

CHEFA

CONNECTICUT HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY



September 27, 2013

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

Dear Governor Malloy:

In accordance with the reporting requirements of Connecticut General Statutes §1-122, §1-123 and §10a-194 for the Fiscal Year Ending June 30, 2013, the Connecticut Health and Educational Facilities Authority (CHEFA) is pleased to submit the following information:

- | | |
|-------|--|
| Tab 1 | Audited Financial Statements for the Fiscal Year Ending June 30, 2013. |
| Tab 2 | Grant dollars provided by CHEFA in FY 2013, including the name of the recipient, the project's purpose, and location. |
| Tab 3 | Schedule of Indebtedness as of June 30, 2013.

This schedule of indebtedness also includes bond issues that are supported by a guarantee from the State via the Special Capital Reserve Fund (SCRF) Program. <ul style="list-style-type: none">• The State's total contingent liability for these SCRF bonds as of June 30 2013 was \$292,130,000 as compared to the June 30, 2012 figure of \$271,550,000.• These SCRF bonds include \$278,355,000 outstanding on behalf of the Connecticut State University System and \$13,775,000 outstanding on behalf of nursing homes. |
| Tab 4 | Schedule of outside individuals and firms receiving in excess of \$5,000 in the form of loans, grants or payments for services for the Fiscal Year Ending June 30, 2013. |
| Tab 5 | Budget for the Fiscal Year Ending June 30, 2014 approved by the Authority's Board of Directors on May 15, 2013. |
| Tab 6 | Review of Performance Relative to FY 2013 – FY 2015 Strategic Business Plan |
| Tab 7 | Affirmative Action Policy Statement for 2013. |
| Tab 8 | Agency Workforce Composition as of June 30, 2013. |

**Connecticut Health and Educational Facilities Authority
FY 2013 Update on Activities**

Consolidation of Connecticut Higher Education Supplemental Loan Authority (CHESLA) – Effective July 1, 2012, CHESLA was statutorily consolidated with CHEFA, pursuant to Public Act 12-149. CHESLA is a quasi-public state authority created to help students in or from the State finance the cost of higher education. CHESLA now effectively operates as a subsidiary of CHEFA. Jeanette Weldon, Managing Director of CHEFA, also serves as Executive Director of CHESLA. The CHEFA Board Chair also serves as the Board Chair of CHESLA and CHESLA Board members include the Executive Director of CHEFA, two higher education representatives who also serve on the CHEFA Board, representatives from the State Treasurer's Office, the Office of Policy and Management, the Board of Regents for Higher Education and two other members appointed by CHEFA.

The CHESLA consolidation with CHEFA allowed certain previously outsourced CHESLA functions to be provided internally, by CHEFA staff. FY 2013 was a transition year in that regard, with CHEFA staff developing the CHESLA accounting system and becoming familiar with various management and legal issues.

The CHESLA consolidation resulted in a significant change for CHEFA's financial statements, which are presented on a consolidated basis and incorporate both organizations for FY 2013. (See Tab 1)

Additional information on CHESLA may be found in the CHESLA Annual Report, available on line at www.chesla.org.

Grant Programs – In FY 2013, the Authority disbursed \$2,462,252 in grant dollars through its Client Grant Program, Nonprofit Grant Program, and Targeted Investment Grant Program. A listing of grant dollars disbursed in FY 2013 is provided under Tab 2.

Bond Issuance – In FY 2013, approximately \$420 million of bonds were issued by the Authority, representing 19 bond offerings. CHEFA continued to experience a significant number of privately placed transactions. 62% of CHEFA dollar issuance volume and 74% of total issues in FY 2013 were privately placed, most often directly with local or regional banks. The appetite of these banks for this type of product provided financing opportunities for several smaller borrowers. Other statistics for FY 2013 are as follows:

- Approximately 71% of dollar volume in FY 2013 represented new money financings;
- Approximately 53% of dollar volume represented fixed rate transactions;
- Only one letter of credit backed transaction was executed.

**Connecticut Health and Educational Facilities Authority
FY 2014 Description of Planned Activities**

In order to fulfill the requirements of Connecticut General Statute (C.G.S.) §1-123 regarding planned activities for FY 2014, the Authority submits the following:

FY 2014 CHEFA Budget – The Board of Directors approved the FYE June 30, 2014 Annual Budget on May, 15, 2013. The approved operating budget projects revenue from annual fees, investment income and upfront application fees of \$7,070,274, operating expenses of \$3,817,683 and program related expenses of \$2,314,040, including approximately \$2,000,000 for the grant program. The budget is included under Tab 5.

FY 2013 – 2015 Strategic Business Plan – CHEFA developed its Strategic Business Plan with the following core goals.

- 1. Superior Client Service**
 - A. Cost Effective and Timely Financing
 - B. Post Issuance Compliance
 - C. Effective Post Issuance Fund Management
 - D. Strengthen Client and Investor Relations

- 2. Programs and Services that Meet the Demands of a Changing Market**
 - A. Evolve Existing Programs
 - B. Develop/Implement New Programs
 - C. Provide Grants and Other Financial Assistance
 - D. Develop New Market Sectors

- 3. Partner in Public Policy**
 - A. Leadership in Creation of Public Policy
 - B. Collaboration with Other State Entities and Advocacy Groups on Common Interests
 - C. Public Advocacy on Behalf of Constituents

- 4. Sustainable and Ethical Organization**
 - A. Staff and Management Development
 - B. Board Development and Agency Oversight
 - C. Increased Awareness of the Authority's Accomplishments and Challenges
 - D. Effective Management Process

A review of performance relative to the Strategic Business Plan was provided to the CHEFA Board of Directors on September 18, 2013. A copy of this report is included under Tab 6.

Governor Dannel P. Malloy
Page 4
September 27, 2013

Specific strategic objectives for FY 2014 include:

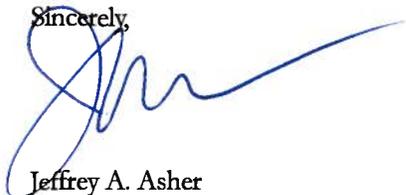
- Borrower education
- Consideration of a charter school loan program
- Continued Board development
- Continued development of the Connecticut Higher Education Supplemental Loan Authority (CHESLA)
- Growth of the "Easy Loan" program

Affirmative Action Efforts

Included in this package are CHEFA's affirmative action policy statement and a description of the Agency's workforce by race, gender and occupation for the Fiscal Year Ending June 30, 2013. CHEFA had a relatively small workforce of 21 full-time equivalent employees (FTE's) as of June 30, 2013, with approximately 24% minority, including two minority officers (a Managing Director and an Assistant Director).

If you have any questions or need further information, please call me at 860-761-8414.

Sincerely,



Jeffrey A. Asher
Executive Director

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

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

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

Management's Discussion and Analysis,
Independent Auditors' Report,
Consolidated Financial Statements and Exhibits

As of and for the Year Ended
June 30, 2013



Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

State of Connecticut Health and Educational Facilities Authority
(A Component Unit of the State of Connecticut)
Management's Discussion and Analysis,
Independent Auditors' Report, Consolidated Financial Statements and Exhibits
As of and for the Year Ended June 30, 2013

Table of Contents

	<u>Page</u>
Management's Discussion and Analysis	1
Independent Auditors' Report	15
Consolidated Financial Statements:	
Consolidated Statement of Net Position.....	17
Consolidated Statement of Revenues, Expenses and Changes in Net Position.....	18
Consolidated Statement of Cash Flows.....	19
Notes to the Consolidated Financial Statements	20
Exhibits:	
Consolidating Statement of Net Position	35
Consolidating Statement of Revenues, Expenses and Changes in Net Position	37
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

This Management's Discussion and Analysis (MD&A) of the State of Connecticut Health and Educational Facilities Authority's (CHEFA's or the Authority's) activities and financial performance provides the reader with an introduction to the audited consolidated financial statements for the fiscal year ended June 30, 2013. Following this MD&A are the consolidated financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

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

Effective July 1, 2012, the Connecticut Higher Education Supplemental Loan Authority (CHESLA) was statutorily consolidated into CHEFA, effectively making CHESLA a subsidiary of CHEFA. CHESLA 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.

The Authority's financial statements are consolidated and reflect the combined operations of CHEFA and CHESLA. Consolidating schedules are provided as supplemental information. The financial statements use proprietary fund reporting and report the financial position in three basic financial statements: (1) a statement of net position; (2) a statement of revenues, expenses and changes in net position; and (3) a statement of cash flows.

This Management's Discussion and Analysis is broken into two major segments, one addressing the operations of CHEFA as an individual entity, and the other addressing the operations of CHESLA as an individual entity. Financial information presented in each section is derived from the supplemental consolidating schedules included with the financial statements and from management records.

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA)

Bonds Issued - The following is a review of CHEFA bond issues, summarized by market segment and comparing FY 2013, FY 2012 and FY 2011.

In FY 2013, CHEFA bond issuance dollar-volume returned to the levels experienced in FY 2011. The near record breaking dollar volume in FY 2012 made the FY 2013 decline substantial. The decrease results from fewer issues and a smaller average issue size (approximately \$22 in FY 2013 vs. \$50.6 in FY 2012). During FY 2013, CHEFA continued to experience a significant number of privately placed transactions. 62% of CHEFA dollar issuance volume and 74% of total issues in FY 2013 were privately placed, most often directly with local or regional banks. The appetite of these banks for this type of product provided financing opportunities for several smaller borrowers. Other statistics for FY 2013 are as follows:

- Approximately 71% of dollar volume in FY 2013 represented new money financings
- Approximately 53% of dollar volume represented fixed rate transactions
- Only one letter of credit backed transaction was executed

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

In FY 2012, CHEFA had a 143% increase in par amount issued over FY 2011 levels. The bonds issued during FY 2012 include \$584,043 for new projects and \$631,280 in refinancing of existing bond issues. This total issuance of \$1,215,323 is the second highest annual dollar-volume in CHEFA's history. A high volume of refinancing resulted from a low interest rate environment. In FY 2012, healthcare was the most active sector, with the year's largest transaction of \$325,815 for Hartford HealthCare Corporation.

The municipal market as a whole experienced lower new issue supply in FY 2011 and this contributed to lower market yields over most sectors. This led to a significant number of refinancings; 10 in the fiscal year, some of which were combined with new money. Most of the new project issuance during FY 2011 was in the health care sector.

	2013		2012		2011	
	# of issues	Par amount	# of issues	Par amount	# of issues	Par amount
Healthcare	4	\$ 207,145	9	\$ 890,440	10	\$ 321,963
Higher education	2	46,060	5	167,620	7	145,345
Private secondary schools	10	103,609	7	88,963	-	-
Long-term care	2	44,454	-	-	1	21,000
Child care	-	-	1	28,840	-	-
Other	1	20,000	2	39,460	1	12,020
	19	\$ 421,268	24	\$ 1,215,323	19	\$ 500,328

Annual Fees - The following is a summary of the revenues generated from annual administrative fees charged during FY 2013, FY 2012, and FY 2011 based on the Board approved administrative fee of 9 basis points (or .0009) on the outstanding balance for all market segments with the exception of Special Capital Reserve Fund long-term care bond issues which have a 14 basis points (or .0014) fee:

	2013	2012	2011
Healthcare	\$ 2,308	\$ 2,114	\$ 1,841
Higher education	3,930	3,950	3,908
Private secondary schools	572	559	578
Long-term care	177	207	223
Child care	59	62	65
Other	64	64	72
	\$ 7,110	\$ 6,956	\$ 6,687

CHEFA fee revenue has increased, reflecting the impact of new issuances and the par amount of bonds outstanding.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Statements of Net Position - The table below reflects CHEFA's Statements of Net Position, as shown in the Consolidating Statement of Net Position shown on pages 35 and 36 of the financial statements for FY 2013, with comparables for FY 2012 and FY 2011 provided by management.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Current unrestricted assets:			
Cash	\$ 227	\$ 276	\$ 240
Accounts receivable	195	379	200
Board designated investments	10,638	7,941	7,189
Prepaid expenses and other assets	<u>91</u>	<u>123</u>	<u>120</u>
Total current unrestricted assets	11,151	8,719	7,749
Current restricted assets:			
Cash	57	81	36
Fund investments	507,721	571,323	358,361
Other investments	-	-	6,037
Interest receivable	<u>-</u>	<u>-</u>	<u>49</u>
Total current restricted assets	507,778	571,404	364,483
Non-current assets:			
Restricted investments	7,167	7,257	10,580
Capital assets, net	<u>178</u>	<u>158</u>	<u>188</u>
 Total assets	 <u>\$ 526,274</u>	 <u>\$ 587,538</u>	 <u>\$ 383,000</u>
Liabilities			
Current liabilities	\$ 509,451	\$ 572,061	\$ 368,664
Non-current liabilities	<u>2,182</u>	<u>2,191</u>	<u>2,207</u>
Total liabilities	511,633	574,252	370,871
Net position			
Invested in capital assets	178	158	188
Restricted	4,985	5,066	5,373
Unrestricted	<u>9,478</u>	<u>8,062</u>	<u>6,568</u>
Total net position	<u>14,641</u>	<u>13,286</u>	<u>12,129</u>
 Total liabilities and net position	 <u>\$ 526,274</u>	 <u>\$ 587,538</u>	 <u>\$ 383,000</u>

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Unrestricted Assets - The following is an overview of the major components of unrestricted current assets.

Cash - Normal operating activity has resulted in fluctuations in unrestricted cash, as reflected in the \$49 decrease in FY 2013 to a balance of \$227. This compares to a \$36 increase and balance of \$276 in FY 2012, and a \$111 decrease and balance of \$240 in FY 2011.

Accounts Receivable - This represents receivables for annual administrative fees and annual trustee fees paid by CHEFA and billed to the institutions, net of allowances. The variability over the past three years, ranging from \$200 in FY 2011, to \$379 in FY 2012, and to \$195 in FY 2013, is mainly a reflection of the par amount of bonds outstanding.

Board Designated Investments - In FY 2013 there was a \$2,697 increase to \$10,638 in Board Designated Investments, resulting from strong operating performance. Board Designated funds in FY 2012 increased \$752 over FY 2011 to \$7,941, as a result of favorable fiscal year financial performance. Authority funds are invested in accordance with the Authority's Board approved investment policy.

Restricted Assets - The following is an overview of the major components of restricted assets.

Fund Investments - Fund investments represent all CHEFA's restricted assets in FY 2013 and FY 2012. These are investments associated with construction funds managed and held by CHEFA on behalf of its client institutions and include the construction account, capitalized interest account and the cost of issuance account. Fund investments for FY 2013 are 11% lower than FY 2012, totaling \$507,778 for FY 2013. For FY 2013 and 2012, Fund investments also include proceeds of tax-exempt equipment loan financings completed by the Authority through its Easy Loan program.

Exhibit A attached to this Management's Discussion and Analysis details the construction fund balances, including cash and investments, as of June 30, 2013, 2012, and 2011 and the corresponding CHEFA financing.

The Construction Funds are managed by the Authority on behalf of the borrowing institutions. The proceeds are invested and managed in accordance with an investment policy that is approved by the Authority's Board of Directors and are invested in strict accordance with the relevant provisions of the respective bond issue trust indentures and with Connecticut state law. Bond funds are generally invested in the Fidelity Institutional Government Money Market Fund, Class I; State of Connecticut Treasurer's Short-Term Investment Fund; obligations issued or guaranteed by the U.S. Government; and Qualified Guaranteed Investment Contracts complying with Connecticut General Statutes Section 10a-180(s).

Other Investment - For Fiscal Year 2011, other investments represent debt service reserve funds associated with the Authority's Tax-Exempt Pooled Issue Loan Program for child care providers and held by the Bond Trustee. The State of Connecticut was the original source of most of these funds, with an additional \$500 contributed by the Authority. In FY 2012, \$3,000 was released back to the State through a refinancing transaction for which the Authority's \$500 was used to cover costs of issuance. As of June 30, 2012, Authority management decided to remove the remaining asset and liability, given that this amount is held by the bond trustee.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Non-Current Assets - The following is an overview of the major changes in non-current assets.

In order to clarify the commitment of certain CHEFA assets to specific purposes, management has identified as "Non-current assets - Restricted investments" those assets which are legally required to be held for a specific program or purpose.

For FY 2013, Non-current assets - Restricted investments consist of \$4,320 for the School Readiness and Child Daycare Guaranteed Loan Fund Program, \$2,182 in amounts held for the State of Connecticut in connection with the child care Small Direct loan and Guaranteed Loan Programs, and \$665 for the Connecticut Credit Union Student Loan Guarantee Program. The Connecticut Credit Union Student Loan Guarantee Program is not currently accepting new loans and the Authority is only holding an amount equal to its current exposure under the program. These amounts are consistent with amounts held in FY 2012 and FY 2011 in those programs. In FY 2011, \$3,000 was also held for the State of Connecticut for the Connecticut Green Technology, Life Science, and Health Information Technology Loan Forgiveness Program. Pursuant to Public Act 10-75, as of January 1, 2012, the Authority transferred \$3,000 to the State of Connecticut.

Liabilities - The following is an overview of the major components of liabilities, both current and non-current.

Accounts Payable and Accrued Expenses - Accounts payable and accrued expenses increased to \$1,673 in FY 2013 from \$657 in FY 2012. This fluctuation was in the normal course of business. Accounts payable and accrued expenses declined significantly in FY 2012 from a FY 2011 level of \$4,181, primarily due to the transfer as of January 1, 2012 of \$3,000 due to the State of Connecticut in connection with the Connecticut Green Technology, Life Science and Health Information Technology Loan Forgiveness Program. This \$3,000 was accrued in FY 2011.

Amounts Held for Institutions - The \$507,778 for FY 2013, \$571,404 for FY 2012, and the \$364,483 for FY 2011 reflect the amount held by the Authority for client construction funds, including the construction account, the cost of issuance account and the capitalized interest account. For FY 2013 and 2012, this also includes proceeds of the Authority's tax-exempt equipment financing program ("Easy Loan"). Fluctuations in the amounts occur as new projects are funded and as disbursements are made on new or existing projects.

Amount Held on Behalf of the State of Connecticut - This reflects the amounts held by the Authority pursuant to Public Act 97-259 for school readiness and child day care programs. The Act provided \$1,500 to fund the loan guarantees for the Guaranteed Loan Fund Program managed by Peoples United Bank and \$682 to fund the guarantees for the Small Direct Loan Fund Program managed by the Connecticut Community Investment Corporation (CTCIC).

Net Position - the following is an overview of the major changes in net position.

For FY 2013, total net position increased by \$1,355, slightly more than the FY 2012 increase of \$1,157. The results reflect normal operating and other activity.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

The changes in net position for FY 2013, 2012 and 2011 are summarized below.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating revenues:			
Administrative fees	\$ 7,110	\$ 6,956	\$ 6,687
Investment income	14	12	22
Bond issuance fees	158	101	97
Other revenue	241	22	4
Total operating revenues	<u>7,523</u>	<u>7,091</u>	<u>6,810</u>
Operating expenses:			
Salaries and related expenses	2,844	2,795	2,722
General and administrative	1,057	1,135	1,163
Total operating expenses	<u>3,901</u>	<u>3,930</u>	<u>3,885</u>
Total operating income	3,622	3,161	2,925
Non-operating activity:			
Grant expense	(2,267)	(2,004)	(985)
Transfer to State of Connecticut	-	-	(3,000)
Change in net position	<u>\$ 1,355</u>	<u>\$ 1,157</u>	<u>\$ (1,060)</u>

Operating Revenues - The following summarizes key components of operating revenues.

Administrative Fees - 19 bond issues closed in FY 2013; 24 bond issues closed in FY 2012; and 19 bond issues closed in FY 2011. Despite fluctuations in annual issuance volume, CHEFA fee revenue maintains a degree of consistency because fees are based on the total par amount outstanding in any given year. CHEFA administrative fee revenue increased by \$154, or 2%, to \$7,110 in FY 2013, and by \$269 to \$6,956 in FY 2012.

Bond Issuance Fees - This amount reflects the upfront fees paid to the Authority in connection with each bond transaction. These amounts fluctuate in correlation to the number of transactions in any given year.

Investment income - Investment income for FY 2013 was \$14, a slight improvement over the FY 2012 level of \$12, which was reported as non-operating revenue. Investment income in FY 2012 was below 2011 levels, dropping by \$10 and was a reflection of the low interest rate environment.

Other Revenue - Other revenue represents recovery of certain expenses, including grant expense. In FY 2013, other revenue also includes approximately \$110 from CHESLA to cover support services provided by CHEFA.

Operating Expenses

Salaries and Related Expenses - Salaries and related expenses increased by \$49 in FY 2013 to \$2,844 and \$73 to \$2,795 in FY 2012. In FY 2011, salaries and related expenses totaled \$2,722.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

General and Administrative Expenses - General and administrative expenses in FY 2013 totaled \$1,057, a decline from FY 2012 levels of \$1,135 and FY 2011 levels of \$1,163. Over the three year period there has been a significant decline in consultant expense, particularly with regard to arbitrage rebate consultants.

Non-Operating Activity

Grant Expense - Grant expense for FY 2013 is comparable to FY 2012 levels and totaled \$2,267. \$1,034 of that amount went to CHEFA clients and the remainder to non-client social service agencies. The dollars were distributed to various entities following an application process, with non-client grant dollars distributed for shelter, food and health care related purposes.

After a two year suspension, CHEFA's grant program was reinstated for FY 2011 and a \$985 grant was made to the CERC Foundation for the Connecticut Data Collaborative.

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY (CHESLA)

CHESLA provides financial assistance in the form of education loans to students in or from the State, and helps make Connecticut institutions of higher education more competitive. CHESLA is authorized to issue tax-exempt bonds, the proceeds of which are used to fund education loans to applicants meeting certain eligibility requirements. The repayments of such loans service CHESLA's debt. Public Act 12-149, effective July 1, 2012, statutorily consolidated CHESLA with the Connecticut Health and Educational Facilities Authority (CHEFA).

Loan Disbursements - In FY 2013, CHESLA disbursed \$19,745 in loan dollars, a 2% decline from FY 2012 levels, but approximately a 25% increase over FY 2011 volume. Close to 58% of the disbursement volume in FY 2013 went to institutions within the State of Connecticut, consistent with trends in FY 2012 and 2011. Loan funds were primarily derived from proceeds remaining from Series 2010 bonds and from \$25,000 of 2013 Series A bonds issued on April 2, 2013. Loans from Series 2010 proceeds carried an interest rate of 5.95%, while loans from the 2013 series carried an interest rate of 5.99%.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

The following summarizes the key components of loans disbursed.

In State Institution:	2013	2012	2011
	12/13 Term	11/12 Term	10/11 Term
Jul - Sept (1Q)	\$ 4,895	\$ 5,163	\$ 3,217
Oct - Dec (2Q)	5,064	2,103	2,808
Jan - Mar (3Q)	1,194	4,492	3,685
Apr - Jun (4Q)	213	248	285
Total In State Institution	11,366	12,006	9,995
Out of State Institution:			
Jul - Sept (1Q)	3,636	3,163	1,358
Oct - Dec (2Q)	3,917	1,056	1,629
Jan - Mar (3Q)	755	3,779	2,620
Apr - Jun (4Q)	71	145	217
Total Out of State Institution	8,379	8,143	5,824
Total:			
Jul - Sept (1Q)	8,531	8,326	4,575
Oct - Dec (2Q)	8,981	3,159	4,437
Jan - Mar (3Q)	1,949	8,271	6,305
Apr - Jun (4Q)	284	393	502
Total	<u>\$ 19,745</u>	<u>\$ 20,149</u>	<u>\$ 15,819</u>

CHESLA receives annual administrative fees on the outstanding balances of loans. The fees vary in accordance with the bonds series and range from 30 to 100 basis points. The 2003 bond indenture is structured to include MBIA bond insurance and as a result has not been used since 2007. The fees for loans made pursuant to the 2003 indenture are higher than for those made pursuant to the 1990 indenture. As the loans associated with the 2003 indenture are paid down, and as new bond issues to fund loans are made under the 1990 indenture, revenues have decreased as shown below.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

	Admin Fee Basis			
	Points	2013	2012	2011
1993 Bond/Loan Program	100	\$ -	\$ 1	\$ 2
1994 Bond/Loan Program	100	2	3	6
1996 Bond/Loan Program	70	3	6	11
1998 Bond/Loan Program	^	3	6	16
1999 Bond/Loan Program	^	6	8	21
2000 Bond/Loan Program	^	10	14	34
2001 Bond/Loan Program	^	18	23	51
2003 Bond/Loan Program	100	94	113	132
2005 Bond/Loan Program	100	152	176	201
2006 Bond/Loan Program	100	159	184	211
2007 Bond/Loan Program	60	157	179	199
2009 Bond/Loan Program	^	62	66	101
2010 Bond/Loan Program	30	88	14	-
2013 Bond/Loan Program	30	-	-	-
Total Revenues		\$ 754	\$ 793	\$ 985

^ Administrative fee was 60 basis points in FY 2011 and 30 basis points thereafter

CHESLA accounts for its financial position and operations through three primary funds, an agency operating fund and two bond funds which reflect activity associated with bonds issued and student loans made in connection with two bond resolutions, a 1990 resolution and a 2003 resolution. The financial overview of CHESLA that follows in this MD&A represents the combined results and financial position for all three funds.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

CHESLA Statements of Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets:			
Current unrestricted assets:			
Cash and investments	\$ 1,230	\$ 1,094	\$ 974
Current portion of loans receivable, net	18,652	16,341	14,986
Interest receivable on loans	519	466	458
Board designated investments	1,000	1,600	1,600
Other	165	149	179
Total current unrestricted assets	<u>21,566</u>	<u>19,650</u>	<u>18,197</u>
Current restricted assets	<u>37,509</u>	<u>39,133</u>	<u>58,108</u>
Total current assets	<u>59,075</u>	<u>58,783</u>	<u>76,305</u>
Noncurrent assets:			
Restricted investments	22,036	19,540	19,160
Loans receivable, net of current portion	102,743	103,824	104,349
Bond issuance costs, net*	248	2,592	2,848
Total noncurrent assets	<u>125,027</u>	<u>125,956</u>	<u>126,357</u>
 Total assets	 <u>\$ 184,102</u>	 <u>\$ 184,739</u>	 <u>\$ 202,662</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 36	\$ 102	\$ 123
Current portion of bonds payable	10,275	11,210	8,575
Accrued interest payable	761	866	1,012
Current portion of deferred revenue	-	454	453
Total current liabilities	<u>11,072</u>	<u>12,632</u>	<u>10,163</u>
Long term liabilities	<u>158,225</u>	<u>157,806</u>	<u>179,657</u>
Total liabilities	<u>169,297</u>	<u>170,438</u>	<u>189,820</u>
Net position:			
Unrestricted	(44,740)	(44,372)	(64,426)
Restricted	<u>59,545</u>	<u>58,673</u>	<u>77,268</u>
Total net position	<u>14,805</u>	<u>14,301</u>	<u>12,842</u>
 Total liabilities and net position	 <u>\$ 184,102</u>	 <u>\$ 184,739</u>	 <u>\$ 202,662</u>

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

The following is an overview of significant changes in the statements of net position from FY 2013 to FY 2012 and from FY 2012 to FY 2011:

Current Unrestricted Assets - Current unrestricted assets consist primarily of the current portion of loans receivable, net of loan loss allowances. In FY 2013, current loans receivable increased by approximately 14%, or \$2,311, over FY 2012 levels. From FY 2011 to FY 2012, current loans receivable increased by 9%. Cash and investments in the operating fund, the other significant component of current unrestricted assets (totaling \$2,230 in FY 2013 and \$2,694 and \$2,574 in FY 2012 and FY 2011, respectively) decreased in FY 2013 by 17% as a result of a \$700 contribution from the operating fund to the Series 2013A bond financing.

Current Restricted Assets - Current restricted assets consist primarily of trustee held funds associated with the bond resolutions representing dollars either in the loan fund, revenue fund or debt service fund.

Non-current Assets - Noncurrent restricted investments primarily consist of assets held in the Special Capital Reserve Funds, which are the debt service reserve funds backed by the State of Connecticut associated with outstanding bonds. Dollar amounts have fluctuated as bonds have been redeemed or new bonds have been issued.

The largest component of noncurrent assets is loans receivable. Loans receivable have not changed significantly since FY 2011. Although \$25,000 of additional bonds to fund loans were issued in FY 2013, most of the lending of those proceeds is expected to occur after fiscal year end.

With the adoption of GASB 65, there is a significant change in noncurrent assets in FY 2013. Unamortized bond issuance costs are only reflected to the extent that they relate to bond insurance premium costs, and these costs are now described as prepaid bond insurance premiums. Total noncurrent assets declined from \$125,956 in FY 2012 to \$125,027 in FY 2013, also reflecting an increase in restricted investments.

Current Liabilities - Current liabilities include the current portion of bonds payable (which is the largest component representing approximately 93% of total current liabilities in FY 2013), accrued interest payable and historically has also included the current portion of deferred revenue. Deferred revenue represented CHESLA's origination fee on loans. As a result of GASB 65 implementation in FY 2013, there is no deferred revenue liability in FY 2013. In FY 2012 and 2011, the current portion of this liability represented 3.6% and 4.5% of total current liabilities, respectively.

Noncurrent Liabilities - Noncurrent or long term liabilities primarily represent bonds payable. Fluctuations in bonds payable since FY 2011 reflect bond paydowns and redemptions and the additional bonds issued in FY 2013. In FY 2012 and 2011, noncurrent liabilities also included deferred revenue, representing CHESLA's loan origination fees. As previously mentioned, this liability was eliminated with the implementation of GASB 65.

Net Position - Total net position of \$14,805 for FY 2013 reflects the net impact of operations and of GASB 65, with the elimination of unamortized bond issuance costs and deferred revenue affecting net position. The restricted and unrestricted components for FY 2012 and FY 2011 are restated from prior year audited statements to be consistent with the FY 2013 presentation of all bond resolution related funds as restricted.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Revenues and Expenses - The following is a summary of CHESLA's operating revenues, operating expenses and changes in net position for the years ended June 30, 2013, 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating revenues:			
Interest income - loans receivable	\$ 7,867	\$ 7,860	\$ 7,960
Investment income	388	2,622	968
	<hr/>	<hr/>	<hr/>
Total operating revenues	8,255	10,482	8,928
Operating expenses:			
Interest expense	6,483	7,650	7,997
Loan collection fees	532	493	477
Bond issuance and insurance costs	524	627	475
General and administrative expenses	472	519	494
Salaries and related expenses*	189	120	133
Provision for loan losses (benefit)	(106)	180	47
Arbitrage rebate and excess loan yield provision (benefit)	35	(566)	(384)
	<hr/>	<hr/>	<hr/>
Total operating expenses	8,129	9,023	9,239
Change in net position	<u>\$ 126</u>	<u>\$ 1,459</u>	<u>\$ (311)</u>

* For FY 2012 and 2011, salary related expenses were included as part of general and administrative expenses, with salary only reported on a separate line. The salary only expense for FY 2013 was \$140.

Revenues - Interest income on loans receivable is the largest component of operating revenues. Over the past three years interest income has been relatively stable at approximately \$7,900.

With regard to investment income, CHESLA had income from investments of \$388 in FY 2013, an 85% reduction from income in FY 2012. From FY 2011 to FY 2012, investment income increased by approximately \$1,700.

Expenses - Interest expense represents the largest component of operating expenses and totaled approximately \$6,483 in FY 2013, a 15% change from FY 2012 levels. Interest expense was relatively consistent from FY 2011 to FY 2012.

Loan collection fees increased \$39 in FY 2013 reflecting an increase in the amount collected.

With the implementation of GASB 65, bond issuance costs now represents costs associated with the Series 2013A bonds and prepayment of insurance premium costs. Prior to FY 2013, bond issuance costs were amortized over the life of the bonds.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

As a result of the consolidation with CHEFA, certain functions which were previously outsourced (such as accounting services and general counsel services) were transitioned to being provided by CHEFA staff. During this period, there was some service overlap between outside providers and internal (i.e. CHEFA) providers in order to facilitate a smooth transition of services. In FY 2013, CHESLA was assessed a service charge by CHEFA and paid service fees to outside providers until outside services were terminated. The CHEFA service charge for FY 2013 was \$114, including a rent component of \$4. The previously existing management contract did not terminate until after the first quarter of FY 2013, incurring an additional expense of \$26. Outside vendors for accounting and legal services were also paid \$96 in FY 2013. In FY 2012, prior to consolidation with CHEFA, \$216 was paid for management, accounting and general counsel services. All amounts affect the operating fund only.

Salaries and related expenses in FY 2013 includes salaries, payroll taxes, employee pension benefits, employer funded health benefit costs and tuition reimbursements. Of the \$189 reported, \$140 represents actual salary. In FY 2012 and 2011, salary related costs (other than actual salary) are included as part of administrative and general expense.

The provision for loan losses is based on a weighted average factor of collections, net of write-offs, relative to loans issued and outstanding. This methodology has been in use throughout the three-year period.

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY CONSOLIDATED FINANCIAL STATEMENTS

The audited statements that follow this management's discussion and analysis are consolidated and include both CHEFA and CHESLA.

CONTACTING THE AUTHORITY

This financial report is designed to provide a general overview of the Authority's finances, including CHESLA. If you have questions about this report or need additional financial information, contact the Connecticut Health and Educational Facilities Authority at 10 Columbus Boulevard, Hartford, Connecticut 06106-1978.

State of Connecticut Health and Educational Facilities Authority
Management's Discussion and Analysis (continued)
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Exhibit A

Restricted Construction Fund Balances As of June 30, 2011 - 2013* (Amounts Expressed in Thousands)

Issue Name	Date of Bond Issue	Scheduled Completion Date	Fund Balance 2013	Fund Balance 2012	Fund Balance 2011
Bridgeport Hospital D	05/31/12	05/12	\$ 20	\$ 184	\$ -
Connecticut Children's Medical Center D	06/30/11	06/13	-	-	719
Day Kimball Hospital B	06/06/13	06/15	11,155	-	-
Eastern Connecticut Health Network E	12/21/10	12/12	-	-	1,067
Hartford Health Care A	09/29/11	09/13	5,179	30,094	-
Hartford Health Care B	09/29/11	09/13	17,704	46,738	-
Lawrence & Memorial Hospital F	09/15/11	09/13	-	4,879	-
Middlesex Hospital N	07/26/11	07/12	-	127	-
Norwalk Hospital G	12/09/10	12/12	-	2,301	24,350
Norwalk Hospital J	12/07/12	12/14	66,663	-	-
Stamford Hospital I	05/27/10	05/12	-	-	1,360
Stamford Hospital J	06/20/12	06/14	203,296	252,289	-
Waterbury Hospital D	12/22/10	12/12	-	1,361	6,642
Western CT Healthcare K	06/17/11	06/13	-	-	114
Western CT Healthcare L	07/13/11	07/13	43,110	73,768	-
Western CT Healthcare M	07/13/11	07/13	19,508	34,019	-
Western CT Healthcare N	11/22/11	11/12	-	67	-
Yale New Haven Hospital M	12/22/10	12/12	-	30,971	85,292
Masonicare E	09/05/12	09/14	28	-	-
Pierce Memorial Baptist Home B	03/13/13	03/15	30	-	-
Connecticut College H-1	06/30/11	06/13	-	1,749	12,136
Connecticut College H-2	06/30/11	06/13	-	-	47
Connecticut College I	04/04/12	04/12	-	56	-
Connecticut St. Univ. Sys. E	05/30/03	04/05	-	-	4,361
Connecticut St. Univ. Sys. G	06/17/05	05/07	-	-	1,720
Connecticut St. Univ. Sys. J	06/22/11	06/21	10,930	21,762	26,119
Connecticut St. Univ. Sys. K	06/22/11	06/13	-	13	127
Connecticut St. Univ. Sys. L	04/04/12	04/12	-	46	-
Connecticut St. Univ. Sys M	01/10/13	01/15	36,585	-	-
Fairfield University O	03/17/10	03/12	-	1,002	15,580
Mitchell College A	11/02/10	11/12	-	-	20
Quinnipiac University I	12/20/07	11/08	-	-	16,992
Sacred Heart University G	06/29/11	06/28	5,244	5,243	28,650
Sacred Heart University H	02/14/12	02/12	163	164	-
University of Bridgeport C	12/09/10	12/12	-	1,132	4,957
University of Bridgeport D	11/02/12	11/14	11,360	-	-
University of Hartford H	04/26/12	04/14	-	45	-
University of Hartford I	04/26/12	04/14	-	9	-
Yale University 2010A	02/24/10	02/12	-	24,609	127,991
Brunswick School C	03/29/12	03/12	-	29	-
Ethel Walker School C	04/03/13	04/15	5,834	-	-
Forman School B	03/28/13	03/15	2,895	-	-
Gunnery School B	09/28/12	09/14	43	-	-
Kent School F	03/28/13	03/15	6,847	-	-
Loomis Chaffee School H	08/23/11	08/12	-	6	-
Norwich Free Academy B	03/01/13	03/15	127	-	-
Pomfret School B-1	06/14/12	06/14	2	41	-
Pomfret School B-2	06/14/12	06/14	4	5,881	-
Rectory School B	01/05/12	01/14	1,189	1,833	-
Taft School I	11/07/12	11/14	4,329	-	-
Westminster School G	06/29/12	06/14	-	6,149	-
Winston Preparatory School A	04/13/12	04/14	2,908	5,922	-
Child Care Facility Prog. G	10/23/08	10/10	-	-	153
Bushnell Memorial B	03/16/12	03/12	664	687	-
Greater Hartford YMCA C	04/27/12	04/14	-	2	-
UCONN Foundation C	04/24/13	04/15	17,612	-	-
EasyLoans	various	various	34,349	18,226	-
CONSTRUCTION FUND TOTAL (1)			\$ 507,778	\$ 571,404	\$ 358,397

* includes all cash and investments for Construction Fund, Cost of Issuance, Capitalized Interest, Equity Accounts and EasyLoans.

(1) For FY 2013 and 2012 Authority management is including the proceeds of Easy Loan tax-exempt equipment financing on the balance sheet as part of Fund Investments.



Independent Auditors' Report

To the Board of Directors of the
State of Connecticut Health and Educational Facilities Authority:

We have audited the accompanying basic consolidated financial statements of the State of Connecticut Health and Educational Facilities Authority (the Authority), a component unit of the State of Connecticut, which comprise the statement of net position as of June 30, 2013, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the consolidated 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 Authority'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2013, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Report on Consolidating Financial Statements

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating financial statements are presented for purposes of additional analysis in conjunction with the consolidated financial statements rather to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating financial statements have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating financial statements are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2013 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated 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 consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated 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.

Saslow Lufkin & Buggy, LLP

Avon, Connecticut
September 18, 2013

State of Connecticut Health and Educational Facilities Authority
Consolidated Statement of Net Position
June 30, 2013
(Amounts Expressed in Thousands)

Assets

Current assets:	
Unrestricted assets:	
Cash	\$ 277
Investments	1,180
Current portion of loans receivable, net of allowances for loan losses of \$2,321	18,652
Accounts receivable, less allowance of \$86	195
Interest receivable on investments	150
Interest receivable on loans receivable	519
Board-designated investments	11,638
Prepaid expenses and other assets	106
Total unrestricted assets	32,717
Restricted assets:	
Cash	57
Fund investments	545,230
Total restricted assets	545,287
Total current assets	578,004
Non-current assets:	
Restricted investments	29,203
Loans receivable, net of current portion	102,743
Prepaid bond insurance premiums	248
Capital assets, net	178
Total non-current assets	132,372
Total assets	\$ 710,376

Liabilities and Net Position

Current liabilities:	
Accounts payable and accrued expenses	\$ 1,709
Current portion of bonds payable	10,275
Accrued interest payable	761
Amounts held for institutions	507,778
Total current liabilities	520,523
Non-current liabilities:	
Bonds payable, net of current portion	158,225
Amount held on behalf of the State of Connecticut	2,182
Total non-current liabilities	160,407
Total liabilities	680,930
Net position:	
Invested in capital assets	178
Restricted	64,530
Unrestricted	(35,262)
Total net position	29,446
Total liabilities and net position	\$ 710,376

The accompanying notes are integral part of these consolidated financial statements.

State of Connecticut Health and Educational Facilities Authority
Consolidated Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Operating revenues:	
Interest income on loans receivable	\$ 7,867
Administrative fees	7,110
Investment income	402
Bond issuance fees	158
Other revenues	<u>131</u>
Total operating revenues	15,668
Operating expenses:	
Interest expense	6,483
Salaries and related expenses	3,033
General and administrative expenses	1,419
Loan collection fees	532
Bond issuance costs	524
Provision for loan losses (benefit)	(106)
Arbitrage rebate and excess loan yield benefit	<u>35</u>
Total operating expenses	<u>11,920</u>
Total operating income	<u>3,748</u>
Non-operating - revenues (expenses):	
Grant expense	<u>(2,267)</u>
Total non-operating expense	<u>(2,267)</u>
Increase in net position	<u>1,481</u>
Net position, beginning of year (See Note 1)	<u>27,965</u>
Net position, end of year	<u><u>\$ 29,446</u></u>

The accompanying notes are integral part of these consolidated financial statements.

State of Connecticut Health and Educational Facilities Authority
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Cash flows from operating activities:	
Cash received from loan payments	\$ 18,468
Cash received for administrative fees	7,311
Interest received on loans	7,274
Cash received from other operating income	272
Loans disbursed	(19,629)
Payments of bond interest	(6,591)
Cash paid to employees	(2,987)
Cash paid to grantees	(1,392)
Cash paid for other expenses	(1,812)
	915
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Proceeds from bond sales, net	433,058
Proceeds from institutions	1,546
Bond issuance costs	(466)
Payments of bond principal	(23,405)
Construction expenses paid	(357,106)
Net transfers to restricted funds	(132,212)
	(78,585)
Net cash used in noncapital financing activities	
Cash flows from capital and related financing activities:	
Net purchases of capital assets	(105)
	(105)
Net cash used in capital and related financing activities	
Cash flows from investing activities:	
Cash from restricted investment earnings	1,175
Net proceeds from investments	76,503
Cash received from investment earnings	13
	77,692
Net cash provided by investing activities	
Net change in cash	
	(83)
Cash, beginning of year	
	417
Cash, end of year	
	\$ 334

The accompanying notes are integral part of these consolidated financial statements.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 1 - Summary of Significant Accounting Policies

Reporting Entity - The Connecticut Health and Educational Facilities Authority (CHEFA) is a quasi-public agency 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 or CHEFA is obligated for such debt (except for loans or bonds issued under the Child Care Facilities Loan Program as discussed in Note 6 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 Connecticut Higher Education Supplemental Loan Authority (CHESLA) is a quasi-public agency established in 1982 pursuant to Section 4 of the Connecticut Higher Education Supplemental Loan Authority Act, Public Act 82-313 of the Connecticut General Assembly. CHESLA was established to assist students, their parents and institutions of higher education in financing the cost of higher education through its bond funds. CHESLA maintains separate financial statement accounts for its agency operating fund and two separate bond funds. The administrative functions of CHESLA are accounted for in the agency operating fund. The 1990 Bond Fund is governed by the 1990 Revenue Bond Resolution, as amended, supplemented and restated, pursuant to which all outstanding bonds were issued prior to the 2003 and after 2007. The 2003 Bond Fund is governed by the 2003 Master Revenue Bond Resolution pursuant to which all outstanding bonds were issued between 2003 and 2007.

Consolidation - Public Act 12-149, effective July 1, 2012, statutorily consolidated CHESLA with CHEFA by making CHESLA a subsidiary of CHEFA. As a subsidiary of CHEFA, CHESLA retains its legal identity as a separate quasi-public authority, continues to be subject to suit and liability solely from its own assets, revenues and resources, and has no recourse to the general funds, revenues, resources or other assets of CHEFA or the State of Connecticut. The supplemental schedules on pages 35 through 37 show the combined financial statement balances of CHESLA's agency operating fund and bond funds as previously described as well as the overall CHEFA and CHESLA consolidated financial statement balances. All intracompany balances between the CHESLA agency operating fund and the bond funds have been eliminated. All intercompany balances between CHESLA and CHEFA have been eliminated. Throughout these consolidated financial statements, CHEFA and CHESLA are referred to as the Authority on a consolidated basis.

Measurement focus and basis of accounting - The accompanying basic consolidated financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). GAAP applicable to state and local governmental entities is promulgated by the Governmental Accounting Standards Board (GASB).

The Funds of the Authority are proprietary fund types. Proprietary funds are used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued)

GAAP used for proprietary funds are similar to those applicable to businesses in the private sector. They are reported using the economic resources of measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the funds’ activity are included on the funds’ statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of providing services to customers. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Recently adopted accounting standards - The Authority has adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB No. 65). This standard establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this standard that affect the Authority most significantly relate to debt issuance costs and loan origination fees. Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. In addition, loan origination fees, except any portion related to points, should be recognized as revenue in the period received. The adoption of this standard required the restatement of CHESLA’s July 1, 2012 net position by \$378, to remove the beginning balances of unamortized bond issuance costs (other than insurance) and also to remove deferred revenue related to loan origination fees.

Cash and cash equivalents - Cash and cash equivalents include all highly liquid investments purchased with an original maturity of three months or less. The Authority’s investments in money market funds and the State Treasurer’s Short Term Investment Fund are excluded from cash equivalents because they are considered an investment. The Authority had no cash equivalents at June 30, 2013.

Investments - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Authority presents all investments at fair value, except for non-participating investment contracts which are recorded at cost.

The fair value of investments traded on public markets is determined using quoted market prices. The Authority invests in the State Treasurer’s Short-Term Investment Fund, which is an investment pool managed by the State Treasurer’s Office. The fair value of the Authority’s position in the pool is the same as the value of the pool shares. The Authority also classifies its investments in money market funds as investments.

Restricted assets - Restricted assets are maintained under trust agreements in separate 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.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued)

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. Under the bond funds, CHESLA issues revenue bonds, the proceeds of which are used to provide loans for student borrowers to assist in the financing of their higher education. Revenue in the bond funds is derived from interest earned on investments and loans receivable. The 2003 Bond Fund is governed by the 2003 Master Revenue Bond Resolution, pursuant to which the 2003 and 2005 Series A and B and 2006 and 2007 Series A bonds were issued. The 1990 Bond Fund is governed by the 1990 Revenue Bond Resolution pursuant to which all outstanding bonds were issued prior to the 2003 Series A and B bonds as well as the 2009, 2010, 2012 and 2013 Series A bonds. In accordance with the bond resolutions, CHESLA internally accounts for each bond issue separately, which includes individual funds as defined by each bond resolution, including but not limited to combinations of some of the following: the Loan Fund, Revenue Fund, Debt Service Fund and Special Capital Reserve Fund.

Other significant accounting policies related to restricted assets are as follows:

- CHEFA's interest earned on restricted assets is not reflected in the statements of revenues, expenses, and changes in net position as such income accrues to the benefit of the institutions.
- Restricted fund investments in money market funds are classified as investments.
- Restricted fund investments in guaranteed investment contracts are valued at cost and all other fund investments are valued at market. Generally, market value is not significantly different from cost.
- CHEFA's restricted investments classified as non-current include funds held by CHEFA under its agency relationship with the State Department of Education (SDE) described in Note 6 and investments held in connection with the Connecticut Credit Union Student Loan Guarantee program.
- 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 non-current include funds held by CHESLA pursuant to the bond resolutions in individual Special Capital Reserve Funds (Note 9).

Non-operating revenue and expense - Activities not related to CHEFA's primary purpose are considered non-operating. Non-operating income and expenses consist primarily of expenses related CHEFA's grant program and income from investments. All of CHESLA's revenues and expenses are considered operating.

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

Amounts held on behalf of the State of Connecticut - Amounts held on behalf of the State of Connecticut represent funds transferred to CHEFA under its agency relationship with SDE related to the childcare program pursuant to Public Act 97-259 (See Note 6 for further discussion).

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued)

Capital assets - Capital assets, which include property, plant and equipment, are stated at cost. CHEFA defines capital assets as assets with an initial cost exceeding five-hundred dollars. Depreciation and amortization are computed on a straight line basis over estimated service lives generally ranging from three to five years. Maintenance and repairs that do not add to the value of the asset or materially extend their lives are charged to expense as incurred, while significant renewals and betterments are capitalized.

Net position - The accompanying statements of net position present the Authority's fiduciary and non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

- Invested in capital assets - This category consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.
- Restricted net position - This category consists of the net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, or through restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This category consists of the net position, which do not meet the definition of the two preceding categories.

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

CHESLA also is self-supporting and charges an administrative fee on outstanding loan balances to cover its operating expenses. The fees are assessed to the bond resolution funds and vary in accordance with the related bonds series and range from 30 to 100 basis points.

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

Prepaid bond insurance premium - Bond insurance premiums are amortized on a straight-line basis over the term of the related bonds. All other bond issuance costs are expensed as incurred pursuant to the provisions of GASB No. 65 as previously mentioned. Prior to the adoption of GASB No. 65, all bond issuance costs were amortized over the term of the related bonds.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued)

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. CHESLA calculates this liability annually.

Loan reserve fee revenue - CHESLA charges a 3% reserve fee on loans governed by the 2003 Master Revenue Bond Resolution and a 2% to 4% reserve fee on loans governed by the 1990 Revenue Bond Resolution, depending on the originating series. This fee is recognized as an origination fee to the loans and in accordance with GASB No. 65, as previously mentioned, is recognized upon issuance of the related loan. Prior to adoption of GASB No. 65, the fee was deferred and recognized over the life of the loan on a straight-line basis.

Interest income on loans - Interest income on loans is recognized based on the rates applied to principal amounts outstanding. The accrual of interest income is generally discontinued when a loan is classified as nonperforming (see Note 3). Loans are currently considered nonperforming by management when the borrower has not made payments for the most recent three months.

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change relates to the determination of the allowance for loan losses. In determining the allowance for loan losses, management uses historical loss experience to make predictions about future losses. As the loan portfolio matures, CHESLA adjusts its estimate of expected default rates used to estimate loan losses.

Subsequent event measurement date - The Authority monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its consolidated financial statements for the year ended June 30, 2013 through September 18, 2013, the date on which the consolidated financial statements were available to be issued. Management believes there are no subsequent events having an impact on the consolidated financial statements.

Note 2 - Cash Deposits and Investments

Cash deposits - custodial credit risk - Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. CHEFA does not have a deposit policy for custodial credit risk.

As of June 30, 2013, \$34 of the Authority's bank balances of \$334 was exposed to custodial credit risk.

All of the Authority's deposits were in qualified public institutions as defined by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 2 - Cash Deposits and Investments (continued)

A reconciliation of the Authority's cash deposits as of June 30, 2013 is as follows:

Unrestricted assets:		
Cash	\$	277
Restricted assets:		
Cash		57
	\$	334

Investments - As of June 30, 2013, the Authority's investments consisted of the following:

Investment type	Fair Value	Investment Maturities		
		Less than 1 year	1 to 10 years	More than 10 years
Money market funds	\$ 513,824	\$ 513,824	\$ -	\$ -
Short-term Investment Fund (STIF)	48,777	48,777	-	-
Guaranteed Investment Contracts (GIC):				
IXIS Funding Corp	1,459	-	1,459	-
GE Capital Corp	2,200	-	2,200	-
Rabobank International	1,611	-	1,611	-
MBIA, Inc.	3,000	-	3,000	-
FSA Capital Management Services	5,300	-	2,500	2,800
GE Capital Corp	512	-	512	-
Salomon Smith (Citigroup)	600	-	600	-
U.S. treasuries	9,968	2,849	-	7,119
Total	\$ 587,251	\$ 565,450	\$ 11,882	\$ 9,919

Because the STIF and money market funds have weighted average maturities of 60 days and 90 days, respectively, they are presented as investments with maturities of less than one year.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 2 - Cash Deposits and Investments (continued)

Interest rate risk - CHEFA and CHESLA invest unrestricted funds in the Connecticut State Treasurer's Short Term Investment Fund (STIF), which has historically maintained its net asset values such that the principal of the investments is not eroded by interest rate fluctuations. In addition, CHEFA invests some of its unrestricted funds in money market funds. CHEFA's investment policy provides that the investment portfolio for its unrestricted investments be designed with the objective of regularly exceeding the average return of ninety day U.S. Treasury Bills. The investment policy as it relates to restricted investments provides that all restricted accounts be invested in strict accordance with the bond issue trust indentures and with applicable Connecticut State law. Whenever possible, restricted investments are to be held to maturity and invested in an appropriate manner so as to ensure the availability for specified payment dates, planned construction draws and other intended purposes as set forth in the relevant trust indentures and agreements, and to ensure a rate of return at least equal to the restricted bond yield, all with minimal risk to capital. CHESLA's specific investment policy complies with the underlying bond resolution requirements previously described.

Credit risk - CHEFA has an investment policy that would further limit its investment choices beyond those limited by Connecticut State statutes for both unrestricted and restricted investments.

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

Pursuant to the General Statutes of the State of Connecticut, CHEFA may only invest funds in the following: obligations issued or guaranteed by the United States of America or the State of Connecticut and in other obligations, which are legal investments for savings banks in the State; 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 State Commissioner of Banking; 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 marketplace, provided that CHEFA 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.

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a policy for custodial credit risk as the applicable deposit and investment policies comply with the underlying relevant trust indentures, agreements, and bond resolutions. The Authority was not subject to custodial risk because it did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Authority's name.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 2 - Cash Deposits and Investments (continued)

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 State Treasurer's Short-Term Investment Fund shall constitute greater than 5% of unrestricted investments, except for qualified money market or mutual bond funds, none of which shall constitute greater than 50% of general fund investments. CHEFA's investment portfolio as of June 30, 2013 was in compliance with this policy. CHEFA places no limit on the amount of investment in any one issuer for restricted investments.

Note 3 - Loans Receivable

Under the Bond Fund Program, CHESLA makes loans to students from the proceeds of bonds issued by CHESLA. Loans receivable by outstanding bond series as of June 30, 2013 are as follows:

Bond Series	Number of Loans at June 30, 2013	Balance at June 30, 2013	Interest Rate %
2003A&B*	1,202	7,450	4.99 and 9.20
2005A&B**	1,292	12,880	5.5, 8.25 and 8.40
2006A***	1,309	14,121	0 and 6.15
2007A	1,918	23,749	6.99
2009A	1,543	19,891	6.80
2010A****	2,249	35,428	5.95, 7.25 and 7.5
2012A*****	1,803	7,426	2.00 - 7.50
2013A	29	248	5.99
	11,345	\$ 121,193	
Add: nonperforming loans		2,523	
Less: allowance for loan losses		(2,321)	
		\$ 121,395	

* Includes loans issued under the 1991 Series A bonds that were refunded by the 2003 Series B bonds.

** Includes loans issued under 1993 and 1994 Series A bonds that were refunded by the 2005 Series B bonds.

*** Includes loans issued under the 1996 Series A bonds that were refunded by the 2006 Series A bonds.

**** Includes loans issued under 1999 and 2000 series B bonds that were refunded by the 2010 Series A bonds.

***** Includes loans issued under 1999, 2000, and 2001 Series A bonds and 1998 Series A and B bonds that were refunded by the 2012 Series A bonds.

CHESLA currently defines nonperforming loans as defaulted loans in collections but not written off. Write-off occurs if no payment has been received by the collection agency in 12 months. Interest income of approximately \$133 for the year ended June 30, 2013 was not accrued on nonperforming loans.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 3 - Loans Receivable (continued)

CHESLA has a policy to write off uncollectible loans against the allowance for loan losses when certain criteria are met (see Note 1). In connection with this policy, CHESLA wrote off loans receivable of \$422 for the year ended June 30, 2013, which had previously been provided for through the allowance for loan losses. CHESLA recovered \$119 in fiscal year 2013 in loans receivable and other credits that were written off in previous years.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2013 is as follows:

2013	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Leasehold improvements	\$ 147	\$ 5	\$ -	\$ 152
Computer equipment	601	22	-	623
Furniture and fixtures	255	21	-	276
Office equipment	419	57	-	476
Total capital assets	<u>1,422</u>	<u>105</u>	<u>-</u>	<u>1,527</u>
Less accumulated depreciation and amortization for:				
Leasehold improvements	(146)	(2)	-	(148)
Computer equipment	(601)	(15)	-	(616)
Furniture and fixtures	(235)	(17)	-	(252)
Office equipment	(282)	(51)	-	(333)
	<u>(1,264)</u>	<u>(85)</u>	<u>-</u>	<u>(1,349)</u>
	<u>\$ 158</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 178</u>

Note 5 - Bonds Payable

The following is a summary of changes in CHESLA's bonds payable for the year ended June 30, 2013:

	Balance at July 1, 2012	Increases	Decreases	Balance at June 30, 2013	Due Within One Year
Bonds payable - principal	\$ 166,065	\$ 25,000	\$ (23,405)	\$ 167,660	\$ 10,275
Discount	(620)	-	69	(551)	-
Premium	1,361	104	(74)	1,391	-
	<u>\$ 166,806</u>	<u>\$ 25,104</u>	<u>\$ (23,410)</u>	<u>\$ 168,500</u>	<u>\$ 10,275</u>

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 5 - Bonds Payable (continued)

The bonds of CHESLA bear interest at rates varying between 1.7% and 7%. Future amounts needed to pay principal and interest on bonds outstanding at June 30, 2013 is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 10,275	\$ 6,483
2015	11,395	6,088
2016	12,655	5,624
2017	12,900	5,103
2018	12,930	4,558
2019-2023	57,955	15,230
2024-2028	33,595	5,797
2029-2033	12,160	1,513
2034-2035	3,795	149
	<u>\$ 167,660</u>	<u>\$ 50,545</u>

Outstanding principal of each bond issue at June 30, 2013, is as follows:

	<u>Original Amount</u>	<u>Outstanding June 30, 2013</u>
2003 Series A, 1.7%-4.5%, due serially from November 15, 2004 to November 15, 2020	\$ 18,000	\$ 6,810
2003 Series B, 2%-5%, due serially from November 15, 2004 to November 15, 2017	12,915	4,270
2005 Series A, 2.5%-4.375%, due serially from November 15, 2005 to November 15, 2021	31,455	13,825
2006 Series A, 3.9%-4.8%, due serially from November 15, 2007 to November 15, 2022	33,270	14,985
2007 Series A, 4.125%-1.875%, due serially from November 15, 2010 to November 15, 2024	41,000	28,020
2009 Series A 1.9%-5.05%, due serially from November 15, 2011 to November 15, 2027	30,000	23,645
2010 Series A 2.0%-5.25%, due serially from November 15, 2014 to November 15, 2035	45,000	40,965
2012 Series A .4%-3.125%, due serially from November 15, 2012 to November 15, 2021	13,085	10,140
2013 Series A .14%-3.98%, due serially from November 15, 2014 to November 15, 2029	25,000	25,000
	<u>\$ 249,725</u>	<u>\$ 167,660</u>

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 5 - Bonds Payable (continued)

Each Series A bond is subject to a special mandatory redemption in whole or in part from excess loan payments. During the year ended June 30, 2013, CHESLA redeemed bonds in the following amounts:

2003 Series A	\$	600
2005 Series A		500
2006 Series A		800
2007 Series A		1,100
2009 Series A		300
2010 Series A		3,000
2012 Series A		500
	\$	6,800

As of June 30, 2013, CHEFA has total outstanding principal balances of special obligation bonds of \$8,030,153. 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 statements of net position.

CHEFA issued general obligation bonds through July 1979 for which CHEFA was ultimately responsible for the payment of principal and interest when due. Subsequent to July 1, 1979, CHEFA has issued only special obligation bonds for which principal and interest is payable solely from the revenues of the institutions. As of June 30, 2013 there were no general obligation bonds outstanding.

Note 6 - Child Care Facilities Loan Programs

CHEFA has entered into a partnership with the State of Connecticut Department of Education, the Office of the State Treasurer, and banking institutions to provide child care providers with access to financing under three loan programs: the Tax-Exempt Pooled Bond Issue Program, the Guaranteed Loan Fund Program, and the Small Revolving Direct Loan Program.

Tax-Exempt Child Care Facilities Program - From April 1998 to June 2011, CHEFA issued \$78,430 in revenue bonds under the Tax-Exempt Pooled Bond Issue Program. The program was established to provide low interest loans to eligible child care providers for the new construction or renovation of child care centers. In August 2011, CHEFA issued \$28,840 of State Supported Child Care Revenue Bonds, Series 2011 that refinanced all but two series (Child Care Facilities Program Series F and G) of the previously issued bonds.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 6 - Child Care Facilities Loan Programs (continued)

As of June 30, 2013, there was approximately \$61,155 in loan balances outstanding under this program. The State of Connecticut is responsible for paying a portion of the debt service on the Child Care Facilities Program Series F and G bonds and all of the debt service on the State Supported Child Care Revenue Bonds, subject to available appropriations and pursuant to a Memorandum of Understanding.

Guaranteed Loan Fund Program - The purpose of the Guaranteed Loan Fund Program is to guarantee loans for the expansion or development of child care and child development centers in the State. CHEFA is responsible for guaranteeing 20% to 50% of each loan outstanding. As of June 30, 2013, outstanding loan balances totaled \$8,445. On average, CHEFA is guaranteeing 38% of those balances, or approximately \$3,212.

In FY 1998, CHEFA designated \$4,500 of its net position to be used for loan guarantees and debt service funding under this program, if providers default on their loans. As of June 30, 2008, the net position designation was reduced to \$4,320, a decrease of \$180, which was due to a payment on a defaulted loan.

In FY 1998, DSS transferred \$1,500 to CHEFA to further support this program, with those funds serving as an additional reserve.

In June 1999, CHEFA's Board of Directors approved an amendment to the Guaranteed Loan Fund to subsidize 3% of the interest rate on future loans issue in conjunction with this program. Loans issued under this program are approved, granted and administered by participating financial institutions.

Small Revolving Direct Loan Program - This program provides for loans or loan guarantees from the State of Connecticut to child care providers. In FY 1999, the Connecticut Department of Social Services (DSS) transferred \$750 to CHEFA to support the Small Direct Loan Program. The funds transferred to CHEFA represent funds available to provide loan guarantees. As of June 30, 2013, the balance of those funds remaining was \$682, reflecting drawdowns for prior year loan defaults. CHEFA is under no obligation to provide additional funds for loan guarantees.

The DSS contributions to the Guaranteed Loan Fund Program and the Small Direct Loan Program, net of payouts and accrued expense, along with CHEFA's \$4,320 to support the Guaranteed Loan Fund Program, are recorded within Restricted Investments.

Note 7 - Student Loan Programs Mandated by State Statute

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 guarantee reserve at June 30, 2013 was \$665, and is sufficient to meet the loan loss reserve requirement. This amount is included within restricted investments.

Note 8 - Net Position

A portion of the unrestricted net position has been designated by CHEFA's Board of Directors for operations and the remainder for programs that are part of CHEFA's mission and purpose, as well as for contingencies. In addition, as described in Note 6, CHEFA designated \$4,320 of its net position for the Guaranteed Loan Fund Program for child care facilities pursuant to Public Act 97-259. The \$4,320, along with the \$665 set aside for the Connecticut Credit Union Student Loan Program for FY 2013 are reflected within restricted net position.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 8 - Net Position (continued)

CHESLA's Board of Directors designated unrestricted net assets of \$1,000 as of June 30, 2013, to be used to maintain future operations required to monitor and administer the loan portfolio in the event CHESLA ceases to issue new loans. CHESLA's restricted net assets consist of \$37,509 of bond fund investments for debt service and issuance of student loans as of June 30, 2013 as well as \$22,036, required by the bond indentures to be maintained in the Special Capital Reserve Funds.

A summary of the net position as of June 30, 2013 is as follows:

Invested in capital assets	\$	178
Restricted:		
Special Capital Reserve Funds		22,036
Bond Fund Investments		37,509
Child Care Facilities Loan Program		4,320
Student Loan Guarantee Program		665
Total restricted		64,530
Unrestricted:		
Focused investment program		1,025
Legal fee contingencies		1,500
Operations and contingency		6,953
CHESLA deficit		(44,740)
Total unrestricted		(35,262)
Total	\$	29,446

Note 9 - State of Connecticut Deposit Requirement

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 the 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, 2013, the State has not made nor was it required to make any such deposit.

Note 10 - Related Party Transactions

CHEFA charged CHESLA in FY 2013 an annual fee of \$110 for providing management, accounting, legal and other services, sharing of rental space, and office equipment. The managing director of CHEFA serves as executive director of CHESLA. In addition, CHESLA reimbursed CHEFA directly for specific general and administrative expenses incurred. The general agency fund of CHESLA charges a fee to each of the bond funds for administering the bond funds. The fee is based on an agreed upon percentage of the outstanding loans payable in each of the funds. For the year ended June 30, 2013, the total fees charged were \$754.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 11 - Employee Benefit Plans

The Authority maintains a defined contribution money purchase plan (the Plan) covering all employees with three months of continuous service and one-thousand anticipated hours of service annually. The Plan is administered by CHEFA and can be amended by the trustees of the Plan. CHEFA and CHESLA contribute annually to the Plan an amount equal to ten percent of each qualified employee's annual salary. For the year ended June 30, 2013, retirement plan expense was \$229.

In addition, the Authority has a deferred compensation plan, which was established during fiscal year 1991 in accordance with Internal Revenue Code Section 457 and is available to Authority employees. Employees are permitted to defer a portion of their salaries, subject to certain limitations. CHEFA and CHESLA match up to one thousand five hundred dollars of employee contributions. Related expense was \$33 for the year ended June 30, 2013.

Note 12 - Operating Leases

CHEFA leases office space and other office equipment for use in operations. As of June 30, 2013, minimum future rental commitments of the leases are as follows:

2014	\$	238
2015	\$	241
2016	\$	242
2017	\$	240
2018	\$	244

Rental expense for these leases during the years ended June 30, 2013 was \$252.

Note 13 - Legal Matters and Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; directors and officers; injuries to employees; or acts of God. The Authority purchases commercial insurance to mitigate loss from these risks. Under terms of the agreements between CHEFA and its borrowers, any costs associated with the litigation are the obligations of the borrowers. CHEFA is indemnified under the terms of the bond agreements.

State of Connecticut Health and Educational Facilities Authority
Notes to the Consolidated Financial Statements
As of and for the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

Note 14 - Reconciliation of Operating Income to Net Cash Provided By Operating Activities

The following is a reconciliation of operating income provided by operating activities for the years ended June 30, 2013.

Cash flows from operating activities:	
Increase in net position	\$ 1,481
Adjustments to reconcile decrease in net position to net cash provided by operating activities:	
Depreciation	86
Income from investments	(402)
Loan reserve fee revenue	(532)
Bond issuance costs	524
Provision for loan benefit	(106)
Amortization of bond discount (premium)	(5)
Changes in assets and liabilities:	
Loans receivable	(1,124)
Accounts receivable	184
Interest receivable on loans receivable	(53)
Prepaid expenses and other assets	17
Accounts payable and accrued expenses	950
Accrued interest payable	(105)
	<hr/>
Net cash provided by operating activities	<u>\$ 915</u>

State of Connecticut Health and Educational Facilities Authority
Consolidating Statement of Net Position
June 30, 2013
(Amounts Expressed in Thousands)

Assets	CHESLA					
	CHEFA	Agency Operating Fund	Bond Funds		Total CHESLA	Total
			1990 Resolution	2003 Resolution		
Current assets:						
Unrestricted assets:						
Cash	\$ 227	\$ 50	\$ -	\$ -	\$ 50	\$ 277
Investments	-	1,180	-	-	1,180	1,180
Current portion of loans receivable, net of allowances for loan losses of \$2,321	-	-	9,606	9,046	18,652	18,652
Accounts receivable, less allowance of \$86	195	-	-	-	-	195
Interest receivable on investments	-	-	69	81	150	150
Interest receivable on loans receivable	-	-	297	222	519	519
Board-designated investments	10,638	1,000	-	-	1,000	11,638
Prepaid expenses and other assets	91	15	-	-	15	106
Total unrestricted assets	11,151	2,245	9,972	9,349	21,566	32,717
Restricted assets:						
Cash	57	-	-	-	-	57
Fund investments	507,721	-	29,420	8,089	37,509	545,230
Total restricted assets	507,778	-	29,420	8,089	37,509	545,287
Total current assets	518,929	2,245	39,392	17,438	59,075	578,004
Non-current assets:						
Restricted investments	7,167	-	11,536	10,500	22,036	29,203
Loans receivable, net of current portion	-	-	53,019	49,724	102,743	102,743
Prepaid bond insurance premiums	-	130	-	118	248	248
Capital assets, net	178	-	-	-	-	178
Total non-current assets	7,345	130	64,555	60,342	125,027	132,372
Total assets	\$ 526,274	\$ 2,375	\$ 103,947	\$ 77,780	\$ 184,102	\$ 710,376

See independent auditors' report

State of Connecticut Health and Educational Facilities Authority
Consolidating Statement of Net Position (continued)
June 30, 2013
(Amounts Expressed in Thousands)

Liabilities and Net Position	CHESLA					
	CHEFA	Agency Operating Fund	Bond Funds		Total CHESLA	Total
			1990 Resolution	2003 Resolution		
Current liabilities:						
Accounts payable and accrued expenses	\$ 1,673	\$ 15	\$ 21	\$ -	\$ 36	\$ 1,709
Current portion of bonds payable	-	-	3,950	6,325	10,275	10,275
Accrued interest payable	-	-	366	395	761	761
Amounts held for institutions	507,778	-	-	-	-	507,778
Total current liabilities	509,451	15	4,337	6,720	11,072	520,523
Non-current liabilities:						
Bonds payable, net of current portion	-	-	97,091	61,134	158,225	158,225
Amount held on behalf of the State of Connecticut	2,182	-	-	-	-	2,182
Total non-current liabilities	2,182	-	97,091	61,134	158,225	160,407
Total liabilities	511,633	15	101,428	67,854	169,297	680,930
Net position:						
Invested in capital assets	178	-	-	-	-	178
Restricted	4,985	-	40,956	18,589	59,545	64,530
Unrestricted	9,478	2,360	(38,437)	(8,663)	(44,740)	(35,262)
Total net position	14,641	2,360	2,519	9,926	14,805	29,446
Total liabilities and net position	\$ 526,274	\$ 2,375	\$ 103,947	\$ 77,780	\$ 184,102	\$ 710,376

See independent auditors' report

State of Connecticut Health and Educational Facilities Authority
Consolidating Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013
(Amounts Expressed in Thousands)

	CHESLA							
	CHEFA	Agency Operating Fund	Bond Funds		Eliminations	Total CHESLA	Eliminations	Total
			1990 Resolution	2003 Resolution				
Operating revenues:								
Interest income on loans receivable	-	-	4,128	3,739	-	\$ 7,867	\$ -	\$ 7,867
Administrative fees	7,110	754	-	-	(754)	-	-	7,110
Investment income (loss)	14	15	(226)	599	-	388	-	402
Bond issuance fees	158	-	-	-	-	-	-	158
Other revenues	241	-	-	-	-	-	(110)	131
Total operating revenues	7,523	769	3,902	4,338	(754)	8,255	(110)	15,668
Operating expenses:								
Interest expense	-	-	3,030	3,453	-	6,483	-	6,483
Salaries and related expenses	2,844	189	-	-	-	189	-	3,033
General and administrative expenses	1,057	342	252	632	(754)	472	(110)	1,419
Loan collection fees	-	-	378	154	-	532	-	532
Bond issuance and insurance costs	-	30	466	28	-	524	-	524
Provision for loan losses (benefit)	-	-	93	(199)	-	(106)	-	(106)
Arbitrage rebate and excess loan yield benefit	-	-	-	35	-	35	-	35
Total operating expenses	3,901	561	4,219	4,103	(754)	8,129	(110)	11,920
Total operating income (loss)	3,622	208	(317)	235	-	126	-	3,748
Non-operating - revenues (expenses):								
Grant expense	(2,267)	-	-	-	-	-	-	(2,267)
Total non-operating expense	(2,267)	-	-	-	-	-	-	(2,267)
Income before transfers	1,355	208	(317)	235	-	126	-	1,481
Transfers	-	(700)	700	-	-	-	-	-
Increase (decrease) in net position	1,355	(492)	383	235	-	126	-	1,481
Net position, beginning of year (See Note 1)	13,286	2,852	2,136	9,691	-	14,679	-	27,965
Net position, end of year	14,641	2,360	2,519	9,926	-	\$ 14,805	\$ -	\$ 29,446

See independent auditors' report



**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 of the
State of 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 consolidated financial statements of the State of Connecticut Health and Educational Facilities Authority (the Authority), a component unit of the State of Connecticut, which comprise the statement of net position as of June 30, 2013 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2013.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's consolidated 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 is 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 would not necessarily 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 consolidated financial statements are free of 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*.



**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***

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 organization's internal control or on compliance. This report is an integral part of the an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saslow Lufkin & Buggy, LLP

September 18, 2013

**State of Connecticut Health and Educational Facilities Authority
Report to the Governor – Fiscal Year 2013**

Grant Programs

During FY 2013, the Authority awarded grants through its Client Grant Program, Nonprofit Grant Program, and Targeted Investment Grants totaling \$2,462,252.

Fiscal Year 2013 Grants

Client Grant Program	\$1,034,469
Nonprofit Grant Program	\$1,197,783
Targeted Investments ¹	<u>\$230,000</u>
Total Grants	\$2,462,252

Client Grant Program

Grantee	Location	Purpose	Amount
Bristol Hospital	Bristol	Renovations to ER for Behavioral Health patients	\$75,000
Danbury Hospital	Danbury	Cardiovascular Limited Ultrasound Exam Training	\$71,800
Gaylord Hospital	Wallingford	Support for Inpatient Pulmonary Rehabilitation Program	\$75,000
Greater Waterbury YMCA	Waterbury	Renovations for drowning prevention programs	\$65,000
Griffin Hospital	Derby	Support for Breast Wellness staff of Parish Nurse Program	\$74,480
Hospital for Special Care	New Britain	Creation of an Outpatient Swallowing Clinic	\$74,924
Jerome Home	New Britain	Electronic Medical Records purchase and installation	\$75,000
Masonicare	Newtown	Wireless network for Newtown facility	\$75,000
Mount Olive Child Dev. Ctr.	Hartford	Renovations, safety, and playground equipment	\$28,365
Quinnipiac University	Hamden	Simulated anesthesia workstations for medical school	\$70,341
Sacred Heart University	Fairfield	Horizons Programs for underserved children in Bridgeport	\$75,000
Saint Francis Hospital	Hartford	Simulation Laboratory equipment	\$75,000
UConn Foundation	Storrs	Support for the Husky Sport Program in Hartford's North End	\$75,000
University of New Haven	West Haven	Purchase of patient simulator manikin for EMT training	\$74,559
Yale-New Haven Hospital	New Haven	Expansion of Children's Inpatient Psychiatric Unit	\$50,000
Total Client Grants			\$1,034,469

¹ Awards made in FY 2013 and prior Fiscal Years; reflects disbursement amounts for FY 2013. See below.

**State of Connecticut Health and Educational Facilities Authority
Report to the Governor – Fiscal Year 2013**

Nonprofit Grant Program

Grantee	Location	Purpose	Amount
Clifford W. Beers Guidance Clinic	New Haven	Salary and costs for full-time Licensed Mental Health Clinician for children enrolled at Martinez School	\$75,000
Community Partners in Action	Hartford	Rental subsidies for transitional housing, security deposits, and emergency food	\$20,000
Community Soup Kitchen, Inc.	New Haven	Purchase food to allow for expansion of services	\$5,000
Easter Seals CR & ECT. Inc.	Windsor	Comprehensive neuropsychological and assessments for diagnosis of Autism-spectrum disorders	\$71,200
Episcopal Social Services of CT, Inc.	New Haven	Homelessness prevention for refugees	\$75,000
Estuary Council of Seniors	Old Saybrook	Equipment replacement for meals preparation for senior feeding programs	\$35,000
Fellowship Place, Inc.	New Haven	Purchase of food for the chronically mentally ill that attend their activities	\$10,000
Foodshare, Inc.	Bloomfield	Mobile food pantry and produce support, and replacement forklift	\$75,000
Gilead Community Services, Inc.	Middletown	Purchase of 2 vans to transport clients that require specialized transportation services	\$50,000
Greater Waterbury Interfaith Ministries	Waterbury	Equipment, food purchase, and staffing costs	\$25,000
Hands on Hartford, Inc.	Hartford	Food purchase for community pantry, meals services and backpack program	\$70,000
Homes With Hope, Inc.	Westport	General operating funds for emergency shelter for homeless women with children	\$10,000
Kids in Crisis	Cos Cob	Operating support for child-only emergency shelter, comprehensive medical and emotional services	\$75,000
Malta House of Care, Inc.	Hartford	Mobile Medical Clinic support	\$75,000
New London Homeless Hospitality Ctr	New London	Staffing support for medical respite shelter facility	\$53,000
North End Action Team, Inc.	Middletown	Financial incentive funds to double amount of SNAP benefit funds at the farmer's market	\$20,000
The Open Door Shelter, Inc.	Norwalk	Manna House Food Program general support	\$75,000
Person-to-Person, Inc.	Darien	Purchase of food for food pantries	\$20,000
Ridgefield Visiting Nurse Association, Inc.	Ridgefield	Home healthcare services to elderly with chronic illness	\$25,000
Stamford Shelter for the Homeless	Stamford	Operating funds to cover portion of food budget at homeless shelter	\$29,533
The ACCESS Agency	Willimantic	Support for purchase of vehicle for mobile food distribution program	\$26,250
The Open Hearth Association, Inc.	Hartford	Food support for residents of transitional living program and overnight shelter	\$40,000
Torrington Chapter of FISH	Torrington	Freezer purchase and installation	\$17,800
United Cerebral Palsy of Eastern CT	Quaker Hill	Home modifications and services for disabled	\$25,000
VNA HealthCare	Hartford	Meals on Wheels support and expansion	\$75,000

**State of Connecticut Health and Educational Facilities Authority
Report to the Governor – Fiscal Year 2013**

Wellmore	Waterbury	Heroin addiction program startup to meet high demand and limited services	\$40,000
Wellspring Foundation, Inc.	Bethlehem	Operating funds to cover cost of outpatient mental health services for needy clients	\$20,000
Western Connecticut Home Care	Danbury	Purchase of telehealth monitoring devices	\$60,000
Total Nonprofit Grants			\$1,197,783

Targeted Investment Grant Disbursements FY 2013 – Awards made in prior Fiscal Years

Grantee	Location	Purpose	Amount
A New Connecticut Foundation	Rocky Hill	CT Data Collaborative and CT Nonprofit Strategy Platform	\$195,000
Targeted Investments Disbursements FY 2013 – Prior Year Awards			\$195,000

Targeted Investment Grant Disbursements FY 2013 – Awards made in FY 2013

Grantee	Location	Purpose	Amount
CT Forum	Hartford	General operating support for CT Youth Forum	\$35,000
Targeted Investments Disbursements FY 2013 – FY 2013 Awards			\$35,000

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(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</u>	<u>Interest</u>	<u>Net</u>	<u>Amount</u>	<u>Outstanding</u>	
						<u>Maturity</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Issued</u>	<u>Current</u>	<u>Long-Term</u>
University of Hartford	A*	07/01/66	N/A	N/A	N/A	1997	4.97%	N/A	4,100	-	-
Middlesex Hospital	A*	07/01/67	N/A	N/A	N/A	2000	5.79%	N/A	9,300	-	-
Rockville General Hospital	A*	07/01/68	N/A	N/A	N/A	1994	5.97%	N/A	3,400	-	-
Danbury Hospital	A*	07/01/68	N/A	N/A	N/A	2000	5.88%	N/A	8,500	-	-
Mount Sinai Hospital	A*	07/01/68	N/A	N/A	N/A	2000	5.98%	N/A	11,450	-	-
New Britain General Hospital	A*	07/01/68	N/A	N/A	N/A	1999	5.57%	N/A	5,540	-	-
New Haven College	A*	07/01/68	N/A	N/A	N/A	2000	5.99%	N/A	2,950	-	-
University of Hartford	B*	07/01/69	N/A	N/A	N/A	2000	6.92%	N/A	6,680	-	-
Lawrence and Memorial Hospital	A*	07/01/69	N/A	N/A	N/A	2000	7.97%	N/A	5,380	-	-
Danbury Hospital	B*	07/01/70	N/A	N/A	N/A	1976	4.50%	N/A	1,500	-	-
Yale University	A*	07/01/70	N/A	N/A	N/A	1978	4.44%	N/A	2,440	-	-
Waterbury Hospital	A*	07/01/70	N/A	N/A	N/A	2002	7.19%	N/A	10,950	-	-
Windham Hospital	A*	07/01/70	N/A	N/A	N/A	2003	6.61%	N/A	3,860	-	-
Yale University	B*	07/01/70	N/A	N/A	N/A	2002	5.76%	N/A	12,300	-	-
Saint Francis Hospital	A*	07/01/71	N/A	N/A	N/A	2003	6.75%	N/A	16,700	-	-
Yale-New Haven Hospital	A*	07/01/71	N/A	N/A	N/A	2003	5.56%	N/A	9,250	-	-
University of Bridgeport	A*	07/01/71	N/A	N/A	N/A	2003	5.96%	N/A	7,500	-	-
Charlotte Hungerford Hospital	A*	07/01/70	N/A	N/A	N/A	1982	4.32%	N/A	2,400	-	-
Wesleyan University	A*	07/01/72	N/A	N/A	N/A	2003	5.44%	N/A	30,550	-	-
Yale University	C*	07/01/72	N/A	N/A	N/A	2004	5.33%	N/A	2,780	-	-
Saint Vincent's Hospital	A*	07/01/73	N/A	N/A	N/A	2006	6.26%	N/A	23,450	-	-
Middlesex Hospital	B*	07/01/74	N/A	N/A	N/A	2007	8.82%	N/A	8,220	-	-
Norwalk Hospital	A*	03/01/76	N/A	N/A	N/A	2009	7.06%	N/A	13,800	-	-
Danbury Hospital	C*	07/01/76	N/A	N/A	N/A	2009	7.76%	N/A	19,750	-	-
Yale University	D*	07/01/76	N/A	N/A	N/A	2006	5.34%	N/A	16,400	-	-
Fairfield University	A*	07/01/77	N/A	N/A	N/A	2003	5.52%	N/A	4,150	-	-
Trinity College	A*	07/01/77	N/A	N/A	N/A	2009	6.42%	N/A	6,000	-	-
Yale-New Haven Hospital	B*	07/01/79	N/A	N/A	N/A	2012	6.88%	N/A	59,500	-	-
Hartford Hospital	A*	09/12/79	N/A	N/A	N/A	1998	6.38%	N/A	1,800	-	-
Saint Mary's Hospital	A*	01/01/80	N/A	N/A	N/A	2010	8.72%	N/A	25,985	-	-
Connecticut Hospice	A*	07/16/80	N/A	N/A	N/A	2000	9.75%	N/A	1,450	-	-
Fairfield University	B*	07/01/80	N/A	N/A	N/A	2006	9.75%	N/A	4,680	-	-
Quinnipiac University	A*	10/22/80	N/A	N/A	N/A	2007	9.75%	N/A	1,900	-	-
University of New Haven	B*	04/15/81	N/A	N/A	N/A	2006	11.63%	N/A	5,210	-	-
Manchester Memorial Hospital	A*	06/01/81	N/A	N/A	N/A	2012	11.76%	N/A	14,800	-	-
Fairfield University	C*	11/12/81	N/A	N/A	N/A	2002	Variable	N/A	3,500	-	-
Yale-New Haven Hospital	C*	03/01/81	N/A	N/A	N/A	2002	Variable	N/A	6,500	-	-
Meriden-Wallingford Hospital	A*	07/01/82	N/A	N/A	N/A	2012	14.94%	N/A	24,200	-	-
Community Health Care Center Plan	A*	12/22/82	N/A	N/A	N/A	2007	6.22%	N/A	2,500	-	-
Yale University	E*	02/09/83	N/A	N/A	N/A	1998	Variable	N/A	28,500	-	-
Yale University	F*	03/01/83	N/A	N/A	N/A	2013	8.78%	N/A	30,250	-	-
Wesleyan University	B*	03/15/83	N/A	N/A	N/A	2013	7.11%	15,723	16,175	-	-
Danbury Hospital	D*	04/15/83	N/A	N/A	N/A	2014	8.74%	48,753	49,995	-	-
William W. Backus Hospital	A*	11/22/83	N/A	N/A	N/A	1994	Variable	2,974	3,060	-	-
Connecticut College	A*	01/01/84	N/A	N/A	N/A	1992	6.60%	4,136	4,250	-	-
Stamford Hospital	A*	05/01/84	N/A	N/A	N/A	1994	8.25%	18,884	19,410	-	-
Hospital of Saint Raphael	A*	10/01/84	N/A	N/A	N/A	2024	10.01%	N/A	45,030	-	-

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(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>
Fairfield University	D*	11/20/84	N/A	N/A	N/A	2009	Variable	2,224	2,300	-	-
Hospital Equipment	A*	03/01/85	N/A	N/A	N/A	1995	6.66%	14,107	14,530	-	-
University of New Haven	C*	06/27/85	N/A	N/A	N/A	2010	Variable	N/A	2,275	-	-
Yale-New Haven Hospital	D*	07/01/85	N/A	N/A	N/A	2012	8.00%	44,882	45,900	-	-
Yale University	G-J*	10/15/85	N/A	N/A	N/A	2015	Variable	90,400	90,400	-	-
William W. Backus Hospital	B*	11/15/85	N/A	N/A	N/A	2005	Variable	4,733	4,860	-	-
Hartford Graduate Center	A	11/20/85	N/A	N/A	N/A	2006	Variable	5,558	5,700	-	-
Yale-New Haven Hospital	E*	11/01/85	N/A	Kidder Peabody	PaineWebber	2012	Variable	14,964	15,000	-	-
Trinity College	B*	12/30/85	Negotiated	Chemical Bank	PaineWebber	2010	Variable	10,590	10,700	-	-
Center for Continuing Care of Greater Stamford	A*	05/01/86	Negotiated	Merrill Lynch	PaineWebber	2001	6.22%	7,780	8,015	-	-
Manchester Memorial Hospital	B*	11/15/86	Negotiated	Merrill Lynch	PaineWebber	2012	6.52%	14,865	15,325	-	-
Hebrew Home & Hospital	A*	01/01/87	Negotiated	Merrill Lynch	PaineWebber	2030	6.98%	21,760	21,760	-	-
Yale University	K*	03/01/87	Negotiated	Merrill Lynch	PaineWebber	2013	6.10%	34,140	34,290	-	-
Fairfield University	E*	07/01/87	Negotiated	Goldman Sachs	PaineWebber	2007	7.07%	15,385	15,575	-	-
Capital Asset	A*	02/01/88	Negotiated	Merrill Lynch/CNB	PaineWebber	1997	5.81%	N/A	10,930	-	-
University of Hartford	C*	04/01/88	Private	N/A	PaineWebber	2018	8.89%	57,014	61,915	-	-
Yale University	L-O*	07/28/88	Negotiated	Shearson Lehman	Advest	2028	Variable	89,644	90,000	-	-
Saint Mary's Hospital	B*	08/15/88	Negotiated	J.P. Morgan	Dillon Read	2019	7.56%	33,425	33,645	-	-
Wesleyan University	C*	09/22/88	Negotiated	Goldman Sachs	Advest	2019	Variable	37,917	38,300	-	-
Bradley Health Care	A*	12/01/88	Negotiated	Herbert J. Sims	Dillon Read	2018	8.93%	7,278	7,385	-	-
Hospital of Saint Raphael	B & C*	12/01/88	Negotiated	Merrill Lynch	Dillon Read	2014	7.68%	71,425	72,440	-	-
Kingswood-Oxford School	A*	05/17/89	Private	N/A	Dillon Read	2009	Variable	2,800	2,800	-	-
Lutheran General Health Care System	A*	05/17/89	Negotiated	Morgan Stanley	Dillon Read	2019	7.37%	10,587	10,650	-	-
Stamford Hospital	B*	06/01/89	Negotiated	Merrill Lynch	Dillon Read	2004	6.82%	10,473	10,450	-	-
Yale University	P*	09/27/89	Negotiated	Shearson Lehman	Dillon Read	2028	6.10%	N/A	6,350	-	-
Fairfield University	F*	10/01/89	Negotiated	Goldman Sachs	Dillon Read	2014	7.03%	11,436	11,700	-	-
Bridgeport Hospital	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,766	2,795	-	-
Middlesex Hospital	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	2,420	2,455	-	-
Norwalk Health Care	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	1998	6.79%	760	780	-	-
Norwalk Hospital	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	7,146	7,195	-	-
University of New Haven	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	2000	6.79%	1,775	1,795	-	-
Waterbury Hospital	CAP B*	11/01/89	Negotiated	Salomon Smith Barney	Dillon Read	1999	6.79%	8,184	8,255	-	-
Quinnipiac University	B*	11/15/89	Negotiated	Ehrlich Bober	Dillon Read	2019	7.36%	11,049	11,340	-	-
Manchester Memorial Hospital	C*	01/15/90	Negotiated	Merrill Lynch	Dillon Read	2010	6.96%	4,908	5,005	-	-
Lawrence and Memorial Hospital	B*	02/01/90	Negotiated	Drexel Burnham	Dillon Read	2020	7.03%	9,058	9,295	-	-
Bristol Hospital	A*	03/01/90	Negotiated	Cain Brothers	Dillon Read	2020	7.03%	18,016	18,250	-	-
Taft School, The	A*	04/15/90	Negotiated	Salomon Smith Barney	Dillon Read	2003	7.39%	11,701	11,870	-	-
Windham Hospital	B*	06/13/90	Negotiated	Merrill Lynch	Dillon Read	2020	Variable	20,425	20,600	-	-
Loomis Chaffee School	A*	06/28/90	Private	N/A	Dillon Read	2010	7.00%	6,965	7,000	-	-
Saint Mary's Hospital	C*	08/01/90	Negotiated	J.P. Morgan	P.G. Corbin	2020	7.44%	18,694	18,980	-	-
Charlotte Hungerford Hospital	B*	09/20/90	Negotiated	Bank of Boston	P.G. Corbin	2010	Variable	10,787	10,900	-	-
Quinnipiac University	C*	11/01/90	Negotiated	Dillon Read	P.G. Corbin	2020	7.91%	3,784	4,000	-	-
Waterbury Hospital	B*	11/01/90	Negotiated	First Boston	P.G. Corbin	2020	7.10%	19,727	20,130	-	-
Yale-New Haven Hospital	F*	11/01/90	Negotiated	Goldman Sachs	P.G. Corbin	2025	7.11%	123,529	124,395	-	-
Danbury Hospital	CAP C*	12/01/90	Negotiated	Advest	P.G. Corbin	2020	6.95%	7,408	7,520	-	-
Independent Day School	CAP C*	12/01/90	Negotiated	Advest	P.G. Corbin	2020	6.95%	832	845	-	-
University of New Haven	CAP C*	12/01/90	Negotiated	Advest	P.G. Corbin	2020	6.95%	4,743	4,815	-	-

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Rate</u>					<u>Current</u>	<u>Long-Term</u>
Kent School	A*	12/01/90	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	Variable	25,792	26,000	-	-	
Hospital of Saint Raphael	D*	04/01/91	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	16,492	17,125	-	-	
Hospital of Saint Raphael	E*	04/01/91	Negotiated	Merrill Lynch	P.G. Corbin	2014	6.53%	3,062	3,155	-	-	
Stamford Hospital	C*	05/01/91	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	15,307	15,585	-	-	
Stamford Hospital	D*	05/01/91	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	5,590	5,690	-	-	
Stamford Hospital	E*	05/01/91	Negotiated	Merrill Lynch	P.G. Corbin	2006	6.41%	939	965	-	-	
Connecticut College	B*	08/31/91	Negotiated	Advest	P.G. Corbin	2011	6.63%	5,704	5,800	-	-	
Danbury Hospital	E**	09/01/91	Negotiated	Cain Brothers	P.G. Corbin	2014	5.99%	36,708	37,620	-	-	
Sharon Health Care, Inc.	A*	11/01/91	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.92%	7,568	7,290	-	-	
New Britain Memorial Hospital	A*	12/01/91	Negotiated	Dillon Read	P.G. Corbin	2022	7.70%	43,703	44,805	-	-	
Tolland County Health Care, Inc.	A*	12/01/91	Negotiated	Herbert J. Sims	P.G. Corbin	2021	8.90%	8,762	8,900	-	-	
Johnson Evergreen Corporation	A*	01/01/92	Negotiated	Herbert J. Sims	P.G. Corbin	2022	8.24%	8,354	8,590	-	-	
Saint Francis Hospital	B*	01/01/92	Negotiated	Salomon Smith Barney	P.G. Corbin	2022	5.52%	27,301	27,845	-	-	
Hospital of Saint Raphael	F*	01/01/92	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.24%	20,249	20,570	-	-	
Hospital of Saint Raphael	G*	01/01/92	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.75%	7,338	7,455	-	-	
Middlesex Hospital	C-G*	03/01/92	Negotiated	Dillon Read	P.G. Corbin	2022	5.44%	37,481	38,940	-	-	
Bridgeport Hospital	A*	03/01/92	Negotiated	Kidder Peabody	P.G. Corbin	2018	5.51%	25,486	25,890	-	-	
Yale-New Haven Hospital	G*	04/01/92	Negotiated	Dillon Read	P.G. Corbin	2012	6.41%	33,842	34,315	-	-	
Lawrence and Memorial Hospital	C*	04/01/92	Negotiated	PaineWebber	P.G. Corbin	2022	6.14%	50,069	51,950	-	-	
Norwalk Health Care	A*	05/01/92	Negotiated	Herbert J. Sims	P.G. Corbin	2022	6.25%	12,809	13,060	-	-	
Norwalk Hospital	B-D*	05/15/92	Negotiated	Dillon Read	P.G. Corbin	2022	4.89%	22,555	23,100	-	-	
Trinity College	C*	07/01/92	Negotiated	Advest	P.G. Corbin	2022	6.07%	20,033	20,370	-	-	
Yale University	Q-R*	08/03/92	Negotiated	Lehman Brothers	P.G. Corbin	2030	5.93%	86,972	87,600	-	-	
William W. Backus Hospital	C*	09/01/92	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.44%	14,270	14,700	-	-	
University of Hartford	D*	10/01/92	Negotiated	Advest	P.G. Corbin	2022	6.82%	75,871	76,720	-	-	
Sacred Heart University	A*	11/01/92	Negotiated	Advest	P.G. Corbin	2022	6.77%	6,084	6,160	-	-	
Manchester Memorial Hospital	D*	02/01/93	Negotiated	Merrill Lynch	P.G. Corbin	2022	6.05%	8,058	8,430	-	-	
Griffin Hospital	A*	03/01/93	Negotiated	Alex Brown	P.G. Corbin	2023	6.22%	28,911	30,285	-	-	
Taft School, The	B*	07/01/93	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.34%	13,204	13,425	-	-	
Quinnipiac University	D*	08/01/93	Negotiated	Dillon Read	P.G. Corbin	2023	6.12%	49,839	50,700	-	-	
Fairfield University	G*	09/15/93	Negotiated	Goldman Sachs	PFM	2018	4.74%	24,679	25,255	-	-	
Sacred Heart University	B*	10/01/93	Negotiated	Advest	PFM	2023	5.73%	12,342	12,500	-	-	
Saint Francis Hospital	C	10/01/93	Negotiated	Salomon Smith Barney	P.G. Corbin	2023	5.12%	108,253	110,505	2,190	-	
Forman School , The	A*	11/12/93	Negotiated	Cain Brothers	PFM	2014	Variable	3,098	4,000	-	-	
Hospital of Saint Raphael	H*	11/01/93	Negotiated	Merrill Lynch	P.G. Corbin	2014	5.19%	72,597	73,575	-	-	
Lawrence and Memorial Hospital	D*	12/01/93	Negotiated	PaineWebber	P.G. Corbin	2022	5.46%	55,795	58,165	-	-	
New Britain General Hospital	B*	04/01/94	Negotiated	Salomon Smith Barney	PFM	2024	6.01%	46,620	48,870	-	-	
Trinity College	D*	04/01/94	Negotiated	Advest	PFM	2024	6.23%	16,707	17,000	-	-	
Newington Children's Hospital	A*	08/15/94	Negotiated	US Securities	P.G. Corbin	2021	6.00%	52,767	53,750	-	-	
Choate Rosemary Hall	A*	11/15/94	Negotiated	Salomon Smith Barney	PFM	2025	6.91%	24,752	25,070	-	-	
Pomfret School	A*	01/25/95	Negotiated	Alex Brown	PFM	2024	Variable	7,670	7,785	-	-	
Loomis Chaffee School	B*	01/01/95	Negotiated	First Albany	PFM	2025	6.43%	9,830	10,260	-	-	
Bridgeport Hospital	B*	04/12/95	Negotiated	Merrill Lynch	P.G. Corbin	2010	Variable	31,258	31,500	-	-	
Kent School	B*	07/27/95	Negotiated	Salomon Smith Barney	PFM	2023	5.64%	26,297	26,915	-	-	
Day Kimball Hospital	A	11/03/95	Negotiated	Alex Brown	P.G. Corbin	2026	5.71%	18,336	19,150	620	11,850	
Bridgeport Hospital	C*	12/20/95	Negotiated	Merrill Lynch	P.G. Corbin	2025	5.57%	53,174	54,805	-	-	
Danbury Hospital	F*	01/24/96	Negotiated	First Union	PFM	2023	5.36%	19,831	20,000	-	-	

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>	<u>Final</u>	<u>Interest</u>	<u>Net</u>	<u>Amount</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Maturity</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Issued</u>	<u>Current</u>	<u>Long-Term</u>
Greenwich Academy	A*	03/01/96	Negotiated	Advest	PFM	2026	5.60%	15,705	16,000	-	-
Greenwich Hospital	A*	03/01/96	Negotiated	Goldman Sachs	P.G. Corbin	2026	5.93%	61,632	62,905	-	-
Sacred Heart University	C*	04/01/96	Negotiated	Advest	PFM	2026	6.65%	34,821	35,395	-	-
Westminster School	A*	05/01/96	Negotiated	Salomon Smith Barney	P.G. Corbin	2026	5.96%	9,417	10,195	-	-
University of New Haven	D*	05/01/96	Negotiated	Advest	PFM	2026	6.79%	23,839	24,400	-	-
Taft School, The	C*	06/01/96	Negotiated	Salomon Smith Barney	PFM	2026	6.27%	15,893	16,730	-	-
Trinity College	E*	07/01/96	Negotiated	Advest	PFM	2026	5.97%	34,034	35,000	-	-
Yale-New Haven Hospital	H*	07/01/96	Negotiated	Morgan Stanley	PFM	2025	5.78%	118,073	120,240	-	-
Veterans Memorial Medical Center	A*	08/01/96	Negotiated	Roosevelt & Cross	P.G. Corbin	2026	5.50%	67,745	69,785	-	-
Loomis Chaffee School	C*	08/01/96	Negotiated	First Albany	P.G. Corbin	2026	5.67%	10,938	11,435	-	-
Stamford Hospital	F*	10/15/96	Negotiated	Merrill Lynch	PFM	2004	5.36%	22,899	23,645	-	-
Windham Hospital	C*	12/01/96	Negotiated	Merrill Lynch	N/A	2020	6.29%	19,235	20,200	-	-
Connecticut College	C*	01/01/97	Negotiated	Advest	P.G. Corbin	2017	6.04%	32,307	33,620	-	-
Yale University	S	04/03/97	Negotiated	Lehman Brothers	N/A	2027	Variable	135,649	135,865	-	135,865
Sacred Heart University	D*	04/01/97	Negotiated	Advest	PFM	2027	6.44%	6,045	6,185	-	-
William W. Backus Hospital	D*	04/01/97	Negotiated	Advest	PFM	2027	6.01%	16,724	17,240	-	-
Saint Mary's Hospital	D* & E	05/01/97	Negotiated	Roosevelt & Cross	P.G. Corbin	2014	5.94%	45,886	47,150	1,750	21,475
Choate Rosemary Hall	B*	07/08/97	Negotiated	Lehman Brothers	PFM	2027	5.20%	31,474	33,075	-	-
Edgehill Retirement Community	A&B*	07/23/97	Negotiated	Herbert J. Sims	P.G. Corbin	2027	6.87%	83,471	84,370	-	-
Suffield Academy	A*	09/24/97	Negotiated	Advest	PFM	2027	5.41%	7,775	8,070	-	-
Sharon Hospital	A*	09/30/97	Private	Bank Boston	N/A	2027	Variable	7,568	7,610	-	-
Middlesex Hospital	H*	10/09/97	Negotiated	Paine Webber	PFM	2027	5.24%	45,500	46,990	-	-
Middlesex Health Services	I*	10/09/97	Negotiated	Paine Webber	PFM	2027	5.24%	8,160	8,450	-	-
Yale University	T***	11/05/97	Negotiated	Goldman Sachs	N/A	2029	4.80%	249,488	250,000	-	250,000
Hospital for Special Care	B*	12/17/97	Negotiated	Advest	P.G. Corbin	2027	5.68%	68,103	69,795	-	-
Masonicare	A*	12/18/97	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.21%	51,353	53,045	-	-
Bradley Health Care	B*	12/22/97	Negotiated	Herbert J. Sims	P.G. Corbin	2029	Variable	19,532	19,630	-	-
Jerome Home	C*	12/22/97	Negotiated	Herbert J. Sims	P.G. Corbin	2019	Variable	3,761	3,780	-	-
Hospital of Saint Raphael	J*	01/08/98	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	19,978	20,100	-	-
Hospital of Saint Raphael	K*	01/08/98	Negotiated	Merrill Lynch & Co	P.G. Corbin	2022	Variable	8,647	8,700	-	-
Trinity College	F	04/30/98	Negotiated	Advest	P.G. Corbin	2028	5.07%	41,350	41,570	-	9,805
Masonicare	B*	05/05/98	Negotiated	Salomon Smith Barney	P.G. Corbin	2020	5.30%	10,670	11,085	-	-
Taft School, The	D	05/06/98	Negotiated	A.G. Edwards	PFM	2022	6.01%	16,577	17,060	770	-
Hopkins School, The	A*	06/18/98	Negotiated	Paine Webber	PFM	2028	4.99%	9,772	10,000	-	-
Canterbury School	A*	08/12/98	Negotiated	BankBoston	PFM	2028	5.16%	10,164	10,230	-	-
Charlotte Hungerford Hospital	C	08/14/98	Negotiated	BankBoston	PFM	2013	Variable	14,261	14,340	1,200	-
William W. Backus Hospital	E	08/26/98	Negotiated	Advest	P.G. Corbin	2022	4.99%	13,566	13,655	595	6,920
Fairfield University	H*	08/27/98	Negotiated	J.P. Morgan	PFM	2028	5.70%	27,860	28,000	-	-
Salisbury School	A*	10/21/98	Negotiated	A.G. Edwards	PFM	2028	4.81%	16,038	16,135	-	-
Sacred Heart University	E*	12/09/98	Negotiated	Advest	PFM	2028	5.06%	75,488	76,020	-	-
Quinnipiac University	E*	12/22/98	Negotiated	J.P. Morgan	P.G. Corbin	2028	4.81%	59,303	59,660	-	-
Charity Obligated Group-St. Vincent's	1999B*	02/04/99	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	45,000	45,000	-	-
Hebrew Home & Hospital	B*	02/04/99	Negotiated	Herbert J. Sims	P.G. Corbin	2038	5.19%	19,053	19,215	-	-
Stamford Hospital	G*	03/24/99	Negotiated	Merrill Lynch	P.G. Corbin	2014	4.99%	66,975	67,440	-	-
Stamford Hospital	H*	03/24/99	Negotiated	Merrill Lynch	P.G. Corbin	2024	Variable	29,880	30,000	-	-
Norwalk Hospital	E* & F*	04/20/99	Negotiated	First Union	PFM	2022	4.84%	31,238	31,480	-	-
Westminster School	B*	04/22/99	Negotiated	A.G. Edwards	PFM	2029	4.96%	7,904	7,960	-	-

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(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>
Yale University	U-1&2	04/29/99	Negotiated	Lehman Brothers	N/A	2033	Variable	249,503	250,000	-	250,000
Saint Joseph College	A*	05/05/99	Negotiated	Roosevelt & Cross	PFM	2024	5.20%	11,360	11,400	-	-
Brunswick School	A*	05/20/99	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.00%	43,287	44,635	-	-
UCONN Foundation	A*	08/11/99	Negotiated	Advest	PFM	2029	5.34%	7,925	8,000	-	-
Miss Porter's School	A*	09/01/99	Negotiated	State Street	P.G. Corbin	2029	5.69%	9,931	10,000	-	-
Fairfield University	I*	09/09/99	Negotiated	J.P. Morgan	PFM	2029	5.47%	66,490	70,000	-	-
Horace Bushnell Memorial Hall	A*	09/22/99	Negotiated	Advest	PFM	2029	5.62%	14,887	15,000	-	-
Danbury Hospital	G*	09/29/99	Negotiated	Roosevelt & Cross	PFM	2029	5.62%	41,754	43,240	-	-
Catholic Health East	F*	10/19/99	Negotiated	Merrill Lynch	P.G. Corbin	2029	5.81%	17,927	18,610	-	-
Ascension Health	1999	11/01/99	Negotiated	Salomon Smith Barney	P.G. Corbin	2029	Variable	44,375	44,500	745	28,540
Covenant Retirement Community	1999A*	12/02/99	Negotiated	B.C. Ziegler	N/A	2029	Variable	9,916	10,040	-	-
Waterbury Hospital	C*	12/03/99	Negotiated	First Union	PFM	2029	6.12%	26,474	27,140	-	-
SummerWood at University Park	A*	02/03/00	Negotiated	Herbert J. Sims	Lamont Financial Services	2030	Variable	11,075	11,200	-	-
Gaylord Hospital	A*	02/22/00	Negotiated	Fleet Securities	P.G. Corbin	2020	Variable	12,888	12,920	-	-
Eastern CT Health Network	A**	02/24/00	Negotiated	PaineWebber	P.G. Corbin	2030	5.92%	58,029	58,170	800	9,140
Ethel Walker School	A*	03/01/00	Negotiated	Gates Capital	PFM	2029	Variable	8,468	8,500	-	-
Community Renewal Team	A	03/16/00	Negotiated	Fleet Securities	PFM	2019	Variable	4,290	4,325	240	1,620
Taft School, The	E	04/27/00	Negotiated	A.G. Edwards	PFM	2030	Variable	11,944	12,000	-	12,000
Lauralton Hall	A*	06/14/00	Ltd Public	Gates Capital	P.G. Corbin	2030	Variable	3,353	3,400	-	-
Connecticut College	D*	06/22/00	Negotiated	Advest	P.G. Corbin	2030	6.54%	11,915	12,000	-	-
Marvelwood School	A*	06/29/00	Negotiated	First Union	N/A	2030	Variable	5,482	5,535	-	-
Hotchkiss School	A	08/03/00	Negotiated	State Street	Lamont Financial Services	2030	Variable	34,867	35,000	-	35,000
Hartford Hospital	B*	08/03/00	Negotiated	Fleet Securities	PFM	2030	Variable	31,105	31,175	-	-
Rectory School	A*	11/09/00	Negotiated	Gates Capital	Lamont Financial Services	2030	Variable	7,047	7,100	-	-
Westover School	A*	12/07/00	Negotiated	Advest	P.G. Corbin	2030	5.70%	9,957	10,000	-	-
Edgehill Retirement Community	C*	12/13/00	Negotiated	Merrill Lynch	P.G. Corbin	2027	Variable	21,641	22,000	-	-
Kent School	C*	02/15/01	Negotiated	A.G. Edwards	PFM	2030	Variable	10,260	10,500	-	-
Trinity College	G*	03/28/01	Negotiated	Advest	P.G. Corbin	2031	4.98%	49,399	50,000	-	-
Loomis Chaffee School	D*	05/23/01	Negotiated	First Albany	Lamont Financial Services	2031	5.33%	27,561	27,625	-	-
Gunnery School, The	A*	05/24/01	Negotiated	A.G. Edwards	PFM	2031	5.09%	10,956	11,455	-	-
Greenwich Academy	B*	05/31/01	Negotiated	Salomon Smith Barney	PFM	2032	5.31%	31,603	32,920	-	-
United Methodist Home of Sharon	A*	06/01/01	Negotiated	First Union	Lamont Financial Services	2031	Variable	7,671	7,740	-	-
Wesleyan University	D*	06/07/01	Negotiated	Lehman Brothers	P.G. Corbin	2035	Variable	92,498	93,000	-	-
Yale University	V	07/12/01	Negotiated	Lehman Brothers	N/A	2036	Variable	199,592	200,000	-	200,000
Middlesex Hospital	J*	07/25/01	Negotiated	First Union	PFM	2026	Variable	11,815	11,895	-	-
Whitby School	A*	08/03/01	Negotiated	Bank of New York	PFM	2021	Variable	6,000	6,000	-	-
Fairfield University	J*	08/07/01	Negotiated	J.P. Morgan	PFM	2029	4.95%	17,280	18,000	-	-
Taft School, The	F*	09/20/01	Negotiated	A.G. Edwards	PFM	2020	4.55%	11,405	11,480	-	-
Williams School	A	10/18/01	Negotiated	Advest	PFM	2031	Variable	5,445	5,500	160	4,110
Loomis Chaffee School	E*	10/25/01	Negotiated	First Albany	Lamont Financial Services	2025	4.94%	11,308	11,155	-	-
Quinnipiac University	F*	10/31/01	Negotiated	J.P. Morgan	P.G. Corbin	2031	Variable	58,293	60,000	-	-
Washington Montessori School	A*	11/30/01	Negotiated	Wachovia Securities	Lamont Financial Services	2031	Variable	7,914	7,990	-	-
Bristol Hospital	B	01/08/02	Negotiated	Cain Brothers	P.G. Corbin	2032	5.55%	35,880	38,000	890	27,820
Westminster School	C	02/20/02	Negotiated	A.G. Edwards	PFM	2032	Variable	8,143	8,250	100	7,250
YMCA of Greater Hartford	A*	03/28/02	Negotiated	State Street	PFM	2032	Variable	15,802	16,180	-	-
University of Hartford	E*	04/03/02	Negotiated	Advest	Lamont Financial Services	2032	5.27%	72,627	75,000	-	-
Yale University	W*	05/14/02	Negotiated	Lehman Brothers	N/A	2027	5.23%	87,358	89,520	-	-

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Rate</u>					<u>Current</u>	<u>Long-Term</u>
Health Care Capital Asset	A**	05/16/02	Negotiated	Quick & Reilly	PFM	2031	Variable	36,029	36,110	-	-	
Saint Francis Hospital	D	05/17/02	Negotiated	Wachovia Securities	P.G. Corbin	2022	4.92%	25,371	25,250	1,260	11,340	
Kingswood-Oxford School	C	06/05/02	Negotiated	Advest	Lamont Financial Services	2030	Variable	11,880	12,000	375	9,685	
Connecticut College	E*	07/18/02	Negotiated	Advest	P.G. Corbin	2032	4.81%	17,931	17,785	-	-	
The Village for Families & Children	A	11/08/02	Negotiated	Wachovia Securities	P.G. Corbin	2033	4.94%	13,772	13,660	345	10,745	
The Village for Families & Children	B	11/08/02	Negotiated	Wachovia Securities	P.G. Corbin	2032	4.94%	335	340	5	290	
Middlesex Hospital	K*	11/15/02	Negotiated	Wachovia Securities	Lamont Financial Services	2027	Variable	15,500	15,500	-	-	
Klingberg Family	A*	12/04/02	Negotiated	Quick & Reilly	PFM	2032	Variable	4,750	6,750	-	-	
Yale University	X1	01/08/03	Negotiated	Goldman Sachs	N/A	2042	5.00%	100	100,000	-	100,000	
Yale University	X2	01/08/03	Negotiated	Goldman Sachs	N/A	2037	Variable	125	125,000	-	125,000	
Yale University	X3***	01/08/03	Negotiated	Goldman Sachs	N/A	2037	4.80%	125	125,000	-	125,000	
Brunswick School	B*	04/30/03	Negotiated	Merrill Lynch	Lamont Financial Services	2033	4.88%	17,863	17,500	-	-	
Boys & Girls Club of Greenwich	A*	05/29/03	Negotiated	Gates Capital	P.G. Corbin	2034	Variable	14,800	14,800	-	-	
Wesleyan University	E*	07/17/03	Negotiated	Lehman Brothers	P.G. Corbin	2038	Variable	61,665	62,000	-	-	
King Low Heywood School	A*	08/27/03	Negotiated	Gates Capital	Lamont Financial Services	2033	Variable	10,922	11,005	-	-	
Central Connecticut Coast YMCA	A	09/11/03	Negotiated	Advest	Lamont Financial Services	2033	Variable	4,433	4,500	135	3,195	
Quinnipiac University	G*	11/18/03	Negotiated	J.P. Morgan	P.G. Corbin	2023	Variable	16,214	16,340	-	-	
Sacred Heart University	F	12/11/03	Negotiated	Advest	PFM	2033	Variable	21,581	21,700	440	18,605	
Salisbury School	B*	02/19/04	Negotiated	Quick & Reilly	PFM	2034	Variable	5,469	5,510	-	-	
Fairfield University	K*	04/14/04	Negotiated	J.P. Morgan	PFM	2034	Variable	37,820	38,075	-	-	
University of Hartford	F*	05/06/04	Negotiated	Advest	Lamont Financial Services	2034	Variable	24,851	25,000	-	-	
Connecticut Children's Medical Center	B*	05/13/04	Negotiated	Advest	PFM	2021	1.05%	21,287	21,285	-	-	
Connecticut Children's Medical Center	C*	05/13/04	Negotiated	Advest	PFM	2018	Variable	22,510	23,700	-	-	
Lawrence & Memorial Hospital	E	06/24/04	Negotiated	UBS Financial Services	PFM	2034	Variable	22,086	22,990	-	22,990	
Greenwich Academy	C*	06/25/04	Negotiated	Citigroup Global Markets	Lamont Financial Services	2037	Variable	11,676	11,770	-	-	
Norwich Free Academy	A*	06/30/04	Negotiated	Banc of America Securities	Lamont Financial Services	2034	4.91%	18,015	18,740	-	-	
Trinity College	H	07/05/04	Negotiated	Advest	P.G. Corbin	2026	4.74%	33,720	33,370	1,310	23,650	
Eastern CT Health Network	B*	07/21/04	Negotiated	Advest	P.G. Corbin	2034	Variable	20,000	20,000	-	-	
Greenwich Academy	D	09/16/04	Negotiated	Citigroup Global Markets	Lamont Financial Services	2026	4.20%	15,366	15,490	670	10,405	
Kent School	D	10/06/04	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2023	4.14%	22,697	21,725	1,075	13,905	
Trinity College	I*	12/09/04	Negotiated	Advest	P.G. Corbin	2034	Variable	15,000	15,000	-	-	
Hospital of Saint Raphael	L*	12/16/04	Negotiated	UBS Financial Services	PFM	2024	Variable	29,525	29,525	-	-	
Hospital of Saint Raphael	M*	12/16/04	Negotiated	UBS Financial Services	PFM	2024	Variable	30,420	30,420	-	-	
Griffin Hospital	B	02/01/05	Negotiated	Wachovia Securities	PFM	2023	4.56%	25,770	24,800	1,210	15,990	
Eagle Hill School	A	05/11/05	Negotiated	Gates Capital	P.G. Corbin	2035	Variable	5,990	5,990	140	5,000	
Avon Old Farms School	A	05/12/05	Negotiated	Banc of America Securities	P.G. Corbin	2034	Variable	21,670	21,670	545	18,280	
Westminster School	D	06/01/05	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2026	4.06%	9,288	9,260	380	6,595	
Ridgefield Academy	A	06/17/05	Negotiated	Advest	Lamont Financial Services	2035	Variable	12,000	12,000	290	10,200	
Greenwich Family YMCA	A	08/04/05	Negotiated	Gates Capital	Lamont Financial Services	2035	Variable	20,165	20,165	460	17,715	
William W. Backus Hospital ***	F	08/10/05	Negotiated	UBS Financial Services	PFM	2035	5.03%	29,916	30,100	775	26,475	
William W. Backus Hospital	G	08/10/05	Negotiated	UBS Financial Services	PFM	2035	4.63%	28,435	28,035	675	23,825	
University of New Haven	E	08/17/05	Negotiated	Wachovia Securities	Lamont Financial Services	2035	Variable	27,460	27,460	815	21,990	
University of New Haven	F*	08/17/05	Negotiated	Wachovia Securities	Lamont Financial Services	2021	4.05%	4,890	4,890	-	-	
Wesleyan University	F*	09/01/05	Negotiated	Lehman Brothers	P.G. Corbin	2040	Variable	48,000	48,000	-	-	
Yale University	Y1	10/05/05	Negotiated	Lehman Brothers	N/A	2035	4.83%	211,030	200,000	-	200,000	
Yale University	Y2	10/05/05	Negotiated	Lehman Brothers	N/A	2035	Variable	50,000	50,000	-	50,000	
Yale University	Y3	10/05/05	Negotiated	Lehman Brothers	N/A	2035	Variable	50,000	50,000	-	50,000	

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Interest Cost</u>					<u>Current</u>	<u>Long-Term</u>
Loomis Chaffee School	F	10/27/05	Negotiated	First Albany	Lamont Financial Services	2031	4.59%	37,326	34,135	1,140	30,295	
Fairfield University	L1*	11/03/05	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	47,725	47,725	-	-	
Fairfield University	L2*	11/03/05	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	58,850	58,850	-	-	
Eastern CT Health Network	C	11/09/05	Negotiated	Advest	P.G. Corbin	2030	4.95%	37,579	37,065	725	33,410	
Mansfield Center for Nursing and Rehabilitation	B*	12/15/05	Negotiated	Herbert J. Sims	Lamont Financial Services	2022	Variable	7,095	7,095	-	-	
Fairfield University	L1 2nd Tranche*	12/15/05	Negotiated	J.P. Morgan	Lamont Financial Services	2029	Variable	10,000	10,000	-	-	
Avon Old Farms School	B	03/09/06	Negotiated	Banc of America Securities	Lamont Financial Services	2035	Variable	7,000	7,000	165	5,970	
Danbury Hospital	H	03/16/06	Negotiated	Citigroup Global Markets	PFM	2036	4.49%	40,925	41,560	-	39,615	
Danbury Hospital	I*	03/16/06	Negotiated	UBS Financial Services	PFM	2036	Variable	40,000	40,000	-	-	
Greenwich Hospital	B*	04/06/06	Negotiated	UBS Financial Services	P.G. Corbin	2026	Variable	56,600	56,600	-	-	
Yale-New Haven Hospital	I1*	04/07/06	Negotiated	Lehman Brothers	PFM	2025	Variable	55,900	55,900	-	-	
Yale-New Haven Hospital	I2*	04/07/06	Negotiated	Lehman Brothers	PFM	2025	Variable	55,900	55,900	-	-	
Miss Porter's School	B	06/16/06	Negotiated	Stifel, Nicolaus	Lamont Financial Services	2036	4.69%	18,621	18,130	415	16,930	
University of Hartford	G	06/22/06	Negotiated	Advest	P.G. Corbin	2036	5.03%	50,375	50,000	1,000	44,560	
Greenwich Adult Day Care	A	06/29/06	Negotiated	Gates Capital	N/A	2036	Variable	4,030	4,030	80	3,015	
The Children's School	A	07/24/06	Negotiated	Gates Capital	N/A	2036	Variable	6,835	6,835	150	6,025	
Canterbury School	B	07/27/06	Negotiated	Bank of America	PFM	2036	4.99%	11,814	11,805	85	11,335	
University of New Haven	G	08/26/06	Negotiated	Wachovia Bank NA	Lamont Financial Services	2036	Variable	15,797	15,890	575	12,720	
Yale-New Haven Hospital	J-1	09/25/06	Negotiated	Lehman Brothers	PFM	2031	4.69%	184,574	174,430	2,990	156,120	
Yale-New Haven Hospital	J-2*	09/25/06	Negotiated	Lehman Brothers	PFM	2036	Variable	40,000	40,000	-	-	
Yale-New Haven Hospital	J-3*	09/25/06	Negotiated	Lehman Brothers	PFM	2036	Variable	66,425	66,425	-	-	
Middlesex Hospital	L	12/07/06	Negotiated	Wachovia Bank NA	P.G. Corbin	2036	4.54%	23,614	22,760	485	20,510	
Middlesex Hospital	M***	12/07/06	Negotiated	Wachovia Bank NA	P.G. Corbin	2027	4.50%	16,620	16,620	695	12,155	
Quinnipiac University	H	12/13/06	Negotiated	J.P. Morgan	PFM	2036	4.72%	72,974	67,495	-	67,495	
UCONN Foundation	B	01/23/07	Negotiated	A.G. Edwards	PFM	2029	4.19%	7,253	7,290	255	5,775	
Trinity College	J	03/07/07	Negotiated	RBC Dain Rauscher	Lamont Financial Services	2037	4.47%	49,541	49,805	-	49,805	
Trinity College	K	03/07/07	Negotiated	RBC Dain Rauscher	Lamont Financial Services	2037	4.32%	24,994	25,000	515	22,210	
Greenwich Academy	E	03/22/07	Negotiated	Citigroup Global Markets	Lamont Financial Services	2032	4.49%	30,457	26,435	-	26,435	
Jerome Home	D	03/29/07	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	11,895	11,895	240	10,635	
Mulberry Gardens	E*	03/29/07	Negotiated	Herbert J. Sims	P.G. Corbin	2036	Variable	4,155	4,155	-	-	
Connecticut College	F	04/04/07	Negotiated	RBC Dain Rauscher	P.G. Corbin	2030	4.31%	28,748	28,855	-	28,855	
Connecticut College	G	04/04/07	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	4.80%	12,127	12,000	-	12,000	
The Stanwich School	A	05/03/07	Private	Merrill Lynch	N/A	2037	Variable	15,500	15,500	335	14,850	
Griffin Hospital ***	C	05/15/07	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	23,125	23,125	525	21,575	
Griffin Hospital ***	D	05/15/07	Negotiated	Wachovia Bank NA	PFM	2037	4.50%	10,925	10,925	200	10,350	
Chase Collegiate School	A	06/07/07	Negotiated	Stifel, Nicolaus	P.G. Corbin	2037	4.80%	11,296	11,060	230	10,005	
Choate Rosemary Hall	C*	06/21/07	Negotiated	Lehman Brothers	PFM	2037	Variable	42,000	42,000	-	-	
Hospital for Special Care	C	06/28/07	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	5.12%	47,786	46,635	890	41,815	
Hospital for Special Care	D*	06/28/07	Negotiated	RBC Dain Rauscher	P.G. Corbin	2037	Variable	15,000	15,000	-	-	
Gaylord Hospital	B	07/03/07	Negotiated	Banc of America Securities	Lamont Financial Services	2037	Variable	21,530	21,530	695	17,770	
Westover School	B	07/11/07	Negotiated	RBC Capital	N/A	2030	Variable	9,180	9,180	300	7,605	
University of Bridgeport	B*	08/10/07	Negotiated	RBC Capital	N/A	2037	Variable	21,175	21,175	-	-	
Renbrook School, The	A*	09/13/07	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.83%	8,306	8,000	-	-	
Yale University	Z1	10/04/07	Negotiated	Lehman Brothers	N/A	2042	4.44%	414,292	400,000	-	400,000	
Yale University	Z2***	10/04/07	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	100,000	
Yale University	Z3***	10/04/07	Negotiated	Lehman Brothers	N/A	2042	5.06%	100,000	100,000	-	100,000	
Masonicare	C	10/31/07	Negotiated	Merrill Lynch	P.G. Corbin & Co.	2037	Variable	81,065	81,065	1,715	71,965	

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Interest Cost</u>					<u>Current</u>	<u>Long-Term</u>
Masonicare	D*	10/31/07	Negotiated	Merrill Lynch	P.G. Corbin & Co.	2037	Variable	35,000	35,000	-	-	
SummerWood	B	11/07/07	Negotiated	Herbert J. Sims & Co.	N/A	2037	Variable	17,055	17,055	350	16,050	
Suffield Academy	B	11/08/07	Negotiated	Stifel, Nicolaus & Company	P.G. Corbin Group	2027	4.11%	13,048	12,640	1,300	7,280	
Westminster School	E	11/09/07	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2037	4.82%	19,983	19,230	175	18,890	
Windham Hospital	D*	11/15/07	Negotiated	Cain Brothers & Company	PFM	2037	7.50%	19,745	19,745	-	-	
Quinnipiac University	I	12/20/07	Negotiated	J.P. Morgan Securities	PFM	2028	3.55%	142,823	134,570	5,420	123,960	
Quinnipiac University ***	J	12/20/07	Negotiated	J.P. Morgan Securities	PFM	2037	5.23%	165,545	165,545	-	165,545	
Quinnipiac University ***	K-1	12/20/07	Negotiated	J.P. Morgan Securities	PFM	2031	4.69%	64,650	64,650	1,875	55,700	
Quinnipiac University ***	K-2	12/20/07	Negotiated	J.P. Morgan Securities	PFM	2028	4.63%	51,700	51,700	1,850	43,075	
Pierce Memorial Baptist	A*	01/17/08	Negotiated	Ziegler Capital Markets Group	N/A	2042	Variable	8,575	8,575	-	-	
Choate Rosemary Hall	D	04/02/08	Negotiated	Morgan Stanley	PFM	2037	Variable	42,415	42,415	980	37,115	
St. Joseph College	B	04/03/08	Negotiated	RBC Capital	Lamont Financial Services	2038	Variable	15,000	15,000	490	12,705	
Fairfield University	M	04/10/08	Negotiated	J.P. Morgan Securities	Lamont Financial Services	2034	4.80%	39,446	39,440	1,530	30,855	
Greenwich Hospital	C	05/07/08	Negotiated	UBS Financial Securities	N/A	2026	Variable	53,630	53,630	2,430	40,215	
Yale New Haven	K-1	05/14/08	Negotiated	Lehman Brothers	PFM	2025	Variable	54,555	54,555	2,975	44,505	
Yale New Haven	K-2	05/14/08	Negotiated	Lehman Brothers	PFM	2025	Variable	54,550	54,550	2,975	44,500	
Yale New Haven	L-1	05/14/08	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	53,730	
Yale New Haven	L-2	05/14/08	Negotiated	Lehman Brothers	PFM	2036	Variable	53,730	53,730	-	53,730	
Salisbury School	C	05/22/08	Negotiated	Stifel, Nicolaus & Company	P.G. Corbin Group	2038	4.73%	49,782	48,160	-	48,160	
St. Francis Hospital	E	05/29/08	Negotiated	Cain Brothers & Company	Lamont Financial Services	2027	6.11%	39,745	39,745	-	39,745	
Mid State Medical Center	HEI B-1*	06/18/08	Negotiated	Banc of America Securities	PFM	2038	Variable	30,000	30,000	-	-	
Hopkins School	B	06/26/08	Negotiated	Lehman Brothers	P.G. Corbin Group	2038	4.73%	9,240	9,240	190	8,525	
Danbury Hospital	J*	06/27/08	Negotiated	Wachovia Securites	PFM	2036	Variable	35,580	35,580	-	-	
St. Francis Hospital	F	06/30/08	Negotiated	Cain Brothers & Company	Lamont Financial Services	2047	Variable	175,000	175,000	-	175,000	
University of New Haven	H	07/02/08	Negotiated	Wachovia	Lamont Financial Services	2038	Variable	46,000	46,000	960	43,245	
Loomis Chaffee School	G	07/22/08	Negotiated	RBC Capital	Lamont Financial Services	2038	4.95%	25,745	25,745	215	24,730	
Hamden Hall	A	07/31/08	Negotiated	RBC Capital	N/A	2038	Variable	18,235	18,235	415	17,035	
Trinity College	L	08/05/08	Negotiated	RBC Capital	N/A	2034	Variable	15,345	15,345	475	13,010	
Hospital of Central Connecticut	A*	08/08/08	Negotiated	RBC Capital	N/A	2024	Variable	33,690	33,690	-	-	
Taft School, The	G	08/13/08	Negotiated	Stifel, Nicolaus & Company	P. G. Corbin	2016	3.56%	16,905	16,905	1,800	8,410	
Fairfield University	N	08/21/08	Negotiated	J. P. Morgan	Lamont Financial Services	2029	4.73%	108,210	108,210	3,515	94,930	
Greater Hartford YMCA	B*	12/01/08	Negotiated	Bank of America	PFM	2038	Variable	26,580	26,580	-	-	
Kent School	E*	12/17/08	Negotiated	Stifel, Nicolaus & Company	N/A	2030	Variable	10,155	10,155	-	-	
Taft School, The	H*	12/23/08	Negotiated	Stifel, Nicolaus & Company	P. G. Corbin	2022	Variable	8,500	8,500	-	-	
Eastern CT Health Network	D	05/14/09	Private	RBC Capital	N/A	2039	Variable	15,228	15,250	146	13,974	
Ethel Walker School	B	10/05/09	Negotiated	Stifel, Nicolaus & Company	Acacia Financial	2039	6.05%	8,220	8,220	100	7,920	
Hopkins School	C	12/10/09	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2028	3.70%	7,930	7,930	355	6,740	
Yale University	2010 A-1	02/24/10	Negotiated	Barclays Capital	PFM	2025	4.26%	79,975	79,975	-	79,975	
Yale University	2010 A-2	02/24/10	Negotiated	Barclays Capital	PFM	2040	4.22%	150,000	150,000	-	150,000	
Yale University	2010 A-3	02/24/10	Negotiated	Barclays Capital	PFM	2049	4.22%	150,000	150,000	-	150,000	
Yale University	2010 A-4	02/24/10	Negotiated	Barclays Capital	PFM	2049	4.22%	150,000	150,000	-	150,000	
Fairfield University	O	03/17/10	Negotiated	J. P. Morgan	Lamont Financial Services	2040	5.03%	73,820	73,820	-	73,820	
Fairfield University	P	03/17/10	Negotiated	J. P. Morgan	Lamont Financial Services	2028	4.50%	11,095	11,095	300	9,875	
Ascension Health	2010	03/25/10	Negotiated	Morgan Stanley	N/A	2040	4.96%	93,265	93,265	-	93,265	
Catholic Health East	2010	04/07/10	Negotiated	Merrill Lynch	N/A	2029	4.71%	19,560	19,560	105	19,205	
Westminster School	F	04/14/10	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services	2029	4.04%	6,350	6,350	260	5,585	
Wesleyan Universtiy	G	05/18/10	Negotiated	Goldman Sachs	PFM	2039	Variable	186,475	186,475	-	186,475	

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>						<u>Current</u>	<u>Long-Term</u>
Wesleyan University	H	05/18/10	Negotiated	Goldman Sachs	PFM		2040	Variable	20,105	20,105	-	20,105
Stamford Hospital	I	05/27/10	Negotiated	Goldman Sachs	Acacia Financial		2030	4.80%	132,990	132,990	4,560	119,825
Trinity College	M	06/29/10	Negotiated	Stifel, Nicolaus & Company	Public Financial		2028	4.10%	22,230	22,230	810	19,875
Hospital for Special Care	E	07/15/10	Negotiated	RBC Capital	Lamont Financial Services		2041	Variable	20,185	20,185	560	9,990
St. Francis Hospital	G	09/30/10	Private	Cain Brothers & Company	N/A		2027	Variable	29,870	29,870	605	28,240
Mitchell College	A	11/02/10	Private	RBC Capital	N/A		2040	Variable	14,300	14,300	144	13,449
University of Bridgeport	C	12/09/10	Private	RBC Capital	N/A		2040	3.98%	30,000	30,000	299	28,573
Norwalk Hospital	G	12/09/10	Private	Shattuck Hammond Partners LLC	N/A		2025	5.12%	25,000	25,000	1,270	21,380
Norwalk Hospital	H	12/09/10	Private	Shattuck Hammond Partners LLC	N/A		2020	3.49%	10,040	10,040	915	7,385
Norwalk Hospital	I	12/09/10	Private	Shattuck Hammond Partners LLC	N/A		2020	3.40%	11,800	11,800	1,080	8,670
Eastern CT Health Network	E	12/21/10	Negotiated	RBC Capital	N/A		2034	Variable	20,145	20,145	490	17,580
Waterbury Hospital	D	12/22/10	Private	RBC Capital	N/A		2020	4.54%	25,918	25,918	229	24,641
Yale New Haven	M	12/22/10	Negotiated	Barclays Capital	PFM		2040	5.44%	104,390	104,390	1,700	98,475
Seabury Retirement Community	A	12/23/10	Private	Herbert J. Sims & Co.	N/A		2020	Variable	21,000	21,000	960	15,320
CIL Community Resources	A	06/09/11	Negotiated	Prager, Sealy & Co. LLC	N/A		2041	Variable	12,020	12,020	190	11,420
Western CT Healthcare	K	06/17/11	Private	Morgan Keegan & Company, Inc	N/A		2036	Variable	33,035	33,035	835	27,626
Sacred Heart University	G	06/29/11	Negotiated	RBC Capital	Lamont Financial Services		2041	5.46%	43,905	43,905	945	42,045
Connecticut College	H-1	06/30/11	Negotiated	RBC Capital	Lamont Financial Services		2041	4.99%	12,110	12,110	-	12,110
Connecticut College	H-2	06/30/11	Negotiated	RBC Capital	Lamont Financial Services		2031	5.79%	3,985	3,985	130	3,730
Connecticut Children's Medical Center	D	06/30/11	Private	Cain Brothers & Company	N/A		2032	Variable	41,580	41,580	610	39,315
Western CT Healthcare	L	07/13/11	Private	Morgan Keegan & Company, Inc	N/A		2041	Variable	96,000	96,000	-	96,000
Western CT Healthcare	M	07/13/11	Negotiated	Morgan Keegan & Company, Inc	Acacia Financial		2041	5.44%	46,030	46,030	-	46,030
Middlesex Hospital	N	07/26/11	Negotiated	Piper Jaffray & Co.	PFM		2027	4.26%	37,360	37,360	2,120	33,060
Loomis Chaffee School	H	08/23/11	Negotiated	RBC Capital	N/A		2024	3.72%	7,740	7,740	455	6,835
Lawrence & Memorial Hospital	F	09/15/11	Negotiated	Morgan Stanley	PFM		2036	4.14%	58,940	58,940	2,625	53,430
Hartford HealthCare Corporation	A	09/29/11	Negotiated	Citigroup Global Markets	N/A		2041	4.90%	254,730	254,730	-	254,730
Hartford HealthCare Corporation	B	09/29/11	Negotiated	Merrill Lynch	N/A		2049	Variable	71,085	71,085	-	71,085
Western CT Healthcare	N	11/22/11	Negotiated	Morgan Keegan & Company, Inc	Acacia Financial		2029	4.43%	39,880	39,880	-	39,880
Rectory School	B	01/05/12	Private	George K. Baum & Company	N/A		2041	Variable	7,500	7,500	77	7,223
Sacred Heart University	H	02/14/12	Negotiated	RBC Capital	Lamont Financial Services		2028	3.73%	47,740	47,740	2,315	43,310
Bushnell Memorial Hall	B	03/16/12	Private	Stifel, Nicolaus & Company	N/A		2022	Variable	12,800	12,800	133	12,359
Brunswick School	C	03/19/12	Negotiated	Bank of America Merrill Lynch	Acacia Financial		2033	3.76%	38,470	38,470	1,165	37,010
Connecticut College	I	04/04/12	Negotiated	RBC Capital	PFM		2032	3.74%	12,240	12,240	835	10,825
Winston Preparatory School	A	04/13/12	Private	Stifel, Nicolaus & Company	N/A		2022	Variable	11,378	11,378	-	11,378
University of Hartford	H	04/26/12	Private	RBC Capital	N/A		2032	Variable	30,000	30,000	577	28,385
University of Hartford	I	04/26/12	Private	RBC Capital	N/A		2032	2.85%	28,600	28,600	1,077	27,523
Greater Hartford YMCA	C	04/27/12	Private	Union Bank, NA	N/A		2038	Variable	26,660	26,660	650	25,285
Bridgeport Hospital	D	05/31/12	Negotiated	Barclays Capital	P. G. Corbin		2025	3.33%	36,415	36,415	2,065	34,350
Pomfret School	B-1	06/14/12	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services		2037	4.59%	2,200	2,200	15	2,185
Pomfret School	B-2	06/14/12	Negotiated	Stifel, Nicolaus & Company	Lamont Financial Services		2037	6.09%	15,550	15,550	85	15,465
Stamford Hospital	J	06/20/12	Negotiated	Goldman Sachs	Lamont Financial Services		2042	4.83%	250,000	250,000	-	250,000
Westminster School	G	06/29/12	Private	Stifel, Nicolaus & Company	N/A		2042	2.50%	6,125	6,125	70	5,990
Renbrook School, The	B	08/22/12	Private	Stifel, Nicolaus & Company	N/A		2022	2.69%	8,600	8,600	126	8,258
Masonicare	E	09/05/12	Private	Ziegler Capital Markets Group	N/A		2037	Variable	33,000	33,000	387	31,965
Gunnery School, The	B	09/28/12	Private	Stifel, Nicolaus & Company	N/A		2022	2.65%	8,855	8,855	130	8,665
University of Bridgeport	D	11/02/12	Private	RBC Capital	N/A		2042	Variable	12,000	12,000	-	12,000
Taft School, The	I	11/07/12	Negotiated	Stifel, Nicolaus & Company	Lamont Financial		2032	2.58%	18,462	18,060	-	18,060

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

<u>Issue</u>	<u>Series</u>	<u>Date</u>	<u>Type</u>	<u>Underwriter/Placement Agent</u>	<u>CHEFA</u>		<u>Final Maturity</u>	<u>Interest Cost</u>	<u>Net Proceeds</u>	<u>Amount Issued</u>	<u>Outstanding</u>	
					<u>Financial Advisor</u>	<u>Interest Cost</u>					<u>Current</u>	<u>Long-Term</u>
Norwalk Hospital	J	12/07/12	Private	Hammond Hanlon Camp LLC	N/A		2039	Variable	82,000	82,000	-	82,000
Canterbury School	C	12/28/12	Private	Stifel, Nicolaus & Company	N/A		2036	Variable	7,160	7,160	-	7,160
Washington Montessori School	B	01/25/13	Private	N/A	N/A		2036	Variable	6,339	6,339	102	6,172
Yale New Haven	N	02/14/13	Negotiated	Barclays Capital	Acacia Financial		2048	3.43%	49,999	44,815	-	44,815
Yale New Haven	O	02/14/13	Negotiated	Barclays Capital	Acacia Financial		2053	Variable	50,000	50,000	-	50,000
Norwich Free Academy	B	03/01/13	Negotiated	Piper Jaffray & Co.	A.C. Advisory		2034	3.28%	15,770	14,640	235	14,405
Pierce Memorial Baptist	B	03/13/13	Private	Ziegler Capital Markets Group	N/A		2038	3.44%	11,454	11,454	147	11,258
Kent School	F	03/28/13	Private	Stifel, Nicolaus & Company	N/A		2038	2.82%	17,490	17,490	120	17,370
Forman School , The	B	03/28/13	Private	Wye River Group, Inc.	N/A		2038	Variable	4,700	4,700	91	4,579
Ethel Walker School	C	04/03/13	Private	Stifel, Nicolaus & Company	N/A		2040	Variable	8,665	8,665	-	8,665
UCONN Foundation	C	04/24/13	Private	Wells Fargo	N/A		2023	1.90%	20,000	20,000	-	20,000
King Low Heywood School	B	04/30/13	Private	N/A	A.C. Advisory		2033	2.17%	9,100	9,100	150	8,875
Day Kimball Hospital	B	06/06/13	Private	Piper Jaffray & Co.	N/A		2043	5.78%	30,330	30,330	-	30,330
Total Hospital, Education & Other									13,109,586	14,409,249	98,640	7,578,228
Child Care Program												
Child Care Program	A & B*	11/01/98	Negotiated	First Union	PFM		2028	5.02%	10,331	10,520	-	-
Child Care Program	C*	09/09/99	Negotiated	First Union	PFM		2029	5.61%	18,029	18,690	-	-
Child Care Program	D*	08/16/00	Negotiated	First Union	PFM		2029	5.59%	3,761	3,940	-	-
Child Care Program	E*	04/25/01	Negotiated	First Union	PFM		2030	5.09%	3,746	3,865	-	-
Child Care Program	F	12/20/06	Negotiated	Wachovia Bank NA	PFM		2036	4.71%	20,168	19,165	410	17,270
Child Care Program	G	10/23/08	Negotiated	Bank of America	Lamont Financial Services		2038	6.12%	16,875	16,875	275	15,830
Child Care Program	H	08/19/11	Negotiated	Piper Jaffray & Co.	Lamont Financial Services		2031	4.29%	28,840	28,840	1,290	26,080
New Opportunities for Waterbury	A*	05/13/98	Private	Greenwich Partners	N/A		2028	6.78%	4,706	5,795	-	-
Total Child Care Program									106,456	107,690	1,975	59,180
Special Capital Reserve Fund Program (SCRF)												
Noble Horizons	SCRF*	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin		2022	6.05%	6,270	6,435	-	-
Cherry Brook Nursing Center	SCRF	01/15/93	Negotiated	Herbert J. Sims	P.G. Corbin		2022	6.05%	9,154	9,380	395	4,780
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	680	4,840
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	690	2,390
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	-	-

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
(CHEFA)
SCHEDULE OF INDEBTEDNESS
at June 30, 2013
(In Thousands of Dollars)

Issue	Series	Date	Type	Underwriter/Placement Agent	CHEFA Financial Advisor	Final Maturity	Interest Cost	Net Proceeds	Amount Issued	Outstanding	
										Current	Long-Term
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	8,735	7,225
Connecticut State University System	G**	06/17/05	Competitive	Wachovia Bank, NA	PFM	2035	3.94%	51,108	50,595	1,835	28,590
Connecticut State University System	H	06/17/05	Competitive	CitiGroup Global Market	PFM	2019	4.10%	53,285	48,515	3,890	44,410
Connecticut State University System	I	04/18/07	Competitive	Wachovia Bank, NA	PFM	2033	4.20%	62,416	62,760	95	62,240
Connecticut State University System	J	06/22/11	Competitive	Wells Fargo	PFM	2031	3.59%	27,644	27,035	1,045	24,965
Connecticut State University System	K	06/22/11	Competitive	Wells Fargo	PFM	2019	2.26%	15,760	14,010	5	14,000
Connecticut State University System	L	04/04/12	Competitive	Bank of America Merrill Lynch	PFM	2029	3.26%	47,395	47,395	10	47,250
Connecticut State University System	M	01/10/13	Competitive	J. P. Morgan/ US Sec	PFM	2032	3.71%	39,655	34,060	865	33,195
Total SCRF (SCRF total represents a contingent liability of the State of Connecticut)								935,537	919,060	18,245	273,885
Total CHEFA Issued Debt								14,151,579	15,435,999	118,860	7,911,293

**Summary of Indebtedness
at June 30, 2013**

	Amount Issued	Outstanding Current	Outstanding Long-Term
Health, Education & Other	14,409,249	98,640	7,578,228
SCRF - Nursing Home	260,400	1,765	12,010
SCRF - Connecticut State University	658,660	16,480	261,875
Childcare	107,690	1,975	59,180
Total CHEFA Debt Outstanding	15,435,999	118,860	7,911,293

Definitions:

Current - Bonds payable after June 30, 2013 but prior to June 30, 2014
Long-term - Bonds payable after June 30, 2014

*Defeased issue
**Partially defeased issue
*** Converted to Fixed Rate

CHEFA
Loans, Grants, or Services in excess of \$5,000
General Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

A & A Office Systems, Inc.
Altura Communication Solutions
Aniello Associates, Inc.
Bank of America
Bloomberg Finance L.P.
Bristol Hospital, Inc.
CBIA Health Connections
CDW Government, Inc.
FirstSouthwest
Gaylord Hospital
GreatAmerica Leasing Corp
Griffin Hospital
Hartford Square North
Hebrew Life Choices
Hewlett - Packard Co.
Hospital for Special Care
Internap Network Services
Iron Mountain Records
Jerome Home
La Voz Hispana
Local Initiatives Support Corp
Masonicare
Mount Olive Childcare
New Connecticut Foundation
People's United Bank
People's United Bank
Principal Mutual Life
Quinnipiac University
Red Thread
Reliance Standard
RMI Associates, LLC
Sacred Heart University
Saint Francis Hospital
Saslo, Luflin & Buggy, LLP
Suburban Stationers Inc.
The Bancorp Bank HSA
The Bank of New York
The Connecticut Forum

CHEFA
Loans, Grants, or Services in excess of \$5,000
General Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

The Hartford Courant
UCONN Foundation
United States Treasury
University of New Haven
US Bank
Verizon Business
Visiting Nurse Services of CT
Waterbury Young's Men
Willis of Connecticut, LLC
Yale New Haven Hospital

C H E F A
Loans, Grants or Services Over \$5,000
Bonds Issued
Fiscal Year Ended June 30, 2013

Institution, Series	Series	Amount
Renbrook School	B	8,600,000
Masonicare Corporation	E	33,000,000
Gunnery School	B	8,855,000
University of Bridgeport	D	12,000,000
Taft School	I	18,060,000
Norwalk Hospital Association	J	82,000,000
Canterbury School	C	7,160,000
CSU	M	34,060,000
Washington Montessori School	B	6,339,000
Yale-New Haven Hospital	N	44,815,000
Yale-New Haven Hospital	O	50,000,000
Norwich Free Academy	B	14,640,000
Pierce Memorial Baptist Home	B	11,454,000
Kent School	F	17,490,000
Forman School	B	4,700,000
Ethel Walker School	C	8,665,000
UCONN Foundation	C	20,000,000
King Low Heywood Thomas Sc	B	9,100,000
Day Kimball Healthcare, Inc.	B	30,330,000

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

A. C. Advisory
Acacia Financial Group Inc
Action Construction, Inc.
Air Temp Mechanical Services
Ambac Assurance Corp
Amtec
ATM Restoration Systems, Inc.
Automated Building Systems, Inc.
Aztech Engineers, Inc.
Bachand, Longo & Higgings
Barclays Capital, Inc.
Bartholomew Company, Inc.
BC Ziegler & Company
Berchem, Moses & Devlin, PC
Bestech Inc. of CT
Big Belly Solar
BL Companies, Inc.
Bridgeport Hospital
Brody Wilkinson, PC
Brown & Welsh, PC
Brunswick School
Canterbury School
Carmody & Torrance
Centerbrook Architects
Central Mechanical Services
Commercial Roofing
Con Serv, Inc.
Connecticut Boiler Repair and
Connecticut College
Connecticut State University System
Consigli Construction Co, Inc.
Danbury Hospital
Day Pitney, LLP
Diggs Construction, LLC
DISerio Martin O'Connor
ECHN
Epic Systems Corporation
ePlus Technology, Inc.

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

Ernst & Young LLP
Ethel Walker School
Executive Landscaping
Fairfield University
Fitch Ratings
Forman School
Fuss & O'Neill, Inc.
G. Donovan Associates
Graybar
GreenbergTraurig
GZA GeoEnvironmental Inc
H2C Securities, Inc.
Hampden Zimmerman Electric
Harris Beach PLLC
Hartford Healthcare
Hawkins Delafield & Wood
Hinckley Allen & Snyder, LLP
Horace Bushnell Memorial Hall
ImageMaster
Independent Materials Test Lab
J.A. Rosa Construction, LLC
Jeffers Cowherd, PC
Johnson Controls, Inc.
Kent School
King Low Heywood Thomas School
KWP Associates, Inc.
Lamont Financial Services Corp
Lawrence & Memorial
Loomis Chaffee School
Manatt, Phelps & Phillips
Mazzarella Builders
McCarter & English & LLP
Mercury Cabling Systems, LLC
Mercury Electric, LLC
Middlesex Hospital
Midstate Tractor & Equipment
Moody's Investor Service
Moser Pilon Nelson Architects

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

Murtha Cullina LLP
Newington Electric Company
Northeast Electrical
Northeastern Communications
Norwalk Hospital
Nxegen, LLC
Offshore Construction, Inc.
Omni Data
Paquette Electric Co, Inc.
People's United Bank
Pereira & Sons Construction
Pomfret School
PPL SavageALERT, Inc.
PriceWaterhouseCoopers LLP
Public Financial Mgt Inc
Pullman & Comley LLC
RA Eick Qlty Bookbinding
RBS Citizens N.A.
Rectory School
Reid and Riege, P.C.
Renbrook School
Rizzo Corporation
Robinson & Cole
Rome McGuigan P.C.
Ropes & Gray
Saint Joseph College
Salisbury Bank
Sandak Hennesse & Greco, LLP
Shipman & Goodwin
Siemens Industry, Inc.
SiemensPublic, Inc.
Sign Pro, Inc.
Silver/Petrucelli & Associates
Stamford Hospital
Standard & Poors
Stewart Titla Guaranty
Stifel, Nicolaus & Co, Inc
Tabacco & Son Builders, Inc.

CHEFA
Loans, Grants, or Services in excess of \$5,000
Construction Fund Account Disbursements
Fiscal Year Ended June 30, 2013

Vendor

Taft School
TD Equipmant Finance, Inc.
TEC Control Systems, Inc.
Tighe & Bond, Inc.
Tobin Carberry O'Malley Riley
UCONN Foundation, Inc.
University of Bridgeport
University of Hartford
Updike, Kelly & Spellacy
US BANK
Waterbury Hospital
Wells Fargo Bank
Western CT Health Network
Westminster School
Wiggin and Dana, LLP
Winston Preparatory School
Yale University
Yale-New Haven Hospital

CHEFA Budget Summary
Budget for the Twelve Months Ending June 30, 2014

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Revenues					
CHEFA Fees	\$ 7,097,174	\$ 6,956,037	\$ 7,166,392	\$ 7,116,070	\$ 6,877,279
Investment Income	17,247	12,288	17,416	15,142	18,075
Up-Front fees	30,000	100,500	30,000	122,961	20,000
CHESLA Support Services & Overhead	0	0	0	110,880	154,921
Misc Income & Recovery	0	21,695	0	90,484	0
Total Revenues	\$ 7,144,421	\$ 7,090,520	\$ 7,213,807	\$ 7,455,537	\$ 7,070,274
Expenses					
Compensation	\$ 2,156,374	\$ 2,151,593	\$ 2,224,648	\$ 2,160,504	\$ 2,259,052
Employee Benefits	670,743	642,970	706,898	681,081	748,469
General and Administrative	677,265	633,480	595,461	526,714	539,361
Depreciation	85,712	84,091	89,423	84,330	96,349
Business Education, Board and Reimbursable	48,415	24,038	50,915	24,253	53,825
Membership Dues	13,765	10,888	13,765	12,026	13,535
Outside Services	171,852	108,440	131,227	69,683	107,093
Total Expenses	\$ 3,824,126	\$ 3,655,500	\$ 3,812,338	\$ 3,558,591	\$ 3,817,683
Excess Revenue from Operations	\$ 3,320,295	\$ 3,435,020	\$ 3,401,470	\$ 3,896,946	\$ 3,252,591
Program Related Expense	2,413,800	2,277,608	2,378,600	2,406,865	2,314,040
Total Excess Revenue	\$ 906,495	\$ 1,157,412	\$ 1,022,870	\$ 1,490,081	\$ 938,551
Benefit % to Compensation	31.11%	29.88%	31.78%	31.52%	33.13%

* Projected Actual is based on Actual Financials as of March 31, 2013, plus 3 months of projected amounts.

CHEFA Salary & Benefits Expense
Budget for the Twelve Months Ending June 30, 2014

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Staff Compensation (inc Labor Grade)	\$ 2,156,374	\$ 2,151,593	\$ 2,224,648	\$ 2,160,504	\$ 2,259,052
Temporary Salaries	0	0	0	0	0
Total Compensation	\$ 2,156,374	\$ 2,151,593	\$ 2,224,648	\$ 2,160,504	\$ 2,259,052
Payroll Taxes	\$ 153,359	\$ 150,164	\$ 158,295	\$ 153,311	\$ 158,071
Medical & Life Insurance					
CBIA Medical w/CBIA Life	180,162	161,464	181,071	186,446	239,796
Deductible Funding HSA (CHEFA)	39,000	42,188	46,875	49,688	52,500
Less: CBIA Co-insurance	(41,163)	(35,826)	(41,215)	(42,139)	(55,258)
Net Medical Insurance	178,000	167,826	186,730	193,995	237,038
CHEFA Alternative Insurance	16,800	16,800	16,800	13,533	11,200
Life Insurance	9,171	9,111	9,560	9,322	9,428
Dental	26,939	24,937	26,248	26,424	25,803
Total Medical, Life Insurance & Other	230,910	218,674	239,338	243,274	283,469
Pension					
Contributions	215,637	215,142	222,465	216,062	225,905
Administrative Fee	6,600	6,600	6,600	6,600	6,600
Total Pension	222,237	221,742	229,065	222,662	232,505
457 Plan & Administrative Fee	30,480	30,890	32,600	30,763	30,200
Vacation	2,000	0	8,000	5,000	5,000
Disability Insurance - Long Term	7,506	8,049	8,570	8,864	9,031
Disability Insurance - Short Term	0	0	8,957	9,334	9,939
Workers Compensation	5,140	4,355	4,574	5,128	5,254
Tuition	19,110	9,096	17,500	2,745	15,000
Total Employee Benefits	670,743	642,970	706,898	681,081	748,469
Total Employment	\$ 2,827,117	\$ 2,794,563	\$ 2,931,547	\$ 2,841,585	\$ 3,007,521
	31.11%	29.88%	31.78%	31.52%	33.13%

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2014

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Lease & Storage					
Lease - Office Space	\$ 279,613	\$ 280,550	\$ 228,771	\$ 230,987	\$ 221,634
Lease - Common area fee	6,000	2,864	9,048	8,593	3,816
Offsite Storage & Filesanywhere (electronic storage)	5,100	5,484	9,500	6,833	10,500
Total Lease & Storage	290,713	288,898	247,319	246,413	235,950
Business Insurance					
Office Package	11,152	11,152	10,495	6,711	7,383
Cyber Policy	0	0	0	0	5,000
Fiduciary & Performance Bond & Terrorism	2,024	2,024	2,512	3,216	3,420
Lawyers Professional Liability	3,276	3,276	3,432	1,560	0
Directors and Officers Liability / Public Officials Policy	91,350	91,350	91,350	71,047	57,851
Total Business Insurance	107,802	107,802	107,789	82,534	73,654
Office Supplies and Non Capital Equipment					
General Office/Computer/Network & Printer supplies	14,500	11,330	14,500	10,031	10,000
Non-Capital furniture, Equipment & Software Licensing	9,370	10,417	19,775	9,455	11,375
Total Office Supplies and Non Capital Equip	23,870	21,747	34,275	19,486	21,375
Communications: Telephone & Internet					
Phone (Verizon or prior yrs-ATT) & Data Svc & Conferencin	20,424	20,336	22,152	20,031	22,152
Cable TV (ComCast)	0	0	0	0	0
Business Continuity (CLAR svc)	0	0	0	0	0
Website Development/Web Hosting/Email	730	555	1,130	770	1,260
Bloomberg - Securities	23,700	23,552	23,700	23,700	24,000
Total Communications: Phone & Internet	44,854	44,443	46,982	44,501	47,412
Postage Expense					
Postage & Courier Expense	8,500	5,482	7,500	4,695	5,500
Postage -Ascom meter rental & New Eng. Mail Mach.	3,000	2,533	3,000	3,125	3,500
Total Postage Expense	11,500	8,015	10,500	7,820	9,000
Maintenance Service & Contracts					
Copiers - Leases & Network Charge	20,674	20,006	20,219	17,514	19,600
Copiers - Usage	7,224	5,138	7,512	3,858	7,512
Copiers - Miscellaneous Maintenance & Taxes	145	545	1,000	1,000	1,000
Printer, Fax & Phone Support	7,802	2,212	9,950	6,369	3,615
Co-location Svcs and Point to Point T1 (Bus Continuity)	26,400	26,204	26,400	27,652	37,180
Plant Service	2,700	2,640	2,700	2,505	2,700
Maintenance (Systems, Software & General)	17,781	17,295	17,150	11,987	17,641
Total Maintenance Service & Contracts	82,726	74,040	84,931	70,885	89,248
Publications & Resource Materials	6,125	5,865	5,940	6,718	6,997
Bond Issuance Cost	20,000	18,948	15,000	25,635	15,000
Marketing Costs					
Signs	3,500	0	3,500	3,500	3,500
Client Conferences & Education	20,000	0	5,000	0	5,000
Advertising and Miscellaneous	6,000	959	6,000	0	6,000
Total Marketing Costs	29,500	959	14,500	3,500	14,500

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2014

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Miscellaneous					
Kitchen supplies, soda, Sam's Club	3,500	3,893	4,000	4,589	5,000
ADP Payroll Service	5,500	4,777	5,500	3,190	3,500
Triple Springs Water Cooler	1,400	1,204	2,500	1,425	2,500
Staff Activities - Holiday, Summer & Team Building	1,325	868	1,325	1,265	1,325
Bank Fees & Safe Deposit Box	5,700	12,634	7,400	6,321	7,400
Acknowledgement Fund	750	2,752	500	800	500
Miscellaneous	1,000	205	1,000	132	1,000
Total Miscellaneous	19,175	26,333	22,225	17,722	21,225
Contributions	41,000	40,500	6,000	1,500	5,000
Total General and Administrative Expenses	\$ 677,265	\$ 637,551	\$ 595,461	\$ 526,714	\$ 539,361

**CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2014**

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Depreciation	\$ 85,712	\$ 84,091	\$ 89,423	\$ 84,330	\$ 96,349
Employee Reimbursable					
Staff Business expenses	3,500	5,592	3,500	3,084	6,000
Validated Parking	1,000	342	1,000	928	1,000
Cellular Data Plan Services	1,500	1,230	1,500	315	1,500
Total Employee Reimbursable	6,000	7,164	6,000	4,327	8,500
Board Expense					
Monthly Board Lunches	2,600	1,860	2,600	1,473	2,600
Board Business expenses	1,200	1,429	1,200	1,210	1,200
Total Board Expense	3,800	3,289	3,800	2,683	3,800
Conference & Education Expense					
Conferences (including expenses)	27,990	6,004	25,490	11,184	20,400
End User Education (non tuition, computer and other)	10,250	7,581	15,250	6,059	20,750
Total Conference & Education Expense	38,240	13,585	40,740	17,243	41,150
Education - Board	375	0	375	0	375
Total Business Education, Board and Reimbursable	\$ 48,415	\$ 24,038	\$ 50,915	\$ 24,253	\$ 53,825
Memberships Dues	\$ 13,915	\$ 10,888	\$ 13,765	\$ 12,026	\$ 13,535

CHEFA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2014

	FYE June 30, 2012 Budget	FYE June 30, 2012 Actual	FYE June 30, 2013 Budget	FYE June 30, 2013 Proj Actual	FYE June 30, 2014 Budget
Accounting and IT Systems					
Special programming-Accounting	10,000	9,310	10,000	3,205	10,000
Service Contract-Accounting	3,352	3,171	3,352	3,423	3,352
Other - IT	5,000	0	10,000	0	10,000
Total Accounting and IT Systems	18,352		23,352	6,628	23,352
Consultant Others					
Arbitrage Calculation, Review or Legal	87,500	51,040	57,500	22,500	32,500
Other - Consultant	20,000	10,419	10,000	10,000	10,000
Total Consultant Others	107,500	61,459	67,500	32,500	42,500
Legal	10,000	0	10,000	1,680	10,000
Audit					
Independent Auditors	34,500	34,500	28,875	28,875	29,741
State Audit	1,500	0	1,500	0	1,500
Total Audit & Outside Services	\$ 171,852	\$ 95,959	\$ 131,227	\$ 69,683	\$ 107,093
Program Related Expense					
Provision for Uncollectibles - General reserves	0	2,917	0	2,917	0
Grant Programs					
Non Client	1,000,000	1,000,000	1,035,000	1,069,469	1,000,000
Client	1,000,000	1,003,577	1,000,000	1,000,000	1,000,000
Total Grant Programs	2,000,000	2,003,577	2,035,000	2,069,469	2,000,000
Child Care Programs					
Guar. Loan Fund - Administrative Expense	42,400	92,276	174,400	166,138	142,140
Guar. Loan Fund Investment Earnings	(5,600)	(2,407)	(5,800)	(3,004)	(3,100)
Net Guaranteed Loan Fund Expense	36,800	89,869	168,600	163,134	139,040
3% Child Care Interest Subsidy	377,000	184,162	175,000	171,345	175,000
Total Child Care Programs	413,800	274,031	343,600	334,479	314,040
Total Program Related Expense	\$ 2,413,800	\$ 2,280,525	\$ 2,378,600	\$ 2,406,865	\$ 2,314,040

CHEFA Revenue Budget FY 2014

	Refi	New Money	Totals	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Estimated Closings FY 2014			4												
Up-Front Fees (Closings @ \$5,000 each)			20,000												
CHEFA Fees Income (@ 9 basis points)															
			0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0
University of New Haven		28,000,000	28,000,000			2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Charlotte Hungerford Hospital		18,000,000	18,000,000					1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Bridgeport Hospital		35,000,000	35,000,000						2,625	2,625	2,625	2,625	2,625	2,625	2,625
Lawrence & Memorial Hospital		50,000,000	50,000,000							3,750	3,750	3,750	3,750	3,750	3,750
			0												0
			0												0
Projected Closings through FYE 2014	-	131,000,000	131,000,000												
	Full 12 months	117,900													
	Partial Year (2014)		72,675	0	0	2,100	2,100	3,450	6,075	9,825	9,825	9,825	9,825	9,825	9,825
Bond Issues - Current Portfolio (Reg, CSU & Childcare) Net of potential Redeemed Issues			6,786,966	565,581	565,581	565,581	565,581	565,581	565,581	565,581	565,581	565,581	565,581	565,581	565,581
Bond Issues - Current Portfolio (SCRF Nursing Home)			17,638	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470
Total FY 2014 Accrued CHEFA Fees			6,877,279	567,050	567,050	569,150	569,150	570,500	573,125	576,875	576,875	576,875	576,875	576,875	576,875
Average Investment balance	\$ 16,431,864		0.110%	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506
Total Estimated Interest Income			\$18,075	1,506											
Total FYE 2014 Revenue Budget			\$6,915,353	568,557	568,557	570,657	570,657	572,007	574,632	578,382	578,382	578,382	578,382	578,382	578,382

Investments - 7/01/13

14,753,124 (see exhibit A)

Upfront fees		20,000
Estimated Payroll and Operating expenses FY 2014		(3,817,683)
Semi-annual fees (Dec 2013 & June 2014)		6,877,279
Transfer to State of CT		0
Projected Investment balance before interest - 6/30/2014		17,832,720
Interest	0.11%	19,616
Projected Investment balance plus interest - 6/30/2014		17,852,336
Net Change		3,099,212
<i>Average Change</i>		<i>258,268</i>

Exhibit A

Balance 3/31/13	12,989,076	<i>Investments</i>
Plus: CHEFA Fees	3,589,048	<i>* Jan 2013-June 2013</i>
Less: Operations (Apr, May, Jun)	825,000	<i>Avg of \$275,000 from operations/mth</i>
Grants	1,000,000	<i>Remaining Client and Open Grants</i>
Legal Fees	-	
Transfer to State of CT	-	
	1,825,000	
Est. Beginning Investment 7/1/13	14,753,124	

<u>Avg Activity</u>	<u>Est Balances</u>		
258,268	15,011,392	jul	1
258,268	15,269,660	aug	2
258,268	15,527,927	sept	3
258,268	15,786,195	oct	4
258,268	16,044,463	nov	5
258,268	16,302,730	dec	6
258,268	16,560,998	jan	7
258,268	16,819,266	feb	8
258,268	17,077,533	mar	9
258,268	17,335,801	april	10
258,268	17,594,069	may	11
258,268	17,852,336	june	12
	16,431,864	<i>Average Balance</i>	

* Possible refinancing of CHEFA debt to other debt would decrease \$317,837 in CHEFA Fees

CHEFA Budget
Capital Budget for the Twelve Months Ending June 30, 2014

Item	Total Cost	Useful Life	FY 2014 Depreciation
Current Depreciation Schedule for FYE June 2013			71,257
<u>Additions:</u>			
<u>Capital (Hardware)</u>			
Computers, Services and IT related	89,560	3	14,927
	111,950		
Contingency (25%)	22,390	3	3,732
Subtotal for IT (Hardware)	111,950		18,658
<u>Capital (project)</u>			
Leasehold Improvements	50,000	5	5,000
	62,500		
Contingency (25%)	12,500	3	1,250
Subtotal for IT (Software)	62,500		6,250
<u>Capital (other Office Purchases)</u>			
Miscellaneous Office Equipment (i.e. Chairs, shelving, etc.)	2,000	10	100
	2,500		
Contingency (25%)	500	3	83
Subtotal for Miscellaneous Fixed Assets	2,500		183
Total Capital & Leasehold Purchases	176,950		25,092
Total Depreciation Expense		1/2 year Dep	12,546
			96,349

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

September 18, 2013

TO: Members of the Board of Directors
FROM: Jeffrey A. Asher, Executive Director
CC: CHEFA Officers
RE: FYE June 30, 2013-2015 Board Approved Strategic Business Plan (the "Plan")

Review as of June 30, 2013

CORE GOALS AND METRICS

The Plan for FY 2013-2015 focuses on our core business. We are committed to building on the strong foundation we have developed over the past three years including the excellent reputation we enjoy for client service, cost effective access to capital, and a flexible financing/underwriting process that is responsive to the client's needs and to changes in the municipal market. CHEFA will also continue to focus on maintenance of a relevant and ethical organization and on continued support to the Board so they may utilize their time effectively.

The following are the core goals that guide the development and implementation of the strategic business plan.

Core Goal 1 – Superior Client Service

A. Cost Effective Financing

1. Annual review of the TIC (total interest cost) for each bond issue compared to the TIC for comparably rate credits issued on the same day

During FY 2013 we closed 23 financings including 5 EasyLoans, 4 Public Offerings and 14 Direct/Private Placements. (Please see Exhibit 1 for the interest rates for all 23 financings.)

Public Offering Interest Rates

	Date of Sale	Net Interest Cost	MMD
CSU Issue Series M	01/10/2013	3.7142%	2.68%
Norwich Free Academy Series B	03/01/2013	3.2769%	3.20%
Taft School Series I	11/07/2012	2.5812%	2.59%
Yale-New Haven Series N & O	02/14/2013	3.8982%	3.16%

Direct/Private Placements and EasyLoans

The interest rates for these financings are a negotiated rate agreed to by the CHEFA client and the bank purchasing the debt.

2. *Annual review of CHEFA administrative fees as compared to other National Association of Health and Educational Facilities Financing Authorities (NAHEFFA)¹ members*

The CHEFA current annual fee is 9 basis points on the bonds outstanding. (The annual fee for a \$10.0 million issue is \$9,000.) The annual fee was originally at 15 basis points but was lowered when the cap on tax-exempt bonds outstanding was eliminated by the federal government.

There are seven other statewide issuers whose annual fee appears to be comparable to CHEFA's ranging from 7 to 10 basis points. There are some statewide issuers that charge a larger application fee and a nominal annual fee. There are also those that place a cap on the annual fee, CHEFA does not.

3. *Annual review of bond counsel and financial advisor fees as compared to other NAHEFFA members²*

Bond Counsel

The fees charged by each of the bond counsel firms for CHEFA bond issues is based on the size and complexity of the issue rather than on a per hour basis. The NAHEFFA survey shows that there is a wide range of fees and method for determining those fees. It would appear the fees charged by CHEFA's bond counsel firms are high but are comparable to the bond counsel fees for approximately 9 of the 31 statewide issuers participating in the survey question.

Financial Advisor

We were not able to utilize the NAHEFFA survey results for Financial Advisor Fees as a comparison because the survey asked for the basis for the fee and the aggregate paid for the survey period.

During FY 2013 CHEFA only used a financial advisor on three of the four public offerings completed. The largest fee, \$80,000, was paid to Public Financial Management who served as the advisor on the CSU Series M bond Issue. Fees for the other two bond issues were based on the size of the issue.

¹ NAHEFFA Survey Question 17, Annual Fees (Please see Exhibit 2)

² NAHEFFA Survey Question 11, Bond Counsel Fees (Please see Exhibit 3)

4. *Measurement of client satisfaction using a post-closing survey*

It was decided to use a more formal client survey similar to the one presented to the board in September 2011 rather than using a post-closing survey. This formal survey will most likely be conducted after the close of FY 2014.

5. *No less than 1/3 of our clients will be visited in each of the next three years*

During FY 2013 staff visited 35 of our 113 clients (31%).

B. Post Issuance Compliance

1. *Percent of clients in compliance with all reporting requirements*

As of June 30, 2013, 86.73% of our client institutions were in compliance with 100% of their reporting requirements.

2. *Average number of delinquent compliance items per bond issue*

As of June 30, 2013, there were 16 bond issues with an average of 2.1 delinquent items per bond issue.

3. *Number of clients adopting written post issuance compliance procedures*

As of June 30, 2013, 96 (84.5%) of our 113 client institutions have adopted IRS required post issuance compliance procedures.

4. *Percent of clients attending CHEFA educational programs on post issuance compliance*

We did not conduct any client training sessions during FY 2013.

C. Effective Post Issuance Fund Management

D. Strengthen Client and Investor Relations

Core Goal 2 – Programs and Services that Meet the Demands of a Changing Market

- A. Evolve Existing Programs
- B. Development and/or Implementation of New Programs
- C. Expansion of sectors served when applicable
- D. Introduction of new clients to CHEFA products and services
 - 1. *Measure - the number of new borrowers annually*

During FY 2013 we completed a financing for one new client, the Wadsworth Athenuem Museum of Art. (An EasyLoan equipment financing.)

Core Goal 3 – Partner in Public Policy

- A. Leadership in Creation of Public Policy
- B. Collaboration with Other State Entities/Advocacy Groups on Common Interests
- C. Public Advocacy on Behalf of Clients

Core Goal 4 – Sustainable and Ethical Organization

- A. Staff and Management Development
 - 1. *Number of educational programs/courses attended by Staff*

During FY 2013 staff attended 25 educational programs including: business disaster recovery training, Adobe training, internal audit workshops, CPR training, Office of State Ethics training, a GFOA³ advanced investing conference, arbitrage training, and college courses.

- B. Board Development and Oversight
 - 1. *Number of educational presentations/ programs provided for board*

During FY 2013 one education session was held. The required annual State of CT Ethics Training was presented to the board in November 2012 by Paula Herman, CHEFA General Counsel.

- C. Increased Awareness of the Authority's Accomplishments and Challenges
- D. Effective Management Process
 - 1. *Clean audit by independent auditors with no adjustments and no management letter*

The audit for the FYE June 30, 2012 was presented to the board at the September 19, 2012 meeting. It was issued with no adjustments and no management letter.

³ GFOA – Government Finance Officers Association

The audit for the FYE June 30, 2013 will be presented to the board at the September 18, 2013 meeting. The audit is expected to be issued with no adjustments and no management letter.

2. Clean audit by the Auditors of Public Accounts with no findings

The audit for the Fiscal Years Ending 2012 and 2013 have not yet been scheduled or conducted by the Auditors of Public Accounts. The audits are now conducted on a two year cycle.

3. Maintenance of actual expenses within the budget

Total Operating Expenses for the FYE June 30, 2013 were under budget by \$234,918.

SPECIFIC INITIATIVES

Over the next three fiscal years, Staff will specifically target the following strategic initiatives that will provide additional services to our clients, enhance our visibility in the State and assist the Governor and his administration in providing more educational opportunities and better health care services to Connecticut's citizens.

Client survey – The survey results were presented to the Board by the consultant at the September 13, 2011 board meeting. The results indicated that CHEFA is very highly regarded by its customers and that there were very high levels of satisfaction with the services we provided. **A new client survey should be conducted every five years. We are suggesting that this survey be completed after the close of FY 2014 (three years).**

Tracking and Responding to Municipal Market Developments – There is much discussion in Washington about changes that could affect the amount of tax-exempt debt that one entity can issue and the possible elimination of tax-exempt bonds completely. Over the next three years, we will continue to work closely with members of our trade association and with the association's lobbyist in Washington to monitor developments that could reduce or eliminate our clients' access to tax-exempt capital. The following are some of the issues/areas of concern that we will monitor:

- The potential for the reduction or elimination of Tax-Exempt Municipal Bonds
 - **CHEFA participated in a conference call with representatives of staff from the Washington offices of each member of Connecticut's congressional delegation which was sponsored by the Office of the State Treasurer. This call was to remind the congressional staff of the importance of tax-exempt bonds to the state, Connecticut non-profits and to their constituents.**
 - **CHEFA staff has had a few conversations with David Sitkovsky, the Legislative Director for Tax Policy in Congressman John Larson's Washington DC office to stress the importance of tax-exempt financing to the state and to our clients. Congressman Larson is an important ally as he is currently serving as the co-leader of the bipartisan Tax Reform Working Group on Financial Services, where he is working to review current financial services tax law.**
- Multi-State Issuance – consolidations in the health care industry could move us towards statutory changes that would allow us to issue debt in contiguous states. Lawrence and Memorial Hospital is the first in our loan portfolio to purchase a health care provider (Westerly Hospital – RI) in another state.

- CHEFA submitted legislation to provide for the issuance of debt for healthcare projects in contiguous states but the proposal was rejected by the higher education committee.
- Tax-credits – these credits could potentially increase the cost of access to capital for our clients
 - CHEFA is now (as of September 2013) beginning to work with state charter schools to assist them in meeting their capital financing needs through the issuance of private placement debt, tax credits and state grants.
- Taxable Bonds – increased use of taxable bonds that can provide our clients with more flexibility in the use of bond proceeds but they will increase their cost of capital

Legislative Initiatives – during fiscal year 2013 CHEFA staff collaborated with the Governor’s Office on two important pieces of legislation, one pertaining to an expansion of CHEFA’s enabling legislation and the other pertaining to state financial assistance for CHEFA financing early childhood education facilities.

- **Senate Bill 1044 (Exhibit 4) “ An Act Concerning the Connecticut Health and Educational Facilities Authority”** This proposed legislation was drafted to provide for the following:
 - **Expand CHEFA’s financing authority to allow the issuance of debt on behalf of Connecticut based health care providers for facilities owned by them in contiguous states. (This proposal was rejected by the Committee on Higher Education and Employment Advancement.)**
 - **Expand qualified health care projects financed via the Special Capital Reserve Fund program to include construction and renovation in addition to the purchase of capital equipment. (This proposal was approved by the Committee on Higher Education and was added to the Senate Calendar but was never acted on, thereby dying on the Calendar.)**
- **Special Act No. 13-16 (Exhibit 5)“ An Act Concerning State-Funded Child Care Facilities”**
 - **CHEFA was asked by the Co-Chair of the Education Committee (Senator Stillman) to submit draft legislation which if adopted, provides that early childhood education facilities financed by the issuance of tax-exempt bonds prior to July 1, 2012 would essentially continue to receive said state assistance until the debt is fully paid off. (This proposed legislation was approved by the**

Education Committee, both the House and the Senate, on June 25, 2013.)

Transition Planning/Business Continuity – Being prepared for staffing and management changes, as well as unexpected business interruptions is key to CHEFA’s long-term viability. We will focus on:

- Identification of critical/mission sensitive staff positions
- Exploration of alternate staffing scenarios
- Identification of staff to be cross trained, where appropriate
- Identification of critical jobs and functions
- Annual review of the business continuity plan

CHESLA Consolidation – A smooth consolidation process will ensure that CHESLA’s student borrowers will not be affected by the change in its organizational structure. We also expect that the CHEFA consolidation will generate near-term cost savings for CHESLA operations. We expect to report as follows:

- Present informational report to the Connecticut General Assembly’s Higher Education Committee of any cost savings generated by the consolidation
- Annual report to the CHEFA Board on sufficiency of overhead reimbursement from CHESLA as compared to the cost of services provided

CHEFA EasyLoan Program Marketing – Over the next three years Staff will reach out to 15 non-client organizations in order to increase awareness and utilization of this equipment financing program. Activities will include the following:

- Contact key individuals at non-client institutions to introduce staff and program
- Follow up with mailing of informational palm card
- Schedule visits with key individuals at non-client institutions

Early Childhood Education (ECE) Facility Construction Program – CHEFA has been providing access to capital for ECE providers since 1997. Over the next three years, CHEFA will continue to collaborate with the Office of Policy and Management (OPM), the Governor’s Office and the State Department of Education regarding the Governor’s plan to make early childhood education available to every child in the State. CHEFA staff involvement to date is as follows:

- **OPM Facility Planning Group** – as a lead member of an early childhood facility planning group hosted by the Office of Policy and Management (OPM), CHEFA developed a method of assessing the facilities needed throughout the State. The information was used by the Governor’s Early Childhood Planner, Myra Jones-Taylor in the development of the Early Childhood Plan. In July, Ms. Jones-Taylor was appointed as the executive director of the Office of Early Childhood (OEC). CHEFA has continued to support the development of the OEC, providing needed data and emphasizing the importance of quality facilities for child care:
 - CHEFA staff toured the Good Shepherd facility in Milford (Child Care Facility Bond Series F) with Ms. Jones-Taylor. The NAEYC accredited and environmentally ‘green’ facility demonstrates the impact a state investment on early education can have on children’s early education experiences.
 - Building on the work of the OPM Facility Planning Group, CHEFA completed the update to a study Connecticut’s need for early education facilities as required under Public Act 12-116. The report may be the first determination of need determined for each town in the State.
- **Early Education Legislation** – CHEFA has been strengthening relationships with legislators focused on early education. Legislators have contacted CHEFA for information, to help resolve issues related to state process, and to help craft the wording of legislation.
 - CHEFA executive staff met with Senator Stillman, Chair of the Education Committee and several early education providers to address concerns related to a the process of allocating subsidies for the Child Day Care Grant Program. The conversation led to the development of HB 6506.
 - Staff provided testimony supporting HB 6506 – An Act Concerning State-Funded Child Care Facilities, and was asked by the Education Committee to provide necessary amendments to the bill.

- **Meetings with Executive Staff** – CHEFA has worked with various members of Governor Malloy’s staff, including OPM Secretary Benjamin Barnes, Policy Director Liz Donohue and Early Childhood Planner Myra Jones-Taylor to identify ways to address the facility needs of early education providers and to provide more access to capital and state debt service support.
 - Staff conducted research into the potential of CHEFA utilizing Social Improvement Bonds and Public/Private Partnerships. Executive staff met with Lynn Kagan, a nationally recognized early childhood expert from Yale.
 - Executive staff met with the Governor’s Not-for-Profit Liaison Terry Edelstein and Robert Dakers, to discuss the potential of CHEFA utilizing its experience with revolving loan funds to manage grant pool for not-for-profits. They did not take us up on that offer.

Client Education – Building on the success of the four client education sessions that were held during FY 2010 -2012, and based on the requests for additional educational opportunities, staff is planning to offer additional sessions. The following are suggested topics:

- Post Issuance Tax Compliance
- SEC Continuing Disclosure Requirements
- MSRB EMMA Disclosure Portal
- Debt Financing Alternatives

Board Education and Recruitment – Recruitment of new Board members has always been a challenge especially because of the statutory restrictions, the State’s Ethic Statutes and public disclosure of private financial information. Current board member terms are as follows:

<u>NAME</u>	<u>FIVE YEAR TERM EXPIRES</u>
Barbara Rubin	June 30, 2016
John M. Biancamano	June 30, 2015
Dr. Peter W. Lisi	June 30, 2015
Patrick A. Colangelo	February 9, 2018
Vacancy	June 30, 2014
Dr. Estela Lopez	June 30, 2017
Barbara B. Lindsay, Esq.	June 30, 2015
Paul Mutone	June 30, 2015

- Board Orientation – The orientation manual has been converted to electronic format and will be available to all Board members via “Files Anywhere”. The documents will be continually updated when content changes.
- Annual Board Retreat – The Board held its first retreat on March 7, 2009. Staff will recommend approval by the Board of an biennial retreat to include credit policy discussions, educational presentations, and other content as deemed appropriate/desired by the board.
- Board Education – Staff will continue to provide the Board with ongoing education including changes in the municipal bond market, post issuance tax compliance, presentations by fund managers that purchase CHEFA bonds, MSRB updates, and annual ethics training

Grant Programs Development

Client and Nonprofit Grant Programs – These programs were reinstated during FY 2012, **funded during FY 2013 (Client - \$1.1 million and Nonprofit (non-client) - \$1.2 million) and budgeted again for FY 2014 - \$2.0 million.** Staff will seek board approval to continue funding of these programs annually for the Plan period subject to the availability of sufficient excess revenues to cover the grant expenses and still maintain a net increase in resources. An emphasis on public relations will help the institutions, legislators, and the public become better informed of CHEFA's mission and functions.

Additional Grant/Philanthropy Programs – In order to react appropriately to requests for grant funding in addition to the current grant programs, we should consider the development of a framework for other grant programs, which fall outside the parameters of the two existing programs, that could be funded by excess funds such as the existing grants to the CT Science Center and the CT Data Collaborative.

- Targeted/Focused Investments
- Donor Restricted Fund Managed by a Community Foundation

Evaluation of Pricing Performance FY2013

Issue	Date	Par	Closing Type	Rate	All-In Int.		True Int.		Net Int.	
					Cost	Cost	Cost	Cost		
Canterbury School Issue, Series C	12/28/2012	\$ 7,160,000	Private	FHLB 5 yr +1.5% (adj. after 10 yrs then every 5 yrs)		2.925%	2.698%		2.698%	2.698%
Connecticut Children's Medical Center, Loan	9/28/2012	\$ 8,800,000	Easy	Fixed						2.521%
Connecticut Children's Medical Center, Loan	6/4/2013	\$ 10,250,000	Easy	Fixed						1.455%
Connecticut Children's Medical Center, Loan	6/4/2013	\$ 3,250,000	Easy	Fixed						1.302%
Connecticut State University System Issue, Series M	1/10/2013	\$ 34,060,000	Public Offering	Fixed		3.451%	3.369%			3.714%
Day Kimball Healthcare Issue, Series B	6/6/2013	\$ 30,330,000	Private	Fixed		5.898%	5.404%			5.384%
Forman School Issue, Series B	3/28/2013	\$ 4,700,000	Private	FHLB 5 yr +1.5% (adj. after 8 then every 5)		2.650%	2.650%			2.650%
Kent School Issue, Series F	3/28/2013	\$ 17,490,000	Private	68% COF+1.75% w/ 10 year PUT		3.266%	2.831%			2.823%
King Low Heywood Thomas School Issue, Series B	4/30/2013	\$ 9,100,000	Private	Fixed w/10-yr PUT						2.170%
Lawrence & Memorial Hospital, Loan	6/27/2013	\$ 12,000,000	Easy	Fixed						1.759%
Masonicare Issue, Series E	9/5/2012	\$ 33,000,000	Private	Variable Monthly 78% LIBOR+1.5% w/5 year PUT		4.674%	4.542%			4.499%
Norwalk Hospital Issue, Series J	12/7/2012	\$ 82,000,000	Private	Variable Monthly 70% LIBOR+3% w/12 year PUT		3.300%	3.367%			3.300%
Norwich Free Academy Issue, Series B	3/1/2013	\$ 14,640,000	Public Offering	Fixed Unenhanced		3.262%	3.113%			3.277%
Pierce Memorial Baptist Home Issue, Series B	3/13/2013	\$ 11,454,000	Private	Fixed (3.39%)		3.654%	3.465%			3.440%
Renbrook School Issue, Series B	8/22/2012	\$ 8,600,000	Private	Fixed (2.65%) w/10 yr PUT		3.120%	2.704%			2.689%
The Ethel Walker School Issue, Series C	4/3/2013	\$ 8,665,000	Private	Variable Monthly 69% Libor + 1.2% w/15 yr PUT		3.161%	3.024%			2.997%
The Guntery School Issue, Series B	9/28/2012	\$ 8,855,000	Private	Fixed (2.59%) w/10 yr PUT		2.902%	2.657%			2.649%
The Taft School Issue, Series I	11/7/2012	\$ 18,060,000	Public Offering	Fixed		2.674%	2.537%			2.581%
The University of Connecticut Foundation Issue, Series C	4/24/2013	\$ 20,000,000	Private	Fixed COF+0.55%		2.050%	1.992%			1.986%
University of Bridgeport Issue, Series D	11/2/2012	\$ 12,000,000	Private	Fixed 68% LIBOR-2.1%, swap fixed w/10 yr PUT		3.115%	2.957%			2.991%
Wadsworth Athenaeum Museum of Art, Easy Loan	1/15/2013	\$ 3,661,000	Easy	Fixed						1.740%
Washington Montessori School Issue, Series B	1/25/2013	\$ 6,339,000	Private	Variable after 8 yr (every 5yr) FHLB 5yr+1.6%						2.580%
Yale-New Haven Hospital Issue, Series N & O	2/14/2013	\$ 94,815,000	Public Offering	Fixed		4.096%	4.061%			3.898%

* Index from Thompson Reuters

Net Interest Cost - the average coupon rate weighted to years of maturity, and is adjusted for any associated discounts or premiums.

True Interest Cost - includes all ancillary fees and costs, along with factors related to the time value of money

All-In Cost - the rate of interest which equates the sum of the present values of the future cash flows associated with the bond, to the present value of the funds obtained from the bond issue

NAHEFFA 2012 ANNUAL MEMBER QUESTIONNAIRE RESULTS

Question 17

Application and Annual Fees

Authority	\$10,000,000 Issue		\$50,000,000 Issue		\$100,000,000 Issue		Fee Cap	Per Borrower Fee Cap?
	Application Fee	Annual Fee	Application Fee	Annual Fee	Application Fee	Annual Fee		
Arizona Health	\$1,500	\$7,500	\$5,000	\$35,000	\$10,000	\$75,000	No	
California Ed	*	**	*	**	*	**	Yes, 7500	*\$1,000 app, \$15,000, \$75,000, \$75,000 Closing; ** \$500 1st 5 yrs, \$250 after
California Health	*	**	*	**	*	**	Yes	\$300,000 for initial fee & \$150,000 for annual admin fee; * ** see detail page
Colorado Ed & Cultural	\$28,000	\$5,000	\$42,000	\$25,000	\$59,500	\$37,500	No	
Colorado Health	\$40,000	\$6,000	\$60,000	\$30,000	\$85,000	\$60,000	see last pg	6 bps on outstanding principal bal at end of bond yr. Fee is reduced to 1 bp on aggregate principal amount over 100m.
Connecticut Health & Ed	\$5,000	\$9,000	\$5,000	\$45,000	\$5,000	\$90,000	No	
Escambia FL Health Fac Auth	\$27,500	\$7,500	\$52,500	\$25,000	\$102,500	\$30,000	Yes	\$30,000
Idaho Health	\$15,000	\$7,000	\$35,000	\$35,000	\$50,000	\$70,000	Yes	Yes, see detail page
Illinois Finance Authority	\$46,000		\$106,000		\$139,000		Yes	\$138,000 less than 100 million; \$211,000 over 1 million
Iowa Ed	\$7000 (CO)	*	\$11,000 (CO)	*	\$16000 (CO)	*	Yes	*.00125 on outstanding principal with cap of \$3,500 on annual fee.
Kansas Development Auth.	*	\$4,000	**	\$11,000		\$16,000	Yes	* ~ +\$5,000 for each of 1st 3 yrs./ ** Appl. Fee for PAB only; cap is \$175m/bond issue
Maine Health & Ed	\$7,500	\$2,500	\$27,500	\$12,500	\$52,500	\$25,000	No	
Maryland Health & Ed	\$5,000	*	\$5,000	*	\$5,000	*	No	*10bps*70%waiver=3bps
Minnesota Ed		\$3,125		\$15,625		\$31,250	No	
Mississippi Health	\$10,000	*	\$25,000	*	\$25,000	*	Yes **	* .0005 for public issues & .00025 for private placements; ** \$50,000 annually
Missouri Health & Ed	\$1,000	\$2,000	\$1,000	\$9,000	\$1,000	\$14,000	No	
Montana Facility Finance Auth	\$25,000	\$5,000	\$62,500	\$25,000	\$75,000	\$50,000	Yes	\$50,000.00
Nebraska Ed	\$40,000	varies	\$100,000	varies	\$100,000	varies	Yes	\$100,000/issuance
New Hampshire Health & Ed	N/A	\$900	N/A	\$4,000	N/A	\$8,000	Yes	\$40,000
New Jersey Ed	\$20,000	\$10,000	\$100,000	\$50,000	\$100,000	\$50,000	No	see detail page
New Jersey Health	See last page	\$10,000	see last pg	\$50,000	see last pg	\$90,000	Yes	see detail page
New Mexico Health	\$5,000	\$10,000	\$7,500	\$20,000	\$7,500	\$20,000	Yes	\$20,000 origination; \$7,500 annual fee
New York Dormitory Auth								No
North Carolina Health	N/A	\$2,000	N/A	\$10,000	N/A	\$10,000	No	
Oregon Facilities Authority	\$25,500		\$55,500		\$80,500		No	
Pennsylvania Ed	\$10,000	\$3,750	\$10,000	\$18,750	\$10,000	\$25,000	Yes	\$25,000
Rhode Island Health & Ed	\$0	\$10,000	\$0	\$50,000	\$0	\$100,000	No	
S. C. Jobs & Ec Dev Auth	closing \$12,500*	\$1,500**	closing \$44,500*	\$7,500**	closing \$64,500*	\$10,000 Max.	No	*App. Fee \$1,000; ** 1.5 bps outstg. Balance
South Dakota Health & Ed	\$10,000	\$6,000	\$10,000	\$30,000	\$10,000	\$60,000	No	
Vermont Health & Ed	\$4,000		\$8,000		\$8,000		Yes	\$8,000
Washington Ed	\$12,500-125% issue	6 bps on decl. bal	\$62,500-125% issue	6 bps on decl. bal	\$125,000-125% issue	6 bps on decl. bal	No	
Washington Health	\$7,500	\$1,750	\$7,500	\$8,750	\$7,500	\$17,500	Yes	100,000
Wisconsin HEFA		\$625		\$3,125		\$6,250	No	

NAHEFFA 2012 ANNUAL MEMBER QUESTIONNAIRE RESULTS

Question 11
Bond Counsel

Authority	Bond Counsel	Selected by	Approximate Bond Counsel Fee			Fee Cap
			\$10 million	\$50 million	\$100 million	
Arizona Health	Varies	Borrower	\$15,000	\$15,000	\$20,000	No
California Ed	Various	Borrower	Varies	varies	varies	No
California Health	Various	Borrower	Varies	varies	varies	No
Colorado Ed & Cultural	Various	Borrower	\$25,000	\$35,000	\$40,000	No
Colorado Health	Various	Borrower	varies	varies	varies	No
Connecticut Health & Ed	Various	Authority	\$40,000	\$65,000	\$75,000	Yes, based on a schedule of fees relating to deal complexity & size
Escambia FL Health Fac Auth	Richard Lott of McGuire Woods	Both	\$20,000	\$42,500	\$61,000	Yes, see details pg
Idaho Health	Sherman & Howard, LLC	Authority	\$45,000	\$57,500	\$82,500	No
Illinois Finance Authority		Borrower				No
Iowa Ed	Davis Brown Law Firm	Borrower	\$19,000	\$59,000	\$109,000	No
Kansas Development Auth.	Gilmore Bell, Kutak Rock, Chapman & Cutler	Authority; borrower on certain PABs	\$12,000	\$35,000	\$70,000 - \$95,000	No
Maine Health & Ed	Hawkins Delafield & Wood	Authority	\$24,500+	\$50,000+	\$90,000+	Yes \$90,000 + expenses
Maryland Health & Ed	McKennon Shelton & Henn LLP	Authority	> \$35,000	Issue dependent	Issue dependent	No
Minnesota Ed	Varies	Authority	\$28,000	\$40,000		Yes (see last page)
Mississippi Health	Selected by Borrower	Borrower	\$25,000	\$50,000	\$100,000	Yes, depends on \$ of bonds & type of transaction
Missouri Health & Ed	Varies. Req. by borrower approved by Auth.	Borrower				No
Montana Facility Fin Auth	Various	Authority				No
Nebraska Ed	Curtis Christensen, KutakRock	Authority	\$10,000	\$42,000	\$50,000	Yes, \$50,000
N. H. Health & Ed	Hawkins, Delafield & Wood	Authority	\$20,000	\$30,000	\$50,000	No
New Jersey Ed	Various		\$60,000	\$60,000	\$60,000	Yes, case by case
New Jersey Health	Various	AG's Office	\$27,500	\$40,000	\$70,000	Yes, case by case
New Mexico Health	Varies	Borrower	\$30,000	\$30,000	\$30,000	No
New York Dormitory Auth	Varies	Authority				Yes, max cap is \$505/hr
North Carolina Health	Various	Borrower	\$40,000	\$60,000	\$80,000	No
Oregon Facilities Authority	Orrick, Herrington & Sutcliffe	Borrower	\$35,000	\$65,000	\$105,000	Yes
Pennsylvania Ed	Various	Borrower	\$50,000	\$80,000	\$90,000	No
Rhode Island Health & Ed	Various	Authority	\$35,000	\$50,000	\$50,000	Yes, \$50,000
S. C. Jobs & Ec Dev Auth	Various	Borrower	\$25,000	\$60,000	\$85,000	No
South Dakota Health & Ed	Jones Day	Authority	\$20,000	\$52,500	\$90,000	No
Vermont Health & Ed	Sidley Austin	Authority	\$30,000	\$65,000	\$75,000	No
Washington Ed	Pacifica Law Group	Authority	\$28,685	\$50,420	add .45/1000 to the \$50,420.	No
Washington Health	Gottlieb Fisher, LLP & Orrick, Herrington & Sutcliffe, LLP	Authority	\$45,000	\$65,000	\$85,000	Yes, \$150,000
Wisconsin HEFA	Quarles & Brady LLP	Authority	\$23,000	\$58,000	\$90,500	No

TESTIMONY PRESENTED TO THE
Higher Education and Employment Advancement Committee
March 19, 2013

Jeffrey A. Asher
Executive Director
Connecticut Health and Educational Facilities Authority ("CHEFA")

Testimony Supporting Senate Bill No. 1044

**AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

Good afternoon Senator Bye, Representative Willis and distinguished members of the Higher Education Committee. Thank you for the opportunity to offer testimony on Senate Bill No. 1044 "An Act Concerning the Connecticut Health and Educational Facilities Authority". My name is Jeffrey A. Asher and I am Executive Director of the Authority. I am here speaking on behalf of CHEFA and its Board of Directors in support of this bill.

There are two important changes in the CHEFA statutes contemplated in this bill. Both changes are intended to assist CHEFA in meeting the capital financing needs and reducing the cost of securing funding for capital projects for our hospitals. The first requested change would permit CHEFA to finance capital projects in a contiguous state for a health care institution that is owned or controlled by an entity that is domiciled in Connecticut that is a healthcare institution or controls a healthcare institution. The second expands the type of capital projects that can be financed by a health care institution utilizing the State's special capital reserve fund program to include construction and renovation in addition to equipment. In the May 2004 Special Session, P.A. 04-1 was approved authorizing the creation of a special capital reserve fund in connection with financing of equipment purchases at certain health care institutions at the discretion of the Secretary of the Office of Policy and Management and the Treasurer. Effective July 1, 2004, one hundred million dollars, in the aggregate, was made available. To date, no bonds have been issued utilizing this program because CHEFA has been able to meet hospital equipment financing needs through other CHEFA programs.

Financing Health Care Capital Projects in Contiguous States

There has recently been significant consolidation activity in the Connecticut healthcare industry including acquisitions by the Yale-New Haven Healthcare System, Hartford Healthcare Corporation, the proposed acquisition of Saint Francis Hospital by a for-profit affiliate of Ascension Health of Missouri, (Ascension Health already owns St. Vincent's Hospital in Bridgeport), and the proposed acquisition of Waterbury Hospital and Bristol Hospital by Vanguard (Tennessee). Lawrence and Memorial Hospital (New London, CT) has commenced the process for the acquisition of Westerly Hospital in Rhode Island. We expect that this trend will continue.

We are requesting this change so we can continue to assist Connecticut hospitals/systems in meeting all of their capital financing needs. Currently, if Lawrence and Memorial Hospital wanted to issue debt to fund the Westerly Hospital acquisition and to finance other capital projects, it would need to issue debt in two states, using both CHEFA and the Rhode Island Health and Educational Building Corporation resulting in unnecessary cost and effort for the transaction. The proposed legislation would streamline the capital project financing process and could reduce the cost of capital for Connecticut healthcare institutions.

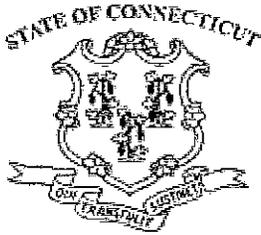
Expansion of the proposed “Qualified” Health Care Projects Financed via the Special Capital Reserve Fund Program

We need this additional authorization in order to assist smaller hospitals in Connecticut that do not have access to the same sources of capital as many of the larger institutions. This discrepancy results from the smaller institutions not having standalone ratings (from FITCH, Moody’s or S&P) or having a rating that might be below investment grade. Consequently, these smaller institutions are not able to issue debt via public offering or at a favorable cost/interest rate.

I recently had a conversation with a smaller hospital that was looking to finance the expansion and renovation of its emergency department, which is now handling double the number of patients it was designed to accommodate. This hospital has had great difficulty in accessing capital and if they were able to finance their emergency department project using this program, the rating on the bonds would be essentially the same as the state of Connecticut and it would provide the institution with access to capital and at a lower cost. Without this program, the project may not be completed.

In summary, I endorse and recommend Committee approval of S.B. No. 1044.

I would like to thank the committee for the opportunity to present this testimony and I would be happy to answer any questions you may have.



General Assembly

Raised Bill No. 1044

January Session, 2013

LCO No. 3672

03672 _____ HED

Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:

(HED)

**AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (g) of section 10a-178 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(g) "Health care institution" means (1) any nonprofit, state-aided hospital or other health care institution, including The University of Connecticut Health Center, which is entitled, under the laws of the state, to receive assistance from the state by means of a grant made pursuant to a budgetary appropriation made by the General Assembly, (2) any other hospital or other health care institution which is licensed, or any nonprofit, nonstock corporation which shall receive financing or shall undertake to construct or acquire a project which is or will be eligible to be licensed, as an institution under the provisions of sections 19a-490 to 19a-503, inclusive, or any nonprofit, nonstock, nonsectarian facility which is exempt from taxation under the provisions of section 12-81 or 38a-188 and which is a health care center under the provisions of sections 38a-175 to 38a-191, inclusive, [or] (3) any adjacent health care institution, as defined in subsection (q) of this section, or (4) any

nonprofit corporation wholly owned by two or more hospitals or other health care institutions which operates for and on behalf of such hospitals or other health care institutions a project, as defined in subsection (b) of this section, or is a nursing home;

Sec. 2. Section 10a-178 of the general statutes is amended by adding subsection (q) as follows (*Effective July 1, 2013*):

(NEW) (q) "Adjacent health care institution" means any hospital, health care institution, nonprofit, nonstock corporation or any nonprofit, nonstock nonsectarian facility that (1) is wholly owned or controlled by an entity that is domiciled in this state and that is or controls a health care institution, (2) is located in a state contiguous to this state, and (3) would qualify as a health care institution if it were located in this state.

Sec. 3. Subsection (a) of section 10a-186a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) In connection with the issuance of bonds to finance a project at a participating nursing home or to refund bonds previously issued by the authority to finance a project at a participating nursing home, or in connection with the issuance of bonds to effect a refinancing or other restructuring with respect to one or more participating nursing homes as permitted by subsection (b) of this section, to finance dormitories, residential facilities, student centers, food service facilities and other auxiliary service facilities and related buildings and improvements at a public educational institution, to finance The University of Connecticut Health Center clinical services projects, as defined in subsection (g) of section 10a-114a, or to finance up to one hundred million dollars, in the aggregate, for a project, as defined in subsection (b) of section 10a-178, or equipment, including installation and any necessary building renovations or alterations for the installation and operation of such project or equipment, for participating health care institutions at the discretion of the Secretary of the Office of Policy and Management and the Treasurer, the authority may create and establish one or more reserve funds to be known as special capital reserve funds and may pay into such special capital reserve funds (1) any moneys appropriated and made available by the state for the purposes of such funds, (2) any proceeds of the sale of notes or bonds for a project, to the extent provided in the resolution of the authority authorizing the issuance thereof, and (3) any other moneys which may be made available to the authority for the purpose of such funds from any other source or sources. The moneys held in or credited to any special capital reserve fund established under this section, except as hereinafter provided, shall be used solely for the payment of the principal of and interest, when due, whether at maturity or by mandatory sinking fund installments, on bonds of the authority secured by such capital reserve fund as the same become due, the purchase of such bonds of the authority, the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity, including in any such case by way of reimbursement of a provider of bond insurance or of a credit or liquidity facility that has paid such amounts; provided the authority shall have power to provide that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such funds to less than the maximum amount of principal and interest becoming due by reasons of maturity or a required sinking fund installment in the then current or any

succeeding calendar year on the bonds of the authority then outstanding or the maximum amount permitted to be deposited in such fund by the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, to permit the interest on such bonds to be excluded from gross income for federal tax purposes and secured by such special capital reserve fund, such amount being herein referred to as the "required minimum capital reserve", except for the purpose of paying such principal of, redemption premium and interest on such bonds of the authority secured by such special capital reserve becoming due and for the payment of which other moneys of the authority are not available. The authority may provide that it shall not issue bonds secured by a special capital reserve fund at any time if the required minimum capital reserve on the bonds outstanding and the bonds then to be issued and secured by the same special capital reserve fund at the time of issuance, unless the authority, at the time of the issuance of such bonds, shall deposit in such special capital reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which, together with the amount then in such special capital reserve fund, will be not less than the required minimum capital reserve. On or before December first, annually, there is deemed to be appropriated from the state General Fund such sums, if any, as shall be certified by the chairman or vice-chairman of the authority to the Secretary of the Office of Policy and Management and the Treasurer of the state, as necessary to restore each such special capital reserve fund to the amount equal to the required minimum capital reserve of such fund, and such amounts shall be allotted and paid to the authority. For the purpose of evaluation of any such special capital reserve fund, obligations acquired as an investment for any such fund shall be valued at market. Nothing contained in this section shall preclude the authority from establishing and creating other debt service reserve funds in connection with the issuance of bonds or notes of the authority which are not special capital reserve funds. Subject to any agreement or agreements with holders of outstanding notes and bonds of the authority, any amount or amounts allotted and paid to the authority pursuant to this section shall be repaid to the state from moneys of the authority at such time as such moneys are not required for any other of its corporate purposes and in any event shall be repaid to the state on the date one year after all bonds and notes of the authority theretofore issued on the date or dates such amount or amounts are allotted and paid to the authority or thereafter issued, together with interest on such bonds and notes, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders thereof, are fully met and discharged. No bonds secured by a special capital reserve fund shall be issued to pay project costs unless the authority is of the opinion and determines that the revenues from the project shall be sufficient (A) to pay the principal of and interest on the bonds issued to finance the project, (B) to establish, increase and maintain any reserves deemed by the authority to be advisable to secure the payment of the principal of and interest on such bonds, (C) to pay the cost of maintaining the project in good repair and keeping it properly insured, and (D) to pay such other costs of the project as may be required.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2013	10a-178(g)
Sec. 2	July 1, 2013	10a-178
Sec. 3	July 1, 2013	10a-186a(a)

Statement of Purpose:

To permit the Connecticut Health and Educational Facilities Authority to issue debt for health care projects in contiguous states for a health care institution with a parent domiciled in this state and to expand the definition of a qualified project for a participating health care institution to include construction and renovation in addition to equipment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]



Substitute House Bill No. 6506

Special Act No. 13-16

AN ACT CONCERNING STATE-FUNDED CHILD CARE FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) Any child day care facility or child day care center that received a loan pursuant to section 10a-194c of the general statutes prior to July 1, 2012, and that (1) entered into a contract with the Commissioner of Social Services pursuant to section 8-210 of the general statutes on or before July 1, 2012, for state financial assistance in operating a child day care facility or child day care center, or (2) received a grant pursuant to subsection (c) of section 10-16p of the general statutes, shall continue to receive state financial assistance from the Department of Education, pursuant to section 8-210 of the general statutes and subsection (c) of section 10-16p of the general statutes, until the loan received pursuant to section 10a-194c of the general statutes is fully paid off by such child day care facility or child day care center.

Approved June 25, 2013

CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY

NON-DISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY AND SEXUAL HARASSMENT POLICIES

NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY POLICY

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

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

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

SEXUAL HARASSMENT POLICY

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

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

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

Please acknowledge that you have read and understand these policies in the space provided below. Please return the signed memorandum within five business days to Debra Pinney, Manager of Administrative Services. Should you have any questions, please see me.

Name: _____

Title: _____

Date: _____

Connecticut Health and Educational Facilities Authority
Composition of Workforce
as of June 30, 2013

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