893)	(2,391)	244
Net increase (decrease) in cash	(2,065)	8,381	283
Cash (including restricted cash), July 1, 2019	2,369	414	404
Cash (including restricted cash), June 30, 2020	\$ 304	\$ 8,795	\$ 687
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 1,941	\$ (1,404)	\$ 1,732
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	64	-	-
Bond discount/premium amortization	-	(399)	69
Provision for loan losses	104	163	79
Issuance of loans receivable used to pay origination fees	-	(74)	-
Interest on loans paid through loan advances	-	-	(2,830)
Loan advances to capitalize interest to loans	-	-	2,830
(Increase) decrease in:			
Accounts receivable	(1,491)	-	17
Accounts receivable - related party	(13)	-	-
Prepaid expenses and other assets	(25)	(1)	(1)
Loans receivable	-	(3,639)	27,117
Loan interest receivable	-	52	(896)
Increase (decrease) in:			
Accounts payable	2	135	41
Accrued expenses	25	4	(1)
Accrued interest payable	-	31	-
U.S. Department of Education payable	-	-	356
Trust Estate payable	-	-	(174)
Unearned revenue	-	(1,000)	-
Net adjustments to operating income (loss)	(1,334)	(4,728)	26,607
Net cash provided by (used in) operating activities	\$ 607	\$ (6,132)	\$ 28,339

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, 2020
(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 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 bonds were issued during 2019 and 2020.

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.

CSLF was originally established as a Connecticut State chartered nonprofit 501(c)3 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.

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

**Notes to Financial Statements
June 30, 2020
(In Thousands)**

Reporting entity

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 501(c)3 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.

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. Interfund activity between the funds reported in the supplemental schedules has been eliminated.

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

**Notes to Financial Statements
June 30, 2020
(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, 2020
(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, 2020
(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 ("FCID") 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, 2020
(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
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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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I. Summary of significant accounting policies

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

The restricted investments classified as noncurrent include funds held by CHEFA as a result of its partnership with the State of Connecticut Office of Early Childhood ("OEC"), 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 is responsible for paying the debt service on the Child Care Facilities Program 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.

In June 2020, the Board approved the grant recipients for the \$3 million fiscal year 2021 grant program. As financial assistance agreements are signed by the grant recipients, the \$3 million will become an accrued liability for CHEFA.

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 the 2019 series and 2020 series bonds were issued.

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I. Summary of significant accounting policies

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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, 2020, 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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I. Summary of significant accounting policies

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 (not in thousands) 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 OEC 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.

**Connecticut Health and Educational Facilities Authority
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I. Summary of significant accounting policies

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

9. Long-term obligations

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

10. Deferred inflows of resources

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

11. Net position flow assumption

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

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I. Summary of significant accounting policies

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

12. Fund equity and net position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

13. Use of estimates

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

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes

A. Cash and investments

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

CHEFA

As of June 30, 2020, \$110 of CHEFA's bank balance of \$360 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 74
Uninsured and collateral held by the pledging bank's trust department, not in CHEFA's name	<u>36</u>
Total amount subject to custodial credit risk	<u><u>\$ 110</u></u>

CHESLA

As of June 30, 2020, \$8,510 of CHESLA's bank balance of \$8,795 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,634
Uninsured and collateral held by the pledging bank's trust department, not in CHESLA's name	<u>876</u>
Total amount subject to custodial credit risk	<u><u>\$ 8,510</u></u>

CSLF

As of June 30, 2020, \$437 of CSLF's bank balance of \$687 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 369
Uninsured and collateral held by the pledging bank's trust department, not in CSLF's name	<u>68</u>
Total amount subject to custodial credit risk	<u><u>\$ 437</u></u>

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
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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 FDIC 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	\$ 282,192	\$ 282,192	\$ -	\$ -	\$ -
Money Market Funds	4,306	4,306	-	-	-
Pooled Fixed Income	9,556	9,556	-	-	-
Corporate Bonds	8,351	8,351	-	-	-
Repurchase agreement	13,766	13,766	-	-	-
Total	\$ 318,171	\$ 318,171	\$ -	\$ -	\$ -

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	128	128	-	-	-
Pooled Fixed Income	71,161	71,161	-	-	-
U.S. Government Securities	7,315	-	-	7,315	-
Guaranteed Investment Contracts	3,971	264	3,707	-	-
Total	\$ 82,577	\$ 71,553	\$ 3,707	\$ 7,315	\$ 2

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(In Thousands)

II. Detailed notes

A. Cash and investments

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

Type of Investment	Fair Value	Less Than 1
Mutual Funds:		
Government Agency Funds	\$ 5,380	\$ 5,380
Pooled Fixed Income	1,094	1,094
	<u>\$ 6,474</u>	<u>\$ 6,474</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	\$ 282,192	\$ 282,192	\$ -	\$ -
Money Market Mutual Funds	4,306	4,306	-	-
Corporate Bonds	8,351	8,351	-	-
Repurchase agreement	<u>13,766</u>	<u>13,766</u>	-	-
Total investments by fair value level	308,615	<u>\$ 308,615</u>	<u>\$ -</u>	<u>\$ -</u>

Other Investments

Pooled Fixed Income	<u>9,556</u>
Total Investments	<u>\$ 318,171</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	7,315	-	7,315	-
Total investments by fair value level	7,317	\$ 2	\$ 7,315	\$ -

Other Investments

Money Market (bank)	128
Guaranteed Investment Contracts	3,971
Pooled Fixed Income	71,161
Total other investments	75,260
Total Investments	\$ 82,577

Investments by fair value level	Amount	Level 1	Level 2	Level 3
Government Agency Mutual Funds	\$ 5,380	\$ 5,380	\$ -	\$ -

Other Investments

Pooled Fixed Income	1,094
Total Investments	\$ 6,474

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

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

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 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 of an Authorized Officer, 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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June 30, 2020
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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	\$ 9,556	\$ -	\$ 282,192	\$ 4,306
A	-	1,006	-	-
BBB	-	7,345	-	-
Total	<u>\$ 9,556</u>	<u>\$ 8,351</u>	<u>\$ 282,192</u>	<u>\$ 4,306</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>\$ 71,161</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>\$ 1,094</u>	<u>\$ 5,380</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.

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

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
Corporate Bonds	\$ 8,351	\$ 500	\$ 7,851

CHESLA

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
U.S. Government Securities	\$ 7,315	\$ 500	\$ 6,815

CSLF

	Total	Less Insured Amounts	Amount Subject To Custodial Credit Risk
U.S. Government Agency Securities	\$ -	\$ -	\$ -

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, 2020 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, 2020 are as follows:

	Active Loans	Loans in Collection	Total
Current portion	\$ 21,831	\$ -	\$ 21,831
Long-term portion	115,611	2,261	117,872
Less allowance	(3,054)	(466)	(3,520)
Net long-term portion	112,557	1,795	114,352
Total net receivables	\$ 134,388	\$ 1,795	\$ 136,183

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 4.85% to 6.99%.

Refi CT, CHESLA's loan refinance product, 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 Isaac 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 \$544, which had previously been provided for through the allowance for loan losses.

During the fiscal year, CHESLA recovered \$63 in loans receivable and other credits that were written off in previous years.

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes
B. Receivables

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

	FFELP	Alternative	Total
Current portion	\$ 7,704	\$ 241	\$ 7,945
Long-term portion	144,230	2,774	147,004
Less allowance	(642)	(359)	(1,001)
Net long-term portion	143,588	2,415	146,003
Total net receivables	\$ 151,292	\$ 2,656	\$ 153,948

During the fiscal year, CSLF wrote off federal loans receivable of \$159 (CSLF risk share only), and \$37 of private loans, which is net of \$55 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
(A Component Unit of the State of Connecticut)

Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes
B. Receivables

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

June 30, 2021	\$	7,945
2022		8,466
2023		9,022
2024		9,613
2025		10,244
2026-2030		62,237
2031-2035		47,422
		<hr/>
Total	\$	<u>154,949</u>

C. Capital assets

CHEFA capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July, 1 2019	Increases	Decreases	Balance June 30, 2020
Capital assets being depreciated:				
Leasehold improvements	\$ 157	\$ -	\$ -	\$ 157
Computer equipment	261	82	-	343
Furniture and fixtures	256	-	-	256
Office equipment	613	4	-	617
	<hr/>			<hr/>
Total capital assets being depreciated	1,287	86	-	1,373
	<hr/>			<hr/>
Less accumulated depreciation for:				
Leasehold improvements	157	-	-	157
Computer equipment	257	8	-	265
Furniture and fixtures	248	2	-	250
Office equipment	402	54	-	456
	<hr/>			<hr/>
Total accumulated depreciation	1,064	64	-	1,128
	<hr/>			<hr/>
Total capital assets being depreciated, net	\$ 223	\$ 22	\$ -	\$ 245
	<hr/>			<hr/>

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

Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes
C. Capital assets

CHESLA capital asset activity for the year ended June 30, 2020 was as follows:

CHESLA	Balance July, 1 2019	Increases	Decreases	Balance June 30, 2020
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, 2020:

CHEFA

Description	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion
Other liability					
Amount held for the State of Connecticut	\$ 2,165	\$ 33	\$ 35	\$ 2,163	\$ -

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
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II. Detailed notes

D. Changes in long-term obligations

CHESLA

Description	Original Amount	Date of Issue	Final Date of Maturity	Interest Rate	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020	Current Portion
Bond 2009 A	\$ 30,000	8/6/2009	11/15/2027	1.9 - 5.05%	\$ 9,685	\$ -	\$ 995	\$ 8,690	\$ 1,050
Bond 2010 A	45,000	10/19/2010	11/15/2035	2.0 - 5.25%	22,335	-	2,425	19,910	2,500
Bond 2013 A	25,000	4/2/2013	11/15/2029	2.0 - 4.0%	14,150	-	1,800	12,350	1,260
Bond 2014 A	23,000	6/18/2014	11/15/2030	3.0 - 5.0%	17,000	-	1,500	15,500	1,500
Bond 2015 A	21,465	7/2/2015	11/15/2031	1.65 - 4.375%	10,070	-	1,900	8,170	1,900
Bond 2016 A	15,000	6/30/2016	11/15/2033	3.0 - 5.0%	13,885	-	800	13,085	900
Bond 2017 A	27,880	5/16/2017	11/15/2033	3.25 - 5.0%	24,640	-	1,000	23,640	1,850
Bond 2017 B	9,155	8/17/2017	11/15/2025	4.0- 5.0%	7,955	-	1,200	6,755	1,250
Bond 2017 C	11,300	12/21/2017	11/15/2034	3.5 - 5.0%	11,300	-	380	10,920	520
Bond 2018	10,000	9/17/2018	11/15/2034	3.5 - 5.0%	10,000	-	180	9,820	360
Bond 2019 A	5,000	5/22/2019	11/15/2035	3.95%	5,000	-	-	5,000	-
Bond 2019 B	25,550	5/22/2019	11/15/2035	3.25 - 5.0%	25,550	-	-	25,550	-
Bond 2020 B	19,000	6/11/2020	11/15/2036	3.25 - 5.0%	-	19,000	-	19,000	-
Bond 2020 C	7,955	6/11/2020	11/15/2027	5.00%	-	7,955	-	7,955	1,015
Total CHESLA					171,570	26,955	12,180	186,345	14,105
Premiums					4,994	2,129	401	6,722	
Discounts					(21)	-	(2)	(19)	-
Total Bonds and related liabilities					\$ 176,543	\$ 29,084	\$ 12,579	\$ 193,048	\$ 14,105

CSLF

Description	Original Amount	Date of Issue	Date of Final Maturity	Variable Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion
Bond 06 A-1	80,000	7/27/2006	6/1/2046	1.072 - 3.253%	\$ 72,925	\$ -	\$ 15,550	\$ 57,375	\$ -
Bond 06 A-2	100,000	12/14/2006	6/1/2046	1.031 - 3.255%	78,725	-	12,250	66,475	-
Bond 06 B	20,000	7/27/2006	6/1/2046	0.274 - 3.548%	19,975	-	-	19,975	-
Total Bonds					171,625	-	27,800	143,825	-
Discounts					(323)	-	(68)	(254)	-
Total bonds and related amounts					\$ 171,302	\$ -	\$ 27,732	\$ 143,571	\$ -

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes

D. Changes in long-term obligations

The annual requirements to amortize bonds payable at June 30, 2020, are as follows:

CHESLA

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 14,105	\$ 7,307
2022	15,505	6,763
2023	16,695	6,047
2024	17,260	5,260
2025	15,105	4,507
2026-2030	63,440	13,741
2031-2035	38,495	4,032
2036-2037	5,740	149
Total	<u>\$ 186,345</u>	<u>\$ 47,806</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.

CHESLA's debt is secured by a State of Connecticut supported Special Capital Reserve Fund ("SCRF").

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
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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
2021	\$ -	\$ 3,604
2022	-	3,604
2023	-	3,604
2024	-	3,604
2025	-	3,604
2026-2030	-	18,022
2031-2035	-	18,022
2036-2040	-	18,022
2041-2045	-	18,022
2046	143,825	10,813
	<u>\$ 143,825</u>	<u>\$ 100,923</u>

The interest rate payable to the bondholders for these issues are variable auction rate certificates ("ARCs"), which generally have interest rate reset periods of 28 days. The interest rates associated with the various bond issues at the last reset period prior to the June 30, 2020 year-end ranged from 0.274% to 3.548%.

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.

Connecticut Health and Educational Facilities Authority
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June 30, 2020
(In Thousands)

II. Detailed notes

D. Changes in long-term obligations

All outstanding notes 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.

2. Conduit debt

As of June 30, 2020, CHEFA had total outstanding principal balances of special obligation bonds of \$8,136,047. 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	\$ 45,955
Connecticut State University System – Special Capital Reserve Fund	332,170
Higher Education	4,368,283
Hospitals	2,282,021
Social and other	80,914
Independent Schools	688,871
Senior Living	<u>337,833</u>
 Total	 <u><u>\$ 8,136,047</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 \$8,519 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	\$ 3,485
Hospitals	3,798
Social and other	<u>1,236</u>
 Total	 <u><u>\$ 8,519</u></u>

3. Authorized/unissued debt

At June 30, 2020, there was \$18,000 authorized unissued debt for CHESLA.

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes

D. Changes in long-term obligations

4. Advanced refunding

In June 2020, CHESLA issued \$7,955 of 2020 Series C revenue bonds with an interest rate of 5%. These bonds were issued to defease bonds issued in August 2009. The balance of the bonds to be defeased was \$8,690 at June 30, 2020. There is \$8,758 reported as restricted cash in the statement of net position to refund the August 2009 bonds in fiscal year 2020. The refunding of these bonds occurred in July 2020 and resulted in an economic gain of \$804. The combined cost savings resulting from the issuance of the Series C and Series D bonds will be \$2,106.

5. Subsequent events

On August 18, 2020 CHESLA issued \$16,740 of 2020 Series D revenue bonds with an interest rate of 3% to 5%. The bond will mature in 2035. This bond will be used to refund the 2010 Series A bond issued in October 2010. The economic gain will be \$1,010.

E. Restricted net position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$4,448 for CHEFA.

F. Net position classification

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

	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>
Net investment in capital assets	\$ 245	\$ 3	\$ -
Restricted:			
Child care facilities loan program	4,320	-	-
Student loan guarantee program	128	-	-
Bond funds	-	26,553	-
Trust Estate	-	-	4,024
	<u>4,448</u>	<u>26,553</u>	<u>4,024</u>
Total restricted	<u>4,448</u>	<u>26,553</u>	<u>4,024</u>
Unrestricted	<u>8,848</u>	<u>6,783</u>	<u>19,053</u>
Total net position	<u>\$ 13,541</u>	<u>\$ 33,339</u>	<u>\$ 23,077</u>

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, 2020, outstanding loan balances totaled \$4,281.

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

Connecticut Health and Educational Facilities Authority
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Notes to Financial Statements
June 30, 2020
(In Thousands)

II. Detailed notes

F. Net position classification

Student Loan Programs - Pursuant to Public Act 09-110, which established the Connecticut Credit Union Student Loan Program, CHEFA was required to fund a first loss loan guarantee of 20% on the outstanding balance on each loan. The current amount of the guarantee is \$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, 2020, the ratio was 115.28%. During the year ended June 30, 2020, the Board authorized a transfer of \$500 to CHESLA for the scholarship program. At June 30, 2020, the Board has not authorized any additional funds to be transferred to operations; however, the amount available to transfer is \$16,323.

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.

G. Condensed component unit information

Condensed component unit information for CCDC, the Authority's blended component unit, for the year ended June 30, 2020, is as follows:

Condensed Statement of Net Position

Liability	
Accounts payable	<u>\$ 244</u>
Net position	<u>\$ (244)</u>

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

Operating expenses	<u>\$ 137</u>
Change in net position	(137)
Net position, July 1, 2019	<u>(107)</u>
Net position, July 1, 2020	<u>\$ (244)</u>

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

Notes to Financial Statements
June 30, 2020
(In Thousands)

III. Other information

A. Risk management

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

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. In May 2020, CHEFA voluntarily deferred billings for \$1,855 in fees earned during the fiscal year to the following fiscal year. In addition, CHEFA voluntarily waived fees totaling \$1,844. Additionally, CHESLA suspended the referral of borrowers to collections and has instructed its collection company to suspend affirmative collection efforts until September 30, 2020. The private loans held by CHESLA and federal and private loans held by CSLF are not eligible for deferral by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, however, participants can request deferral or forbearance in accordance with the loan policies. The Authority is not able to reliably estimate the length or severity of this outbreak. The extent to which COVID-19 impacts CHESLA and CSLF will depend on the rate with which their borrowers avail themselves of current relief programs as well as future developments, which are uncertain and cannot be predicted with confidence. The Authority is not able to reliably estimate the length or severity of this outbreak. If the length of the outbreak and related effects on the Authority's operations continues for an extended period of time, there could be additional loss of revenue and other material adverse effects to the Authority's financial position, results of operations, and cash flows.

B. Related party transactions

During the fiscal year, CHEFA charged CHESLA an annual fee of \$126 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. CHEFA charged CSLF an annual fee of \$20 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 \$57 and \$13, respectively. The \$500 contribution for the scholarship program was not spent and is recorded as a deferred inflow.

C. Operating leases

CHEFA leases office space and other office equipment for use in operations. Lease expense was \$247. As of June 30, 2020, minimum future rental commitments of the leases are as follows:

2021	261
2022	267
2023	272
2024	137

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

**Notes to Financial Statements
June 30, 2020
(In Thousands)**

III. Other information

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, 2020, there were no forfeitures and retirement plan expense was \$237.

There were 21 employees covered under the Plan. All employees can participate in the Plan after three months of service. A participant's employer contribution account fully vests after four years of service. At age 65, participants are entitled to begin receiving benefits based upon the option selected.

CHEFA also maintains a deferred compensation plan, which was established in 1991 in accordance with the Internal Revenue Code Section 457 and is available to CHEFA employees. Employees are permitted to defer a portion of their salaries, subject to certain limitations. CHEFA and CHESLA match up to \$1.50 of employee contributions. For the year ended June 30, 2020, there were no forfeitures and the plan expense was \$26.

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, 2020
(In Thousands)

	<u>CHEFA</u>	<u>CCDC</u>	<u>Eliminations</u>	<u>Total</u>
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ 304	\$ -	\$ -	\$ 304
Investments	6,874	-	-	6,874
Receivables				
Accounts (net of allowance				
for uncollectibles of \$190)	1,744	-	-	1,744
Related parties	313	-	(244)	69
Prepaid expenses and other assets	108	-	-	108
Total unrestricted assets	9,343	-	(244)	9,099
Restricted assets				
Investments				
Institutions	304,608	-	-	304,608
Total current assets	313,951	-	(244)	313,707
Noncurrent assets				
Unrestricted assets				
Capital assets (net of				
accumulated depreciation)	245	-	-	245
Restricted assets				
Investments	6,689	-	-	6,689
Total noncurrent assets	6,934	-	-	6,934
Total assets	\$ 320,885	\$ -	\$ (244)	\$ 320,641
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 35	\$ 244	\$ (244)	\$ 35
Accrued expenses	294	-	-	294
Amounts held for institutions	304,608	-	-	304,608
Total current liabilities	304,937	244	(244)	304,937
Noncurrent liabilities				
Amount held for the State of Connecticut	2,163	-	-	2,163
Total liabilities	307,100	244	(244)	307,100
<u>Net Position</u>				
Net investment in capital assets	245	-	-	245
Restricted	4,448	-	-	4,448
Unrestricted	9,092	(244)	-	8,848
Total net position	13,785	(244)	-	13,541
Total liabilities and net position	\$ 320,885	\$ -	\$ (244)	\$ 320,641

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, 2020
(In Thousands)

	<u>CHEFA</u>	<u>CCDC</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues				
Administrative fees	\$ 5,605	\$ -	\$ -	\$ 5,605
Supporting services fees	192	-	(46)	146
Bond issuance fees	65	-	-	65
	<u>5,862</u>	<u>-</u>	<u>(46)</u>	<u>5,816</u>
Total operating revenues				
Operating expenses				
Salaries and related expenses	3,018	-	-	3,018
General and administrative	533	2	-	535
Contracted services	233	135	(46)	322
	<u>3,784</u>	<u>137</u>	<u>(46)</u>	<u>3,875</u>
Total operating expenses				
Operating income (loss)	<u>2,078</u>	<u>(137)</u>	<u>-</u>	<u>1,941</u>
Nonoperating income (expenses)				
Investment income	195	-	-	195
Grants and child care subsidy expense	(3,058)	-	-	(3,058)
	<u>(2,863)</u>	<u>-</u>	<u>-</u>	<u>(2,863)</u>
Total nonoperating expenses				
Change in net position	(785)	(137)	-	(922)
Net position, July 1, 2019	<u>14,570</u>	<u>(107)</u>	<u>-</u>	<u>14,463</u>
Net position, June 30, 2020	<u>\$ 13,785</u>	<u>\$ (244)</u>	<u>\$ -</u>	<u>\$ 13,541</u>

Connecticut Health and Educational Facilities Authority
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Combining Schedule of Net Position - Connecticut Higher Education Supplemental Loan Authority
June 30, 2020
(In Thousands)

	Agency operating fund	Other program funds	Bond funds		Total CHESLA
			1990 resolution	2019 resolution	
<u>Assets</u>					
Current assets					
Unrestricted assets					
Cash	\$ 18	\$ -	\$ -	\$ -	\$ 18
Investments	3,856	2,802	13	-	6,671
Current portion of loans receivable	-	42	-	-	42
Interest receivable on investments	-	2	-	-	2
Loan interest receivable	-	2	-	-	2
Prepaid expenses and other assets	26	-	-	-	26
Total unrestricted assets	3,900	2,848	13	-	6,761
Restricted assets					
Cash	-	-	8,777	-	8,777
Investments					
Bond indenture trusts	-	-	24,255	25,540	49,795
Current portion of loans receivable	-	-	17,659	4,130	21,789
Interest receivable on investments	-	-	82	3	85
Loan interest receivable	-	-	361	100	461
Total restricted assets	-	-	51,134	29,773	80,907
Total current assets	3,900	2,848	51,147	29,773	87,668
Noncurrent assets					
Unrestricted assets					
Capital assets	3	-	-	-	3
Loans receivable, net of current portion and allowance	-	611	-	-	611
Restricted assets					
Investments	-	-	21,261	4,850	26,111
Loans receivable, net of current portion and allowance	-	-	90,326	23,415	113,741
Total noncurrent assets	3	611	111,587	28,265	140,466
Total assets	\$ 3,903	\$ 3,459	\$ 162,734	\$ 58,038	\$ 228,134
<u>Liabilities</u>					
Current liabilities					
Accounts payable	\$ 52	\$ -	\$ 123	\$ 149	\$ 324
Accrued expenses	17	-	-	-	17
Accrued interest payable	-	-	706	193	899
Current portion of bonds payable	-	-	13,090	1,015	14,105
Total current liabilities	69	-	13,919	1,357	15,345
Noncurrent liabilities					
Bonds payable, net of current portion	-	-	128,306	50,637	178,943
Total liabilities	69	-	142,225	51,994	194,288
<u>Deferred Inflows of Resources</u>					
Unearned revenue	-	507	-	-	507
<u>Net Position</u>					
Net investment in capital assets	3	-	-	-	3
Restricted	-	-	20,509	6,044	26,553
Unrestricted	3,831	2,952	-	-	6,783
Total net position	3,834	2,952	20,509	6,044	33,339
Total liabilities, deferred inflows of resources and net position	\$ 3,903	\$ 3,459	\$ 162,734	\$ 58,038	\$ 228,134

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, 2020
(In Thousands)

	Agency operating fund	Other program funds	Bond funds			Total CHESLA
			1990 resolution	2019 resolution	Eliminations	
Operating revenues						
Interest income on loans receivable	\$ -	\$ 45	\$ 6,141	\$ 1,006	\$ -	\$ 7,192
Administrative fees	960	-	74	636	(960)	710
Contributions from CSLF	-	1,500	-	-	-	1,500
Total operating revenues	960	1,545	6,215	1,642	(960)	9,402
Operating expenses						
Interest expense	-	-	5,202	1,157	-	6,359
Salaries and related expenses	258	-	-	-	-	258
General and administrative	363	8	912	200	(960)	523
Refinance program	35	-	-	-	-	35
Scholarships	-	1,500	-	-	-	1,500
Loan service fees	-	1	607	421	-	1,029
Contracted services	75	-	-	-	-	75
Bond issuance costs	-	-	102	327	-	429
Provision for loan losses (net of recoveries)	-	(13)	37	574	-	598
Total operating expenses	731	1,496	6,860	2,679	(960)	10,806
Operating income (loss)	229	49	(645)	(1,037)	-	(1,404)
Nonoperating income						
Investment income	54	45	1,428	328	-	1,855
Total nonoperating income	54	45	1,428	328		1,855
Change in net position	283	94	783	(709)	-	451
Transfers	(17)	9	23	(15)	-	-
Net position, July 1, 2019	3,568	2,849	19,703	6,768	-	32,888
Net position, June 30, 2020	\$ 3,834	\$ 2,952	\$ 20,509	\$ 6,044	\$ -	\$ 33,339

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, 2020
(In Thousands)

	Trust Estate	Operating	Eliminations	Total
<u>Assets</u>				
Current assets				
Unrestricted assets				
Cash	\$ -	\$ 687	\$ -	\$ 687
Prepaid expenses and other assets	-	2	-	2
Total unrestricted assets	-	689	-	689
Restricted assets				
Investments				
Bond indenture trusts	6,474	-	-	6,474
Current portion of loans receivable	7,945	-	-	7,945
Loan interest receivable	6,493	-	-	6,493
Total restricted assets	20,912	-	-	20,912
Total current assets	20,912	689	-	21,601
Noncurrent assets				
Restricted assets				
Loans receivable (net of allowance for uncollectibles)	146,003	-	-	146,003
Total assets	<u>\$ 166,915</u>	<u>\$ 689</u>	<u>\$ -</u>	<u>\$ 167,604</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ -	\$ 63	\$ -	\$ 63
Accrued expenses	-	65	-	65
U.S. Department of Education payable	666	-	-	666
Trust Estate payable	162	-	-	162
Total current liabilities	828	128	-	956
Noncurrent liabilities				
Bonds payable and related liabilities	143,571	-	-	143,571
Total liabilities	144,399	128	-	144,527
<u>Net Position</u>				
Restricted	4,024	-	-	4,024
Unrestricted	18,492	561	-	19,053
Total net position	22,516	561	-	23,077
Total liabilities and net position	<u>\$ 166,915</u>	<u>\$ 689</u>	<u>\$ -</u>	<u>\$ 167,604</u>

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

Combining Schedule of Revenues, Expenses and Changes in Net Position - Connecticut
Student Loan Foundation
For the Year Ended June 30, 2020
(In Thousands)

	Trust Estate	Operating	Eliminations	Total
Operating revenues				
Interest income on loans receivable	\$ 8,022	\$ -	\$ -	\$ 8,022
Not-for-profit servicing income	-	53	-	53
Administration fee	-	426	(426)	-
Total operating revenues	8,022	479	(426)	8,075
Operating expenses				
Interest expense	4,125	-	-	4,125
General and administrative	109	59	-	168
Loan service fees	649	-	-	649
Administration fee	426	-	(426)	-
Consolidation rebate fees	1,129	-	-	1,129
Contracted services	-	193	-	193
Provision for loan losses	79	-	-	79
Total operating expenses	6,517	252	(426)	6,343
Operating income	1,505	227	-	1,732
Nonoperating income (expenses)				
Investment income	89	-	-	89
Contributions to CHESLA	(500)	-	-	(500)
Total nonoperating expenses	(411)	-	-	(411)
Change in net position	1,094	227	-	1,321
Net position, July 1, 2019	21,422	334	-	21,756
Net position, June 30, 2020	\$ 22,516	\$ 561	\$ -	\$ 23,077

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*

To the 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, 2020, 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 24, 2020.

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 a 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.



Hartford, Connecticut
September 24, 2020



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CHEFA

EXHIBIT C - FISCAL YEAR 2021 OPERATING AND CAPITAL BUDGET

CHEFA Budget Summary
Budget for the Twelve Months Ending June 30, 2021

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Actual	FYE June 30, 2020 Budget	FYE June 30, 2020 Proj Actual	FYE June 30, 2021 Budget
Revenues						
Administrative (CHEFA) Fees	\$ 7,463,556	\$ 7,575,375	\$ 7,487,824	\$ 7,548,860	\$ 5,605,088	\$ 7,405,829
General and Administrative (Support Services)	282,341	289,287	296,502	378,488	176,113	250,803
Bond Issuance Fees	58,700	30,000	45,000	40,000	55,000	30,000
Miscellaneous Earnings & Recoveries	152,588	0	2,950	0	104	0
Total Revenues	\$ 7,957,185	\$ 7,894,661	\$ 7,832,276	\$ 7,967,347	\$ 5,836,305	\$ 7,686,631
Expenses						
Salaries and Related Expenses						
Salaries	\$ 2,148,338	\$ 2,245,586	\$ 2,231,134	\$ 2,298,000	\$ 2,162,626	\$ 2,202,409
Employee Benefits	658,902	726,990	711,759	758,325	675,480	730,528
General and Administrative						
Operating Expenses	436,334	576,077	449,788	544,698	461,462	498,666
Depreciation	42,171	54,160	55,064	79,002	63,248	77,131
Business and Education	20,790	58,750	42,865	73,535	16,073	73,255
Membership Dues	10,642	13,705	13,422	23,805	11,823	21,750
Contracted Services						
Maintenance Contracts	64,829	89,579	83,083	110,843	77,022	149,299
Outside Services	72,471	150,377	105,417	201,102	146,086	240,154
Total Expenses	\$ 3,454,477	\$ 3,915,223	\$ 3,692,532	\$ 4,089,308	\$ 3,613,820	\$ 3,993,192
Excess Revenue from Operations	\$ 4,502,708	\$ 3,979,438	\$ 4,139,744	\$ 3,878,039	\$ 2,222,485	\$ 3,693,439
Nonoperating Income (Expenses)						
Investment Income	161,920	295,533	293,161	292,181	208,591	59,524
Program Related Expense	(2,879,161)	(3,049,728)	(2,956,519)	(3,147,140)	(3,061,126)	(3,225,000)
Total Nonoperating Income (Expenses)	\$ (2,717,241)	\$ (2,754,195)	\$ (2,663,358)	\$ (2,854,959)	\$ (2,852,535)	\$ (3,165,476)
Change in Net Position (before Transfer)	\$ 1,785,467	\$ 1,225,243	\$ 1,476,386	\$ 1,023,080	\$ (630,050)	\$ 527,963
Use of Net Position	0	0	0	0	630,050	0
Non Operating Revenue (Expense)						
State of Connecticut - Transfer (Public Acts)	(900,000)	(900,000)	(900,000)	0	0	0
Change in net position after Transfer	\$ 885,467	\$ 325,243	\$ 576,386	\$ 1,023,080	\$ -	\$ 527,963

Benefit % to Compensation	30.67%	32.37%	30.67%	33.00%	31.23%	33.17%
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NOTE: Projected Actual Revenue and Salaries and Related Expenses 2020 are based on Actual Financials as of March 31, 2020, plus 3 months of projected amounts.

CHEFA Salary & Benefits Expense
Budget for the Twelve Months Ending June 30, 2021

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Actual	FYE June 30, 2020 Budget	FYE June 30, 2020 Proj Actual	FYE June 30, 2021 Budget
Staff Compensation	2,147,472	2,230,586	2,216,488	2,283,000	\$ 2,144,787	\$ 2,187,409
Discretionary Awards	0	15,000	5,000	15,000	6,500	15,000
Temporary Salaries	866	0	9,646	0	11,339	0
Total Compensation	\$ 2,148,338	2,245,586	\$ 2,231,134	\$ 2,298,000	\$ 2,162,626	\$ 2,202,409
Payroll Taxes	155,768	155,046	155,465	157,113	\$ 147,711	\$ 153,878
Medical & Life Insurance						
Medical w/CBIA Life	183,887	233,287	208,987	253,523	204,939	235,404
Deductible Funding HSA (CHEFA)	45,150	45,075	45,150	47,175	41,388	61,125
Less: Medical Co-insurance	(44,306)	(54,757)	(48,331)	(58,184)	(47,490)	(54,006)
Net Medical Insurance	184,731	223,605	205,806	242,514	198,837	242,523
CHEFA Alternative Insurance	17,733	16,800	17,015	16,800	17,445	14,000
Life Insurance	8,204	9,141	9,386	9,366	8,951	8,853
Dental	24,804	26,381	26,697	31,013	28,177	29,625
Less: Dental Co-insurance	(569)	(264)	(1,313)	(1,690)	(2,120)	(2,798)
Total Medical, Life Insurance & Other	234,903	275,663	257,591	298,003	251,290	292,203
Pension						
Contributions	202,264	224,559	228,261	229,800	213,605	218,741
Administrative Fee	6,006	6,006	4,841	5,368	3,995	3,993
Pension	208,270	230,565	233,102	235,168	217,600	222,734
457 Plan & Administrative Fee	27,292	28,500	27,637	28,500	26,247	27,000
Vacation	11,234	5,000	16,525	5,000	8,000	5,000
Disability Insurance - Long Term	7,093	8,203	7,925	8,749	7,890	8,314
Disability Insurance - Short Term	8,941	9,239	9,095	9,664	9,100	9,271
Workers Compensation	5,401	4,774	4,419	6,128	7,642	7,128
Tuition	0	10,000	0	10,000	0	5,000
Total Employee Benefits	658,902	726,990	711,759	758,325	675,480	730,528
Total Employment	\$ 2,807,240	2,972,576	\$ 2,942,893	\$ 3,056,325	\$ 2,838,106	\$ 2,932,937
Benefit % to Compensation	30.67%	32.37%	30.67%	33.00%	31.23%	33.17%

NOTE: Projected Actual expenses are based on Actual Financials as of March 31, 2020, plus 3 months of projected amounts.

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2021

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Actual	FYE June 30, 2020 Budget	FYE June 30, 2020 Proj Actual	FYE June 30, 2021 Budget
Lease & Storage						
Lease - Office Space	\$ 225,497	\$ 231,096	\$ 231,645	\$ 237,636	\$ 238,306	\$ 242,799
Lease - Common area fee & Taxes	0	920	18,579	1,500	5,000	5,000
Offsite Storage - Physical & Electronic	7,267	15,900	7,848	16,400	9,576	5,268
Total Lease & Storage	232,764	247,916	258,072	255,536	252,882	253,067
Business Insurance						
Office Package	6,102	6,407	6,130	6,436	6,338	6,653
Cyber Policy	780	1,638	1,365	1,638	1,793	1,966
Fiduciary, Performance Bond, Crime & Terrorism	2,664	2,798	2,664	2,798	2,750	2,798
Lawyers Professional Liability		0		0	0	0
Directors and Officers Liability / Public Officials Policy	56,613	62,274	56,614	62,274	57,718	63,492
Total Business Insurance	66,159	73,117	66,773	73,146	68,599	74,908
Office Supplies and Non Capital Equipment						
General Office/Computer/Network & Printer supplies	6,117	10,000	8,517	16,250	8,629	14,500
Non-Capital Furniture, Equipment & Software Licensing	3,505	36,692	18,005	32,033	9,922	23,341
Total Office Supplies and Non Capital Equip	9,622	46,692	26,522	48,283	18,551	37,841
Communications: Telephone & Internet						
Electronic Communications - Voice, Data & Conferencing	20,398	20,791	18,223	24,310	24,935	34,364
Website and Email Security (Encryption, etc., DNS, SSL)	981	1,342	4,813	903	1,235	917
Financial Data Platform	25,581	25,680	25,656	17,480	15,867	16,000
Total Communications: Phone & Internet	46,960	47,813	48,692	42,693	42,037	51,281
Postage Expense						
Postage & Courier Expense	2,895	4,000	2,405	3,500	3,679	4,000
Postage - Meter Rental & New Eng. Mail Mach.	2,707	2,639	2,800	2,639	2,696	2,639
Total Postage Expense	5,602	6,639	5,205	6,139	6,375	6,639
Publications, Subscriptions & Resource Materials	4,099	4,400	4,011	4,400	3,330	6,430
Bond Issuance Cost	16,406	20,000	14,353	12,000	11,525	12,000
Legal	33,981	10,000	7,276	10,000	13,135	15,000
Marketing Costs						
Signs		0		0	0	0
Brochures		0		0	0	0
Client Conferences & Education	1,500	10,000	4,932	10,000	0	10,000
Strategic Initiatives - Consultant	0	40,000	0	50,000	24,586	0
Miscellaneous - Advertising, Signs	415	7,000	0	8,000	1,408	5,000
Total Marketing Costs	1,915	97,000	4,932	68,000	25,994	15,000
Miscellaneous						
Kitchen Supplies	5,791	7,000	5,645	7,500	6,329	7,500
Strategic Retreat & Team Building	2,912	3,000	2,132	2,500	2,181	4,500
Bank Fees	8,057	6,000	2,215	6,000	3,202	6,000
Acknowledgement Fund	1,402	2,000	1,504	2,500	2,286	2,500
Miscellaneous	665	1,000	706	1,000	536	1,000
Total Miscellaneous	18,826	19,000	12,202	19,500	14,534	21,500
Contributions	0	3,500	1,750	5,000	4,000	5,000
Provision for Uncollectibles	0	0	0	0	500	0
Total General and Administrative Expenses	\$ 436,334	\$ 576,077	\$ 449,788	\$ 544,698	\$ 461,462	498,666

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2021

Exhibit I

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Actual	FYE June 30, 2020 Budget	FYE June 30, 2020 Proj Actual	FYE June 30, 2021 Budget
Depreciation	\$ 42,171	\$ 54,160	\$ 55,064	\$ 79,002	\$ 63,248	\$ 77,131
Meeting Expense						
Employee Reimbursable expenses	2,097	3,500	2,717	3,500	2,501	3,500
Onsite Meetings (validated parking)	412	600	175	250	325	250
Cellular Data Plan Services	-	0	0	0	0	0
Total Employee Reimbursable	2,509	4,100	2,892	3,750	2,826	3,750
Board Expense						
Monthly Board Lunches	2,343	2,000	1,928	2,500	1,711	3,000
Board Business expenses	947	1,500	996	2,500	0	2,000
Total Board Expense	3,290	3,500	2,924	5,000	1,711	5,000
Conference & Education Expense						
Conferences (including expenses)	7,895	33,650	20,995	36,500	7,526	36,400
Applications-Staff Education (non tuition, computer and	5,821	15,000	16,054	25,785	4,010	25,605
Total Conference & Education Expense	13,716	48,650	37,049	62,285	11,536	62,005
Education - Board	1,275	2,500	0	2,500	0	2,500
Total Business Education, Board and Reimbursable	\$ 20,790	\$ 58,750	\$ 42,865	\$ 73,535	\$ 16,073	\$ 73,255
Memberships Dues	\$ 10,642	\$ 13,705	\$ 13,422	\$ 23,805	\$ 11,823	\$ 21,750

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2021

	FYE June 30, 2018 Actual	FYE June 30, 2019 Budget	FYE June 30, 2019 Actual	FYE June 30, 2020 Budget	FYE June 30, 2020 Proj Actual	FYE June 30, 2021 Budget
Accounting Systems						
Special programming-Accounting	3,372	15,000	3,192	15,000	6,152	10,000
Service Contract-Accounting	3,187	3,352	1,449	3,352	3,360	3,654
Total Accounting Systems	6,559	18,352	4,641	18,352	9,512	13,654
Consultant Others						
Information Technology	0	0	0	28,750	0	63,750
Human Resources	15,538	45,000	22,478	45,000	68,379	58,950
Strategic Initiatives	13,136	25,000	15,750	38,000	0	45,000
Other - Consultant (Insurance)	9,000	9,000	9,000	18,000	17,000	9,000
Consultant - Others	37,674	79,000	47,228	129,750	85,379	176,700
Maintenance Service & Contracts						
Copiers - Leases & Network Charge	11,237	16,702	10,659	17,005	12,984	15,421
Copiers - Usage	688	1,980	1,846	2,695	2,404	3,088
Printer, Fax & Phone Support	1,707	2,750	(245)	250	0	250
Co-location Svcs (Bus Continuity)	23,620	22,170	24,453	24,854	25,045	26,070
Plant Service	2,160	2,280	2,198	2,280	2,258	2,280
Maintenance Contracts (Software Platforms) SaaS	7,025	12,250	16,792	31,689	15,933	55,400
Maintenance Contracts (Network Systems & General)	18,392	31,447	27,380	32,070	18,398	46,790
Total Maintenance Service & Contracts	64,829	89,579	83,083	110,843	77,022	149,299
Audit						
Independent Auditors	25,750	26,525	26,525	26,500	26,500	27,300
Audit Engagements (other)	2,488	25,000	27,023	25,000	24,695	22,500
State Audit	0	1,500	0	1,500	0	0
	28,238	53,025	53,548	53,000	51,195	49,800
Annual Report	0	0	0	0	0	0
Total Contracted Services	\$ 137,300	\$ 239,955	\$ 188,500	\$ 311,944	\$ 223,108	\$ 389,453
Transfer of Reserves - Due to State of CT	900,000	900,000	0	0	0	0
Program Related Expense						
Grant Programs	2,785,448	2,902,588	2,879,438	3,000,000	3,000,000	3,000,000
Child Care Programs						
Guar. Loan Fund - Administrative Expense	16,602	22,140	22,138	22,140	22,140	25,000
Guar. Loan Fund Investment Earnings	(14,015)	0	(22,138)	0	(22,140)	0
Net Guaranteed Loan Fund Expense	2,587	22,140	0	22,140	0	25,000
3% Child Care Interest Subsidy	91,126	125,000	77,081	125,000	61,126	200,000
Child Care Programs	93,713	147,140	77,081	147,140	61,126	225,000
Total Program Related Expense	\$ 2,879,161	\$ 3,049,728	\$ 2,956,519	\$ 3,147,140	\$ 3,061,126	\$ 3,225,000

CHEFA Revenue Budget FY 2021			
	Refinance	New Money	Totals
Estimated Closings FY 2021			6
Up-Front Bond Issuance Fee Revenue (Closings @ \$5,000 each)			\$ 30,000
CHEFA Fees Income (@ 9 basis points)			
Hamden Hall (FY 2020)		19,550,000	19,550,000
Kent School (FY 2020)		5,500,000	5,500,000
Miss Porter		27,000,000	27,000,000
McClean		66,000,000	66,000,000
Jerome Home		9,000,000	9,000,000
Loomis		7,500,000	7,500,000
Hotchkiss School		15,000,000	15,000,000
Fairfield Univrsity		25,000,000	25,000,000
Misc -			-
Misc -			-
Projected Closings through FYE 2021	-	174,550,000	174,550,000
Estimated 12 month revenue on New Issues -->		157,095	
Estimated Revenue on New Issues (based on anticipated Issuance date)			135,570
Bond Issues - Current Portfolio (Reg, CSU & Childcare)			7,270,259
Total FY 2021 Accrued CHEFA Fees			7,405,829
General and Administrative (Support Services)			250,803
FYE 2021 Operating Revenue			\$7,686,632
Average Investment balance \$ 11,904,715			0.500%
FYE 2021 Non Operating Revenue - Estimated Investment Income			\$59,524
Total FYE 2021 Operating Revenue Budget			\$7,746,156

CHEFA Budget
Capital Budget for the Twelve Months Ending June 30, 2021

Item	Total Cost	Useful Life	FY 2021 Depreciation
Current Depreciation Schedule at FYE June 2020			\$ 55,188
<u>Additions:</u>			
<u>Capital (Hardware)</u>			
Router	4,340	5	868
POE Switches (3)	13,482	5	2,696
	\$22,278		
Contingency (25%)	4,456		891
Subtotal for IT (Hardware)	\$22,278		\$4,456
 <u>Software</u>			
Accounting/Finance Software	23,290	5	2,329
Accounting/Finance Software - Investments	132,600	10	6,630
	\$194,863		
Contingency (25%)	38,973		2,240
Subtotal for IT (Software)	\$194,863		\$11,199
 <u>Capital Projects</u>			
Firewall Upgrades	32,934	5	3,293
Phone System Upgrade	8,000	5	800
	\$51,167		
Contingency (25%)	10,233		1,023
Subtotal for Capital Projects	\$51,167		\$5,117
 <u>Leasehold Improvements</u>			
Signage - new logo/admin station	7,500	4	938
	\$9,375		
Contingency (25%)	1,875		234
Subtotal for Leasehold	\$9,375		\$1,172
 Total Fixed Assets (FY 2020)	 \$277,682		 \$21,943
Total NEW Capital & Leasehold Purchases	\$ 277,682		\$21,943
 New FY 2020 Asset Depreciation			 \$21,943
Total Depreciation Expense Budget			\$77,131
 Monthly Estimated Expense			 \$6,428