CONNECTICUT HOUSING FINANCE AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 2023 AND 2022

ASSURANCE | ADVISORY | TAX | TECHNOLOGY

CONNECTICUT HOUSING FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Connecticut Housing Finance Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Connecticut Housing Finance Authority (the Authority), a component unit of the state of Connecticut, as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying combining and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Whittlesey PC

Hartford, Connecticut
April 5, 2024

This section of the Connecticut Housing Finance Authority's (the "Authority") financial statements, Management's Discussion and Analysis, presents an overview of the Authority's financial performance for the years ended December 31, 2023 and 2022. It provides an assessment of the Authority's financial position and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

Overview of the Financial Statements

This annual financial report consists of four parts: *Management's Discussion and Analysis*, the *Basic Financial Statements, Required Supplementary Information* and *Supplementary Information*. The Authority is a self-supporting quasi-public agency established for the purpose of alleviating the shortage of affordable housing for low and moderate income households in the State of Connecticut and, when appropriate, to promote or maintain the economic development of Connecticut through employer-assisted housing efforts. The financial statements are presented using the accrual basis of accounting. The Authority operates in a manner similar to a private business that includes activities such as the financing of home mortgage loans and multifamily and special needs housing real estate development.

The Basic Financial Statements

The Statement of Net Position provides information about the Authority's financial condition at the end of the year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations (liabilities), its deferred inflows of resources and its resulting net position. Net position represents total assets, plus total deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, financing, capital and investing activities.

The Notes to the Financial Statements

The Notes to Financial Statements provide:

- Information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies.
- Details of contractual obligations, future commitments and contingencies of the Authority.
- Other events or developing situations that could materially affect the Authority's financial position.

Required Supplementary Information and Supplementary Information

Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's contributions to the State Employees' Retirement System (SERS).

The Supplementary Information includes individual program schedules that present the Authority's financial statements in more detail.

Financial Highlights – Year Ended December 31, 2023

During 2023 the Authority closed $738 million in single family loans bringing homeownership to 3,147 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 875 affordable multifamily units for a total investment commitment of $127.9 million.

During 2023, the Authority issued four series of Housing Mortgage Finance Program Bonds generating $569 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately $35 million in outstanding bonds. Under various programs, the Authority has also deployed funds from net position for housing program purposes.

During 2023, the State passed legislation that will provide more than $800 million in bonding for the creation and preservation of housing. The Connecticut Department of Housing (DOH) and the Authority developed a program which the Authority will administer on behalf of DOH to provide financial support by utilizing a portion of State bonding to fund housing units that would otherwise not be financially feasible. The program was named Build for CT with the focus on creating new units for middle-income residents who are essential to the State's economic vitality and future growth. Funding provided may be used in numerous ways, including for construction to permanent purposes, permanent financing purposes and for substantial rehabilitation.

The federal fund rate increased multiple times during the year in an effort to rein in inflation. The continued rise in interest rates contributed to an increase in short-term investment interest earnings in addition to an increase in borrowing and lending costs. Even in this increasing interest rate environment, the Authority experienced a substantial increase in single-family loan production. Borrowers sought to take advantage of the Authority's lower than market interest rates, the downpayment assistance loan program and the Time to Own forgivable loan program.

The rate of single-family loan payoffs remained low during 2023, as existing borrowers opted to retain their lower interest rate mortgages. This reduced the need to replace and refund previously issued bonds.

Financial Highlights – Year Ended December 31, 2022

During 2022, the Authority closed $357 million in single family loans bringing homeownership to 1,610 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 913 affordable multifamily units for a total investment commitment of $141.8 million.

During 2022, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $700 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately $60 million in outstanding bonds. Under various programs, the Authority has also made funds available from net position.

The Authority experienced an uptick in single-family loan production. The effects of COVID-19 pandemic continued to ease during 2022 as housing prices started coming down and inventory levels rose. As a supplement to the Authority's existing downpayment assistance program, a new down payment assistance program "Time to Own" was rolled out during the year, further increasing the purchasing power of homebuyers. This program was capitalized by the State of Connecticut and provides assistance for eligible homebuyers of up to 25% of the cost of the home, up to a maximum of $50,000. Program loans are non-amortizing (deferred), with a 10-year term and a 0% interest rate. 10% of the loan balance is forgiven on each anniversary of the loan closing until fully forgiven. The program is further described in Note 16 to the financial statements.

The federal fund rate increased multiple times during the year in an effort to rein in inflation. The rapid rise in interest rates contributed to an increase in interest earnings, borrowing and lending costs. The rate increases also resulted in a substantial reduction over the prior year in single-family loan payoffs, as existing borrowers opted to retain their lower interest rate mortgages.

Financial Analysis of the Authority

The following table summarizes the changes in Net Position between December 31, 2023, 2022 and 2021:

	(in millions)			% Change	
	2023	2022	2021	2023/2022	2022/2021
Assets					
Current assets	$ 1,416.3	$ 1,667.3	$ 1,388.8	(15.1) %	20.0 %
Capital assets	4.2	4.6	3.3	(8.7)	39.2
Noncurrent assets	4,860.6	4,386.0	4,753.9	10.8	(7.7)
Total assets	**6,281.1**	**6,057.9**	**6,146.0**	**3.7**	**(1.4)**
Deferred outflows of resources					
Unamortized deferred bonds refunding costs	53.9	61.9	71.1	(12.9)	(13.0)
Deferred amounts for OPEB	15.5	15.2	17.5	2.0	(13.3)
Deferred amounts for pensions	9.5	13.1	11.1	(27.7)	17.9
Total deferred outflows of resources	**78.9**	**90.2**	**99.7**	**(12.5)**	**(9.6)**
Liabilities					
Long-term bonds payable	4,464.8	4,210.6	4,051.0	6.0	3.9
Net OPEB liability	52.1	51.3	77.3	1.7	(33.7)
Net pension liability	42.0	50.1	64.9	(16.3)	(22.8)
Other liabilities	808.1	899.6	986.6	(10.2)	(8.8)
Total liabilities	**5,367.0**	**5,211.6**	**5,179.8**	**3.0**	**0.6**
Deferred inflow of resources					
Deferred amount for OPEB	32.9	37.7	17.0	(12.5)	121.5
Deferred amount for pensions	16.1	17.0	9.7	(5.6)	75.5
Derivative Financial Instruments	171.3	171.5	26.9	(0.1)	538.7
Total deferred inflows of resources	**220.3**	**226.2**	**53.6**	**(2.6)**	**322.3**
Net position					
Net investment in capital assets	4.2	4.6	3.3	(8.7)	39.2
Restricted	768.5	705.7	1,009.0	8.9	(30.1)
Total Net Position	$ **772.7**	$ **710.3**	$ **1,012.3**	**8.8** %	**(29.8)** %

Change 2023/2022

- Cash and investments in securities increased $177.7 million or 5.2% primarily resulting from:
  - A net increase of $144.5 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - A $33.1 million increase attributable to the increase in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Accrued interest receivable on securities increased $2.6 million or 25%. This increase is due to the increase in interest rates on the Authority's short-term investments.

- Accounts receivable and other assets increased $43.2 million or 76%. This increase is substantially attributed to:
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $43.2 million increase from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the substantial increase in single family loan production during the year.

- Deferred outflows of resources decreased $11.3 million or 12.5%. This decrease is substantially attributed to:
  - A $3.6 million decrease in deferred amounts for pensions. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2023 and the Authority's year-end of December 31, 2023.
  - A net decrease of $8.0 million in unamortized deferral on bond refundings. The Authority has refunded certain variable rate bonds that were being hedged by interest rate swaps. The fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassed are then amortized over the shorter of the life of the refunded or new debt. The $8.0 million decrease is a result of the current year amortization of these deferrals.

- Escrow deposits and unearned revenue decreased $5.5 million or 1.8%. The net decrease was substantially attributed to:
  - Changes in grant program funds on hand at year-end. During 2023, the Authority spent down $78 million of HAF grant funds, received additional Time to Own (TTO) program funding during the year resulting in an $18.7 increase in TTO funds on hand at year-end and received $50 million in Build for CT program funds in late 2023.
  - Incurring arbitrage rebate liabilities during 2023 in the amount of $2.9 million resulting from the increase in bond proceed investment earnings.

- Line of credit payable decreased by $55.4 million or 30.7%. During 2023, the Authority paid down the Wells Fargo line of credit and entered into a new agreement with US Bank. All line of credit agreements are further described in Note 8 of the financial statements.

- Bonds payable increased by $221.6 million or 4.8%. The increase is attributed to:
  - An increase of $569.1 million as a result of new bonds issued including original issue premium.
  - An increase of $0.1 million due to capital appreciation bond accretions.
  - A decrease of $334.7 million as a result of redemptions.
  - A decrease of $12.9 million due to the amortization of original issue premiums.

- Net OPEB liability increased by $0.8 million or 1.7%. Net pension liability decreased by $8.1 million or 16.3%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources decreased $5.9 million or 2.6%. This includes:
  - A $4.7 million decrease in deferred amount for OPEB and a $1.0 million decrease in deferred amount for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.

Change 2022/2021

- Cash and investments in securities decreased $46.8 million or 1.3% primarily resulting from:
  - A net increase of $296.4 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - A $343.2 million decrease attributable to the decrease in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Mortgage loans receivable decreased $92.6 million or 3.6%.
  - During 2022, the Authority's multifamily and single family whole loan portfolio experienced an overall net reduction of 3.6%, however the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced only a slight year-over-year decrease of 0.9%.

- Accrued interest receivable on securities increased $5.6 million or 112.2%. This increase is due to the increase in interest rates on the Authority's short-term investments.

- Accounts receivable and other assets increased $20.6 million or 56.8%. This increase is substantially attributed to:
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $19.3 million increase from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the increase in single family loan production during the year.

- Derivative instruments – interest rates swaps increased by $25.7 million.
  - Due to the increasing interest rate environment and the fact that many of the swaps in the portfolio were purchased when rates were lower, the Authority has experienced a net increase in market value of its swap portfolio.

- Deferred outflows of resources decreased $9.6 million or 9.6%. This decrease is substantially attributed to:
  - A $2.0 million increase in deferred amounts for pensions and $2.3 million decrease in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2022 and the Authority's year-end of December 31, 2022.
  - A net decrease of $9.2 million in unamortized deferral on bond refundings. The Authority has refunded certain variable rate bonds that were being hedged by interest rate swaps. The fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassed are then amortized over the shorter of the life of the refunded or new debt. The $9.2 million decrease is a result of the current year amortization of these deferrals.

- Escrow deposits and unearned revenue increased $100 million or 49%. During 2022, the Authority was awarded additional funds under the Housing Assistance Fund Program, which accounts for the majority of the increase.

- Line of credit payable increased by $36.4 million. During 2022, the Authority entered into an additional revolving line of credit agreement, the funds of which were used to temporarily fund single family loans awaiting pooling and securitization. All three line of credit agreements are further described in Note 8 of the financial statements.

- Bonds payable increased by $51.6 million or 1.1%. The increase is attributed to:
  - An increase of $700.1 million as a result of new bonds issued including original issue premium.
  - An increase of $0.1 million due to capital appreciation bond accretions.
  - A decrease of $634.5 million as a result of redemptions.
  - A decrease of $14.1 million due to the amortization of original issue premiums.

- Net OPEB liability decreased by $26.1 million or 33.7%. Net pension liability decreased by $14.8 million or 22.8%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources increased $172.5 million or 321.6%. This includes:
  - A $20.7 million increase in deferred amount for OPEB and a $7.2 million increase in deferred amount for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $144.6 million increase in derivative financial instruments. The increase is a result of the market value increase of the Authority's swap portfolio.

The home mortgage, rental housing and special needs housing loan and investment portfolios are one of the Authority's primary assets.

New loans financed under the Authority's home mortgage and special needs housing programs (including GNMA, FNMA & FHLMC Program Assets, excluding the acquired portfolio from the State) exceeded payoffs for the years ended December 31, 2023 and December 31, 2022. Payoffs of loans for the year ended December 31, 2021 exceeded new loans financed as follows:

	(in millions)		
	New Loans Financed	**Payoffs**	**Net**
2023	$ 847.0	$ 142.8	$ 704.2
2022	394.4	308.4	86.0
2021	248.9	562.3	(313.4)

The change in the multifamily rental housing and special needs housing portfolios (excluding the acquired portfolio from the State) is summarized as follows:

	(in millions)			% Change	
	2023	**2022**	**2021**	**2023/2022**	**2022/2021**
Construction loan balances	$ 92.2	$ 112.9	$ 153.0	(18.3) %	(26.2) %
Permanent loan balances	1,253.5	1,236.5	1,195.5	1.4	3.4
Special needs housing permanent loan balances	60.5	63.3	65.9	(4.4)	(4.0)
Total Multifamily Mortgage Loans	$ 1,406.2	$ 1,412.7	$ 1,414.4	(0.5) %	(0.1) %

As a result of legislation that was passed during calendar year 2002, on April 9, 2003 the Authority acquired housing assets from the Connecticut Department of Economic and Community Development from a reallocation of $85 million of its available cash resources. The par value of this acquired portfolio at December 31, 2003 was $213.3 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to $65.0 million.

During calendar year 2016, further legislation was passed which resulted in the Authority acquiring multifamily housing assets from the Connecticut Department of Housing from a reallocation of $15 million of the Authority's available cash resources. The par value of this acquired portfolio at December 31, 2016 was $16.1 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to zero.

The status of these acquired portfolios combined, as of December 31, 2023, 2022 and 2021, is summarized as follows (in millions):

	December 31, 2023		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.6	$ (0.5)	$ 0.1
Multifamily mortgage loans	156.0	(136.5)	19.5
Total acquired portfolio	$ 156.6	$ (137.0)	$ 19.6
Allowance for losses % to par value		87.5%	

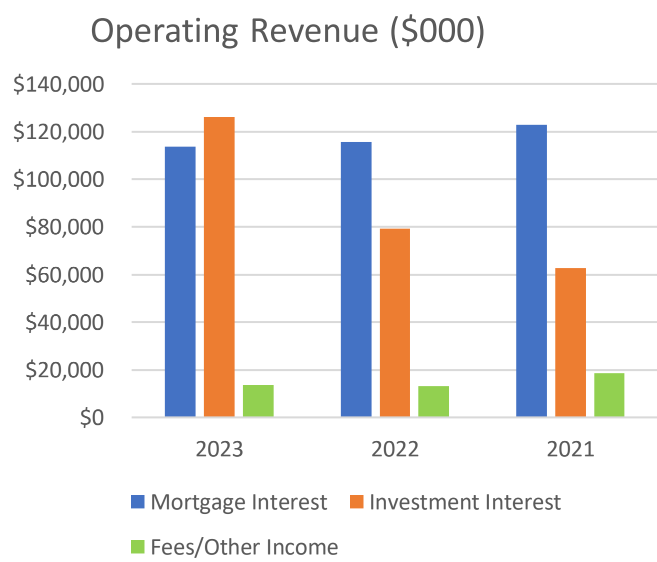
	December 31, 2022		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.7	$ (0.5)	$ 0.2
Multifamily mortgage loans	157.5	(136.9)	20.6
Total acquired portfolio	$ 158.2	$ (137.4)	$ 20.8
Allowance for losses % to par value		86.9%	

	December 31, 2021		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.9	$ (0.6)	$ 0.3
Multifamily mortgage loans	161.1	(139.8)	21.3
Total acquired portfolio	$ 162.0	$ (140.4)	$ 21.6
Allowance for losses % to par value		86.7%	

Mortgage loan earnings, including earnings on GNMA, FNMA and FHLMC Program Assets, which are included in "interest on investments," represent the Authority's major source of operating revenue. The Authority also charges various program fees that include but are not limited to application fees, commitment fees, extension fees and financing fees.

The following table summarizes the changes in operating income between December 31, 2023, 2022 and 2021.

	(in millions)			$ Change	
	2023	**2022**	**2021**	**2023/2022**	**2022/2021**
Operating Revenues:					
Interest on mortgage loans	$ 113.8	$ 115.7	$ 122.9	$ (1.9)	$ (7.2)
Interest on investments	126.2	79.3	62.7	46.9	16.6
Fees and other income	13.7	13.1	18.6	0.6	(5.5)
Total operating revenues	**253.7**	**208.1**	**204.2**	**45.6**	**3.9**
Operating Expenses:					
Interest	150.4	123.6	128.4	26.8	(4.8)
Bond issuance costs	5.5	6.3	8.1	(0.8)	(1.8)
Servicer fees	20.9	12.2	7.9	8.7	4.3
Administrative	38.7	35.8	35.8	2.9	0.0
Provision for loan loss reserve	19.9	1.1	(16.1)	18.8	17.2
Total operating expenses	**235.4**	**179.0**	**164.1**	**56.4**	**14.9**
Operating income (loss)	18.3	29.1	40.1	(10.8)	(11.0)
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	9.6	12.6	0.4	(3.0)	12.2
Net increase (decrease) in the fair value of investments	33.1	(343.2)	(74.6)	376.3	(268.6)
Other	1.4	(0.5)	2.5	1.9	(3.0)
Total nonoperating income (loss)	**44.1**	**(331.1)**	**(71.6)**	**375.2**	**(271.6)**
Change in Net Position	$ 62.4	$ (302.0)	$ (31.6)	$ 364.4	$ (282.6)



Change 2023/2022

- Net position increased $62.4 million in 2023. Operating income was $18.2 million, a decrease of $10.8 million from the prior year.

    - Operating revenues increased $45.6 million or 21.9%. This increase is primarily due to an increase in interest on investments. This increase was driven by an increase in interest rates on the Authority's short-term investments.

    - Operating expenses increased $56.4 million or 31.5%. This increase is substantially attributable to:
    - A $26.8 million increase in interest costs. This increase was the result of an increase in interest costs on the Authority's variable rate bonds. Outstanding bonds payable were $221.6 million higher than prior year contributing to the increase in interest costs.
    - A $8.7 million increase in servicer fees. The Authority experienced a substantial increase in single family loan production during 2023 as borrowers took advantage of lower than market interest rates and generous down payment assistance programs.
    - A $18.8 million increase in provision for loss reserves. A component of the loss reserve analysis is to conduct loan specific review of projects' recent annual financial statements with a focus towards debt service coverage ratio. Reserves are increased for projects that have a debt service coverage ratio of less than 1.0. According to their 2022 audited financial statements, several projects did not meet this 1.0 threshold for the Authority's reporting in 2023. These projects were being negatively impacted by the lingering effects of the pandemic and high inflation. The Authority is closely monitoring the impacted projects in its portfolio.

- Nonoperating income was $44.2 million in 2023, an increase of $375.2 million from prior year. The difference is substantially attributable to:
    - A $3.0 million decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
    - During 2023, there was a $33.1 million increase in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value decrease of $343.2 million during 2022, the result is a year-over-year increase of $376.3 million. Interest rates had sharply increased during 2022 since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities. During 2023, interest rates were slightly down from prior year highs.

    - Grant program funding increased by $104.4 million. The increase was substantially attributed to:
        - The recognition of earned revenue from the Time to Own grant in the amount of $67.0 million, which was $48.3 million higher than prior year. The Time to Own program was utilized by 70% of the Authority's new single-family borrowers during 2023.
        - An increase in the recognition of earned revenue from the Homeowner Assistance Fund grant in the amount of $54.1 million.
        - The receipt of the Small Multifamily Lending Program grant funding in the amount of $2 million which was received in 2023, with no grant funds received in 2022.

    - Grant program expenses increased $102.4 million. The increase was substantially attributed to:
        - An increase in Homeowner Assistance Fund grant expenditures in the amount of $54.1 million.
        - An increase in utilization of the Time to Own program which resulted in an increase in grant expenditures of $48.3 million.

Change 2022/2021

- Net position decreased $302.0 million in 2022. Operating income was $29.1 million, a decrease of $11.0 million from the prior year.

  - Operating revenues increased $3.9 million or 1.9%. This increase is primarily due to:
    - On a combined basis, mortgage and investment interest income increased by $9.3 million in 2022. This is being driven by an increase in interest rates on the Authority's short-term investments.
    - Fees and other income decreased by $5.4 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2021.

  - Operating expenses increased $14.9 million or 9.1%. This increase is substantially attributable to:
    - A $4.8 million decrease in interest costs. The Authority made over $174 million in special bond redemptions throughout the year, many of these bonds of which were originally purchased at a premium. The redemptions resulted in the acceleration of the amortization of these premiums. The amortization of bond premiums results in the reduction of interest expense.
    - A $4.3 million increase in servicer fees. During 2022 the Authority modified its lenders compensation structure to more closely align with industry standards.
    - A $17.3 million increase in provision for loss reserves. This is a result of the following:
      - During 2022, the Authority received EMAP loan payoffs that resulted in a reduction of the EMAP loan loss reserves of $3.1 million.
      - The down payment assistance loans made to single family borrowers under the Time to Own Program (further described in Note 16 to the financial statements) were reserved at 100% due to the loan terms, which provide for these loans to be forgiven over a 10 year period. This resulted in an $18.7 million increase to the reserves.
      - A $1.7 million increase due to routine fluctuations and performance changes in the multifamily portfolio.

- Nonoperating loss increased by $259.3 million in 2022. The difference is attributable to:
  - A $12.2 million decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2022, there was a $343.2 million decrease in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value decrease of $74.6 million during 2021, the result is a year-over-year decrease of $268.5 million. Interest rates have sharply increased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities. Since it has been the Authority's policy to hold securities to maturity, this loss is not expected to be realized.

  - Grant program funding increased by $34.9 million. The increase was substantially attributed to:
    - The recognition of earned revenue from the Time to Own grant in the amount of $18.7 million. This is a new grant in 2022.
    - An increase in the recognition of earned revenue from the Homeowner Assistance Fund grant in the amount of $20.2 million.
    - The receipt of the Capital Magnet grant funding in the amount of $3 million which was received in 2021, with no additional funds received in 2022.

  - Grant program expenses increased $37.9 million. The increase was substantially attributed to:
    - An increase in Homeowner Assistance Fund grant expenditures in the amount of $20.2 million.
    - Recognizing Time to Own grant expenditures for the first time in 2022 in the amount of $18.7 million,

Debt Administration

The following table summarizes the changes in bonds payable between December 31, 2023, 2022 and 2021. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2023	2022	2021	2023/2022	2022/2021
Bonds payable	$ 4,821.9	$ 4,600.3	$ 4,548.6	4.8%	1.1%

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional information, contact the Finance Department of the Connecticut Housing Finance Authority at 999 West Street, Rocky Hill, CT 06067.

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF NET POSITION
(in 000's)

	December 31, 2023	December 31, 2022
Assets		
Restricted current assets:		
Cash and cash equivalents	$ 731	$ 1,051
Mortgage loans receivable	119,125	122,050
Investments in securities	1,171,362	1,463,896
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	9,594	10,554
Securities	13,194	10,565
Accounts receivable and other assets	100,039	56,854
Total current assets	1,416,345	1,667,270
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,389,033	2,383,992
Investments in securities, net of current portion	2,444,558	1,974,035
Derivative instruments - interest rate swaps	25,463	25,707
Capital assets, net of depreciation	4,161	4,605
Real estate owned - single family	1,608	2,274
Total noncurrent assets	4,864,823	4,390,613
Total assets	6,281,168	6,057,883
Deferred Outflows of Resources		
Unamortized deferral on bond refundings	53,873	61,847
Deferred amount for OPEB	15,503	15,202
Deferred amount for pensions	9,487	13,120
Total deferred outflows of resources	78,863	90,169
Liabilities		
Current liabilities:		
Escrow deposits and unearned revenue	135,026	104,977
Accrued interest payable	19,605	17,801
Accounts payable and accrued liabilities	7,617	7,384
Line of credit payable	125,000	180,425
Bonds payable	357,078	389,705
Total current liabilities	644,326	700,292
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	163,810	199,346
Bonds payable, net of current portion	4,464,810	4,210,545
Net OPEB liability	52,123	51,273
Net pension liability	41,960	50,111
Total noncurrent liabilities	4,722,703	4,511,275
Total liabilities	5,367,029	5,211,567
Deferred Inflows of Resources		
Deferred amount for OPEB	32,946	37,661
Deferred amount for pensions	16,060	17,015
Derivative financial Instruments	171,249	171,493
Total deferred inflows of resources	220,255	226,169
Net Position		
Net investment in capital assets	4,161	4,605
Restricted by bond indentures and/or enabling legislation	768,586	705,711
Total Net Position	$ 772,747	$ 710,316

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(in 000's)

	Year Ended December 31,	
	2023	**2022**
Operating Revenues		
Interest on mortgage loans	$ 113,808	$ 115,652
Interest on investments	126,149	79,300
Fees and other income	13,705	13,157
Total operating revenues	253,662	208,109
Operating Expenses		
Interest	150,445	123,608
Bond issuance costs	5,526	6,308
Servicer fees	20,855	12,144
Administrative	38,719	35,800
Provision for loan loss reserves	19,895	1,140
Total operating expenses	235,440	179,000
Operating Income	18,222	29,109
Nonoperating Revenues (Expenses)		
Actuarial assumption changes for pension and OPEB	9,639	12,611
Net increase (decrease) increase in the fair value of investments	33,120	(343,152)
Grant program funding	149,446	45,061
Grant program expenses	(147,996)	(45,573)
Nonoperating gain (loss)	44,209	(331,053)
Change in Net Position	62,431	(301,944)
Net Position - Beginning of Year	710,316	1,012,260
Net Position - End of Year	$ 772,747	$ 710,316

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
(in 000's)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash Flows from Operating Activities		
Cash received from interest on mortgage loans	$ 114,768	$ 117,625
Cash received from scheduled mortgage principal payments	80,174	79,008
Cash received from mortgage principal prepayments	112,075	223,299
Cash received from fees and other income	13,607	13,134
Cash payments to purchase mortgage loans	(213,820)	(210,627)
Cash payments to employees	(24,841)	(23,503)
Cash payments to suppliers	(34,281)	(23,884)
Net cash provided by operating activities	47,682	175,052
Cash Flows from Noncapital Financing Activities		
Proceeds from (release of) escrow deposits	(5,488)	100,050
Retirement of bonds payable	(334,680)	(634,533)
Proceeds from sales of bonds	569,104	700,145
Proceeds from (reductions to) line of credit	(55,425)	36,360
Interest paid	(153,511)	(125,547)
Bond issuance costs	(5,504)	(6,293)
Proceeds from grant program funding	149,446	44,541
Grant program costs	(147,899)	(45,053)
Net cash provided by noncapital financing activities	16,043	69,670
Cash Flows from Capital and Related Financing Activities		
Purchase of computer software	-	(1,591)
Net cash used in capital and related financing activities	-	(1,591)
Cash Flows from Investing Activities		
Proceeds from sales of and maturities of investment securities	878,324	939,530
Purchase of investment securities	(1,023,232)	(1,235,122)
Increase of warehoused loans awaiting securitization	(43,319)	(20,485)
Sales (acquisition) of real estate owned	661	(1)
Interest received on investments	123,521	73,713
Net cash used in investing activities	(64,045)	(242,365)
Increase (decrease) in Cash and Cash Equivalents	(320)	766
Cash and Cash Equivalents - Beginning of Year	1,051	285
Cash and Cash Equivalents - End of Year	$ 731	$ 1,051
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 18,222	$ 29,109
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	444	296
Provision for loan loss reserves	19,895	1,140
Bond issuance costs	5,526	6,308
Interest on investments	(126,149)	(79,300)
Interest expense	150,445	123,608
Change in assets and liabilities:		
Decrease in accrued interest receivable on mortgage loans	960	1,973
Increase in accounts receivable and other assets	(43,185)	(20,597)
Increase in accounts payable and other accrued liabilities	233	586
Decrease in mortgage loan and other receivables, net	21,291	111,929
Net Cash Provided by Operating Activities	$ 47,682	$ 175,052
Noncash Investing Activities		
Net increase (decrease) in the fair value of investments	$ 33,120	$ (343,152)

The accompanying notes are an integral part of the financial statements

NOTE 1 - AUTHORIZING LEGISLATION

Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State of Connecticut. It was created in 1969 for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate-income families and persons throughout Connecticut. The Authority operates pursuant to Chapter 134 of the Connecticut General Statutes, as amended (the "Act"). As required by the Act, the Authority's powers are exercised by a Board of Directors consisting of fifteen members, four of whom are State officials, seven of whom are appointed by the Governor and four of whom are appointed by leaders of the General Assembly.

The Authority is authorized to issue bonds, notes and other obligations to fund loans to qualified borrowers for single family homes and multifamily developments. Funding of loan programs on an on-going basis is derived principally from bond proceeds and interest earned on loans and investments.

The Authority is a component unit of the State of Connecticut, based on the criteria for defining the reporting entity as identified and described in the Government Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority is a self-supported entity and the accompanying financial statements are presented using the economic resources measurement focus and accrual basis of accounting wherein revenues are recognized when earned, and expenses are recognized when the liability is incurred. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). While detail sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. The funds of the Authority and similar component units are proprietary fund types.

Reporting Entity

Connecticut Housing Finance Authority Funds

Under the Act and the General Housing Mortgage Finance Program Bond Resolution of September 27, 1972 (the "Bond Resolution"), the Authority is authorized to maintain Housing Mortgage General and Capital Reserve Funds. In addition to the aforementioned funds, the Authority, as permitted by the Act, has established other funds. Included in other funds are the Investment Trust Fund, which may be used to account for assets which are determined to be "surplus funds" under the terms of the Bond Resolution, and the Housing Mortgage Insurance Fund, which provides mortgage insurance.

Also included in other funds are:

a. the Special Needs Housing Fund, the Special Needs Housing Capital Reserve Fund, the State Assistance Agreement Fund, and, as to the Authority's Emergency Mortgage Assistance Payment (EMAP) Program: the EMAP State Assistance Agreement Fund and the EMAP Revolving Loan Fund (collectively, the "Special Needs Housing Program Funds"), the Group Home Renewal and Replacement Fund, the Assisted Living Facilities Renewal and Replacement Fund and the Supportive Housing Renewal and Replacement Fund (collectively the "Special Needs Housing Renewal and Replacement Funds"). The Authority is authorized to maintain the Special Needs Housing Program Funds and the Special Needs Housing Renewal and Replacement Funds (collectively the "Special Needs Housing Funds") under the Act and the Special Needs Housing Mortgage Finance Program Indenture (formerly known as the Group Home Mortgage Finance Program Indenture of Trust) (the "Special Needs Indenture"),

b. the Multifamily Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Multifamily Bond Resolution Providing for the Issuance of Multifamily Mortgage Revenue Bonds (the "MFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Multifamily) (the "Multifamily Other Bond Resolution") of October 27, 2011, and

c. The Qualified Energy Conservation Bond Fund which the Authority is authorized to maintain under the Act, the Qualified Energy Conservation Bond Resolution Providing for the Issuance of Qualified Energy Conservation Revenue Bonds (the "QECB Resolution") of February 26, 2015.

Blended Component Units

The Authority's operations include blended component units which are included in the Authority's basic financial statements in accordance with GASB Statement No. 61. These are legally separate entities for which the Authority is considered financially accountable. The Authority is financially accountable for those units that make up its legal entity, as well as certain legally separate organizations because they have essentially the same board of directors and management personnel. Blended component units are, in substance, part of the Authority's operations; therefore, data from these units are combined with data of the primary Authority. Interfund activity has been eliminated. Additional information relating to these blended component units can be found in the supplementary information section of this report.

State Housing Authority

The State Housing Authority (the "Corporation") is a quasi-public agency of the State of Connecticut and a subsidiary of the Authority. It was created as the successor to the Connecticut Housing Authority ("CHA") under Public Act No. 95-250, which transferred $1,282,000 to establish the Corporation. The Corporation operates pursuant to Chapter 129 of the Connecticut General Statutes, as amended (the "CHA Act"). This entity is currently inactive.

Cash and Cash Equivalents

Cash is comprised of accounts on deposit with financial institutions. For purposes of reporting cash flows, highly liquid instruments with an original maturity of less than 90 days are generally considered to be cash equivalents, exclusive of the State of Connecticut Short Term Investment Fund and overnight sweeps which are considered to be investments in securities.

Mortgage Loans Receivable

Mortgage loans are carried at their principal balance net of allowance for losses and are generally secured by first liens on real property. Interest on loans is accrued and credited to operations based on the principal amount outstanding. The accrual of interest income is discontinued when a loan becomes 90 days past due or in management's opinion is deemed uncollectible as to principal or interest. When interest accruals are discontinued, unpaid interest previously recorded as income is reversed and subsequently recognized only when received.

Investments in Securities

The Authority is limited under the Act to (i) investment obligations issued or guaranteed by the United States Government or the State of Connecticut, (ii) participation certificates for the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool administered by the State Treasurer, and (iii) other obligations which are legal investments for savings banks in Connecticut and to time deposits or certificates of deposit or other similar arrangements secured in such a manner as the Authority determines.

Investments are carried at net asset value or at fair value with the exception of those investments maturing within one year, which are carried at amortized cost, excluding accrued interest.

Real Estate Owned - Multifamily

CHFA - Small Properties, Inc., was established as a tax-exempt organization and subsidiary of the Authority. This organization operates pursuant to Section 8-244(c)(1) of the Connecticut General Statutes and was created to provide distinct accountability for multifamily real estate awaiting sale. As of December 31, 2023, total assets, total liabilities, and net position were $4,184,000, $2,471,000 and $1,713,000, respectively.

Real Estate Owned – Single Family

Real estate acquired in satisfaction of a loan are reported separately in real estate owned. Properties acquired by foreclosure or deed in lieu of foreclosure are transferred to real estate owned and recorded at the lower of cost or fair value less estimated selling costs at the date of foreclosure and are adjusted, if necessary, at year end. An allowance for losses on real estate owned is maintained for subsequent valuation adjustments on a specific property basis.

Capital Assets

Land, building, building improvements and computer software exceeding $100,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using the straight-line method over the estimated useful life; 32 years for building and building improvements and 7 to 10 years for computer software.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows related to pension and OPEB in the statement of net position which result from differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions and lastly, contributions made after the measurement date. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as pension expense in the following year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* defines derivative instruments and requires that they be reported at fair value in the statements of net position. The swap agreements the Authority has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the statements of net position as either deferred inflows or outflows for swaps classified as effective hedges. As of December 31, 2023 and 2022 the Authority's swaps were considered effective hedges.

Gains and losses in connection with advanced refundings of debt are recorded as either a deferred outflow or deferred inflow of resources and are amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt.

Compensated Absences

Full-time employees accrue vacation or annual leave at the rate of fifteen to twenty-five days per year, depending on length of service. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination or death may be compensated for certain accumulated amounts at their then current rates of pay. The liability was $3,296,000 and $2,914,000 for 2023 and 2022 respectively, and is reflected in the statements of net position as a component of account payable and accrued liabilities.

Net OPEB Liability

The Authority's proportionate share of the net OPEB liability and expense associated with the Authority's requirement to contribute to the State of Connecticut Other Post-Employment Benefits Program have been determined by an actuarial valuation prepared and reported by the State of Connecticut's Other Post-Employment Benefits Program. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net OPEB liability is June 30th of the current reporting year.

Net Pension Liability

Net pension liability is measured as the portion of the actuarial present value of projected pension benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for the purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net pension liability is June 30th of the current reporting year.

Derivative Financial Instruments

The Authority's derivative financial instruments consist of interest rate swaps, all of which have been determined by the Authority to represent effective cash flow hedges. Accordingly, changes in the fair value of the swaps are reported as either deferred outflows or inflows of resources on the statement of net position.

The interest differentials to be paid or received under interest rate swaps are recognized as increases or decreases in interest expense of the related bond liability. The fair value of the Authority's position at year end in swap agreements is disclosed in Note 8. No gains or losses will result under the agreements unless an agreement is terminated prior to maturity or the counterparty defaults.

Net Position

Net position is classified in the following two categories:

Net Investment in Capital Assets
This component of net position consists of capital assets, net of accumulated depreciation. There is no outstanding debt related to the Authority's capital assets.

Restricted by Bond Indentures and/or Enabling Legislation
All funds and component units of the Authority that are not related to capital assets are restricted by the Bond Resolution, Special Needs Indenture, MFSOB Resolution, QECB Resolution and Multifamily Other Bond Resolution and/or the Act.

Bond Premiums and Discounts

Discount and premium on bonds issued are deferred and amortized as a component of interest expense using a method approximating the effective interest method.

Bond Issuance Costs

Bond issuance costs are expensed when incurred and are classified as an operating expense in the statements of revenues, expenses and changes in net position.

Provision for Loan Loss Reserves

The allowance for losses on the loan and real estate owned portfolios is provided through charges against current operations based on management's periodic review of the loan and real estate owned portfolios. This review considers such factors as the payment history of the loans, the current and projected cash flows of the borrowers, estimated value of the collateral, subsidies, historical loss experience for each type of insurance or guarantee and economic conditions.

Operating and Nonoperating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist primarily of interest income on mortgage loans, fees and other charges related to mortgage loans and interest on investments, including fees and interest on GNMA, FNMA & FHLMC Program Asset investments more fully described in Note 4. The Authority also recognizes revenues from other administrative fees as operating revenues. Operating expenses include general and administrative expenses, costs and expenses incurred in connection with the amortization, issuance and sale of bonds; and other costs related to various loan programs. Revenues or expenses not meeting this definition are generally reported as nonoperating revenues and expenses.

Actuarial Assumption Changes for Pension and OPEB

Non-cash changes to pension and OPEB expenses that result from changes in actuarial assumptions are recorded as nonoperating income or expenses.

Grants (Private, State and Federal Grant Programs)

Grants received from private entities and federal and state governments are recognized as nonoperating revenue as the related expenditures are incurred in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3 - FAIR VALUE

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (“exit price”). The fair value hierarchy established by generally accepted accounting principles prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1
Quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2
Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3
Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable.

The Authority has the following investment and derivative instruments measured at fair value which are included in the statements of net position as of December 31, 2023 and December 31, 2022:

Investments and Derivative Instruments Measured at Fair Value
(in 000's)
December 31, 2023

	Fair Value 12/31/23	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO's	$ 619	$	$ 619	$
GNMA, FNMA & FHLMC Program Assets	2,412,708		2,412,708	
MBS's	66		66	
Money Market Funds	7,535	7,535		
Municipal Bonds	30,479		30,479	
Structured Securities	511		511	
US Government Agency Securities	706	706		
FHLB Discount Notes	30,916	30,916		
US Treasury Bills	69,843	69,843		
Total	$ 2,553,383	$ 109,000	$ 2,444,383	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ 25,463	$	$ 25,463	$

Investments and Derivative Instruments Measured at Fair Value
(in 000's)
December 31, 2022

	Fair Value 12/31/22	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO's	$ 475	$	$ 475	$
GNMA, FNMA & FHLMC Program Assets	1,903,813		1,903,813	
MBS's	90		90	
Money Market Funds	6,708	6,708		
Municipal Bonds	29,936		29,936	
Structured Securities	372		372	
US Government Agency Securities	716	716		
FHLB Discount Notes	19,976	19,976		
US Treasury Bills	168,401	168,401		
Total	$ 2,130,487	$ 195,801	$ 1,934,686	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ 25,707	$	$ 25,707	$

NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES

Deposits (in 000's)

At December 31, 2023 and 2022, the carrying amount reported as cash and cash equivalents on the statements of net position of the Authority represents deposits (including checking accounts and escrow accounts) of $731 and $1,051, respectively. This entire amount is on deposit in independent financial institutions with a balance of $3,253 and $3,175 at December 31, 2023 and 2022, respectively. Included in the carrying amount reported as cash and cash equivalents, are deposits held in escrow by the Authority at December 31, 2023 and 2022, of $720 and $570, respectively.

Custodial Credit Risk (in 000's)

Of the $3,253 and $3,175 financial institution balance at December 31, 2023 and 2022, $11 and $480, respectively, were held in the Authority's name in the corporate trust division of one financial institution. These amounts were collateralized with a market value of underlying collateral equal to at least 100% of the amount on deposit with acceptable collateral compliant with 12 CFR § 9.10(b). In addition, in compliance with 12 CFR § 9.13 these amounts were protected from any potential creditors of the financial institution. The balances of $3,253 and $3,175, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2023, $2,992 was uninsured, $324 of which was collateralized with securities by the financial institution, but not in the Authority's name. As of December 31, 2022, $2,445 was uninsured, $269 of which was collateralized with securities by the financial institution, but not in the Authority's name.

Investments in Securities (in 000's)

At December 31, 2023, the Authority held the following investments with the listed maturities bearing interest at annual rates ranging from 0% to 7.65%. For investments other than Municipal Bonds, where no rating is indicated, the investments are direct obligations issued by the United States Government or its agencies or fully collateralized by such obligations. Municipal Bonds represent the Authority's Other Bonds which are more fully described in Note 8. They are secured by the Bond Resolution Capital Reserve Fund and as such, are a contingent liability of the State of Connecticut. Ratings are displayed with the S&P Global Ratings listed first (if available), the Moody's Investors Service second (if available) and the Fitch Rating last (if available) or NR for not-rated.

	Amortized Cost, Net Asset Value or Fair Value	Investment Maturities (in Years) Less Than 1	1 - 5	6 -10	More Than 10
CMO	$ 619	$ 181	$	$	$ 438
GNMA, FNMA & FHLMC Program Assets	2,412,708		1,523	26,750	2,384,435
MBS's	66		66		
Money Market Funds	7,535	7,535			
Municipal Bonds	30,479	350	1,951	2,568	25,610
STIF	1,062,537	1,062,537			
Structured Securities	511		511		
U.S. Government Agency Securities	706				706
FHLB Discount Notes	30,916	30,916			
US Treasury Bills	69,843	69,843			
Total Investments Held by All Funds and Component Units	$ 3,615,920	$ 1,171,362	$ 4,051	$ 29,318	$ 2,411,189

Restricted current assets:	
Capital Reserve Funds	$ 54,356
Renewal and Replacement Funds	13,900
All other funds and component units	1,103,106
Total restricted current assets	1,171,362
Restricted noncurrent assets:	
Capital Reserve Funds	317,942
All other funds and component units	2,126,616
Total restricted noncurrent assets	2,444,558
Total Investments Held by All Funds and Component Units	$ 3,615,920

Presented below is the rating for each investment type as of December 31, 2023:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities	FHLB Discount Notes	US Treasury Bills
AAAm/NR/NR	$	$	$	$	$	1,062,537 $	$	$	$	
AA-/Aa3/AA-					4,492					
NR/Aaa/NR	438	2,412,708	66	6,309				706	30,916	69,843
NR/C/NR							511			
NR/NR/NR	181			1,226	25,987					
Total	$ 619 $	2,412,708 $	66 $	7,535 $	30,479 $	1,062,537 $	511 $	706 $	30,916 $	69,843

* S&P/Moodys/Fitch

Interest Rate Risk

Exposure to declines in fair value is substantially limited to the Authority's investment in the GNMA, FNMA and FHLMC Program Assets, FHLB Discount Notes and US Treasury Bills. The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flow requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

Credit Risk (in 000's)

The Authority's investments are limited under the Act to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the investment pool administered by the State Treasurer or (iv) other obligations which are legal investments for savings banks in the State of Connecticut. The Money Market Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities ("MBSs") are fully collateralized by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or the Government National Mortgage Association ("GNMA"), and Collateralized Mortgage Obligations ("CMOs") are fully collateralized by the United States Department of Housing and Urban Development ("HUD") mortgage pools. Structured Securities are fully collateralized by Manufactured Housing Sales Contracts and Installment Loan Agreements. At December 31, 2023, one CMO (fair value $181) and one Structured Security (fair value $511) were below Investment Grade rating standards. At December 31, 2022, one CMO (fair value $33) and one Structured Security (fair value $372) were below Investment Grade rating standards. At the time of their initial purchase, these two investments were classified as Investment Grade.

Concentration of Credit Risk (in 000's)

The Authority's investment policy requires diversification of its investment portfolio to reduce the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2023 and 2022, the Authority had no investments in any one issuer that represents 5% or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA and FHLMC Program Assets - fair value - $2,412,708 or 67% in 2023 and $1,903,813 or 55% in 2022) or the State of Connecticut (STIF – net asset value - $1,062,537 or 29% in 2023 and $1,307,444 or 38% in 2022).

Custodial Credit Risk (in 000's)

All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (fair value - $2,553,383 in 2023 and $2,130,487 in 2022) with the exception of the STIF (net asset value - $1,062,537 in 2023 and $1,307,444 in 2022). The underlying value of the investment in the STIF's pool is the same as the value of the pool's shares. The pool is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office. The State Treasurer set up a cash management advisory board tasked with reviewing the pool's portfolio, performance investment policies and procedures.

GNMA, FNMA & FHLMC Program Assets (in 000's)

Since 1999, the Authority directed certain of its participating lenders to assign government insured Authority qualified home mortgage loans and sold a portion of its existing home mortgage loan portfolio for assembly into pools guaranteed by the Government National Mortgage Association ("GNMA"). GNMA securities were issued backed by these home mortgage loans, and the Authority purchased the securities ("GNMA Program Assets") with funds held in the Housing Mortgage Capital Reserve Fund. In 2000, the Authority expanded this program to allow the purchase of GNMA Program Assets with funds held in the Housing Mortgage General Fund. As a result of this program expansion and in order to assure compliance with Bond Resolution requirements, the Authority transferred the $331,081 net position held in the Investment Trust Fund to the Housing Mortgage General Fund in 2001. Since 2001, GNMA Program Assets have also been purchased with funds held in the Special Needs Housing Fund and the Special Needs Housing Capital Reserve Fund. In 2013, the Authority directed certain of its participating lenders to assign privately insured Authority qualified conventional home mortgage loans for assembly into pools guaranteed by the Federal National Mortgage Association ("FNMA").

These pools were securitized and are backed by these home mortgage loans. In 2016, the Authority further expanded the program to securitize pools of home mortgage loans guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, FNMA & FHLMC Program Assets are carried at fair value. As of December 31, 2023 and 2022, the fair value of GNMA, FNMA & FHLMC Program Asset investments was $2,412,708 and $1,903,813, respectively.

Bond Resolution Capital Reserve Fund (in 000's)

The Bond Resolution Capital Reserve Fund is established pursuant to the Act and the Bond Resolution and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($363,815 at December 31, 2023 and $289,520 at December 31, 2022) on all bonds of the Authority then outstanding under the Bond Resolution. Further, the Authority may not issue additional bonds under the Bond Resolution unless the amount in the Bond Resolution Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($364,897 at December 31, 2023 and $291,746 at December 31, 2022) on all bonds of the Authority then outstanding under the Bond Resolution. For purposes of satisfying these requirements, the Act and the Bond Resolution require that investments of the Bond Resolution Capital Reserve Fund be valued at the lowest of par, actual cost or market value. To satisfy this calculation, all variable rate interest payments and receipts are assumed to be based on the average interest rates for the prior twelve months plus 200 basis points, interest payments on swapped bonds are included at the fixed rate on the swaps, and retirement of principal on bonds with mandatory tender dates are assumed in accordance with the sinking fund schedule of each respective bond series resolution.

Special Needs Indenture Capital Reserve Fund (in 000's)

The Special Needs Indenture Capital Reserve Fund is established pursuant to the Act and the Special Needs Indenture and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($5,013 at December 31, 2023 and $4,960 at December 31, 2022) on all bonds of the Authority then outstanding under the Special Needs Indenture. Further, the Authority may not issue additional bonds under the Special Needs Indenture unless the amount in the Special Needs Indenture Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($5,136 at December 31, 2023 and $5,136 at December 31, 2022) on all bonds of the Authority then outstanding under the Special Needs Indenture. For purposes of satisfying these requirements, the Act and the Special Needs Indenture require that investments of the Special Needs Indenture Capital Reserve Fund be valued at amortized cost or such other method as determined by the Authority to be reasonable and in the best interest of the bondholders, provided such other method is approved by the trustee and any applicable bond insurer.

Restricted funds of the Bond Resolution and Special Needs Indenture Capital Reserve Funds consisted of the following (in 000's):

	December 31,					
	2023			2022		
	Bond Resolution	Special Needs Indenture	Total	Bond Resolution	Special Needs Indenture	Total
Investment in securities	$ 367,068	$ 5,230	$ 372,298	$ 399,672	$ 5,239	$ 404,911
Accrued interest receivable	1,120	26	1,146	1,389	22	1,411
Total Capital Reserve Funds	$ 368,188	$ 5,256	$ 373,444	$ 401,061	$ 5,261	$ 406,322
Restricted current assets:						
Investments in securities	$ 49,889	$ 4,467	$ 54,356	$ 86,980	$ 4,458	$ 91,438
Accrued interest receivable	1,120	26	1,146	1,389	22	1,411
Total restricted current assets	51,009	4,493	55,502	88,369	4,480	92,849
Restricted noncurrent assets:						
Investments in securities	317,179	763	317,942	312,692	781	313,473
Total Capital Reserve Funds	$ 368,188	$ 5,256	$ 373,444	$ 401,061	$ 5,261	$ 406,322

Special Needs Housing Renewal and Replacement Funds

The Special Needs Housing Renewal and Replacement Funds are established pursuant to the Act and the Special Needs Indenture to provide funding for capital repairs and replacements exceeding $2,500 for group homes, assisted living facilities and supportive housing facilities financed with the proceeds of bonds issued under the Special Needs Indenture. At December 31, 2023 and 2022, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	2023	2022
Investments in securities	$ 13,900	$ 12,518
Accrued interest receivable	64	46
Total Special Needs Housing Renewal and Replacement Funds	$ 13,964	$ 12,564

NOTE 5 - MORTGAGE LOANS RECEIVABLE

The Authority makes single family and multifamily loans to residents and companies domiciled in the State of Connecticut. All such loans are collateralized by real estate located in the State of Connecticut. The majority of the Authority's loan portfolio is comprised of residential mortgages made to low and moderate income borrowers.

The Authority has entered into agreements with various banks and other financial institutions for the servicing of the majority of its home mortgage loan portfolio. As of December 31, 2023 and 2022, 48% of this portfolio was serviced by two financial institutions.

Mortgage loans consisted of the following (in 000's):

	December 31, 2023	December 31, 2022
Home mortgage loans		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	$ 824,745	$ 869,255
Insured by private mortgage insurance companies	152,120	101,126
Uninsured reverse annuity mortgage loans	1,256	1,359
Uninsured, State of Connecticut supported EMAP loans	48,833	50,326
Uninsured, State of Connecticut supported TTO loans	83,513	18,744
Uninsured, not guaranteed	285,319	264,896
Total home mortgage loans	1,395,786	1,305,706
Multifamily mortgage loans		
Completed developments:		
Insured by the Federal Housing Administration or guaranteed by private insurer	24,721	25,343
Uninsured, federally subsidized	325,084	330,583
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	60,460	63,261
Uninsured, unsubsidized, not guaranteed	1,059,756	1,038,166
Total completed developments	1,470,021	1,457,353
Construction mortgage loans:		
Uninsured, unsubsidized	92,193	112,912
Total construction mortgage loans	92,193	112,912
Total multifamily mortgage loans	1,562,214	1,570,265
Less allowance for losses	(449,842)	(369,929)
Total investments in mortgage loans	$ 2,508,158	$ 2,506,042
Restricted current assets	$ 119,125	$ 122,050
Restricted noncurrent assets	2,389,033	2,383,992
Total mortgage loans receivable	$ 2,508,158	$ 2,506,042

Single Family

The Federal Housing Administration ("FHA") home mortgage program insures the repayment of the unpaid principal amount of the mortgages. HUD will pay debenture interest on the unpaid principal balance from the date of default to the date of initial claim settlement. Debenture interest is determined by the monthly average yield for the month in which the default on the mortgage occurred, on United States Treasury Securities, adjusted to a constant maturity of 10 years. The debenture rate may be less than that of the insured mortgage.

The Veterans Administration ("VA") mortgage program provides limited guarantees subject to the amount of the entitlement a veteran has available. For loans between $45,000 and $144,000, the minimum VA guarantee amount is $22,500, with a maximum guarantee of up to 40% of the loan up to $36,000. For loans of more than $144,000, the maximum VA guarantee is 25% of the loan amount.

EMAP Loan repayments are made by the homeowner in accordance with the provisions of Connecticut General Statutes § 8-265bb through 8-265kk. These repayments are to be used solely for the benefit of the EMAP program. Debt service on bonds issued under the Special Needs Indenture for the purpose of financing EMAP Loans is paid by the State of Connecticut.

The current average interest rate of the Authority's outstanding single family portfolio is 4.02% with an original 30 year payment term.

Multifamily

Through the issuance of bonds under the Special Needs Indenture and/or amounts received from the State of Connecticut, the Authority has made special needs housing mortgage loans to (i) finance community based residential facilities for persons with intellectual disabilities ("Group Home"), (ii) finance projects for assisted living communities for residents who need help with one or more activities of daily living ("Assisted Living Facility"), (iii) finance residential facility housing for up to one or more persons or families that are homeless or at risk of homelessness ("Supportive Housing Facility") and (iv) provide financial assistance to homeowners at risk of foreclosure ("EMAP Loan"). Mortgage loan repayments for the Group Home, Assisted Living Facility and Supportive Housing Facility (collectively the "Special Needs Housing Loans") which require regularly scheduled payments are made through subsidies received from the State of Connecticut. For Special Needs Housing Loans that do not require regularly scheduled payments, the debt service on the bonds is paid by the State of Connecticut.

The Authority has entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development ("HUD") whereby HUD will provide partial mortgage insurance on affordable multifamily housing projects processed by the Authority. The risk of loss to the Authority varies from 10% to 50% or more depending on the level of participation by HUD.

Construction loans earn interest at rates ranging from 0% to 5.78% as of December 31, 2023 and 0% to 5.66% as of December 31, 2022, and will generally be payable over 2 years. The related permanent mortgage loan will typically be provided by the Authority. Permanent loans earn interest at rates ranging from 0% to 10.5% at December 31, 2023 and December 31, 2022, and will generally be payable over 40 years.

NOTE 6 - REAL ESTATE OWNED

Real Estate Owned (in 000's)

	December 31,					
	2023			2022		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	$ 1,670	$ 2,300	$ 3,970	$ 2,330	$ 2,300	$ 4,630
Allowance for losses	(62)		(62)	(56)		(56)
Real Estate Owned-Carrying Amount	$ 1,608	$ 2,300	$ 3,908	$ 2,274	$ 2,300	$ 4,574

With respect to single family real estate owned, the majority of such assets are at least partially insured or guaranteed by outside parties. It is anticipated that the Authority will recover substantially all of the balance of these assets through such insurance and from proceeds from the sale of the underlying properties.

With respect to multifamily real estate owned, the Authority is holding such assets for subsequent sale in a manner that will allow the maximization of value. As of December 31, 2023 and 2022, one property remained in the multifamily real estate owned portfolio.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 is as follows (in 000's):

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital Assets:				
Land	$ 851	$	$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	4,261			4,261
	10,048			10,048
Less accumulated depreciation	(5,443)	(444)		(5,887)
Capital Assets, Net	$ 4,605	$ (444)	$	4,161

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets:				
Land	$ 851	$	$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	2,669	1,592		4,261
	8,456	1,592		10,048
Less accumulated depreciation	(5,147)	(296)		(5,443)
Capital Assets, Net	$ 3,309	$ 1,296	$	4,605

NOTE 8 - BONDS AND LINE OF CREDIT INDEBTEDNESS

The Act authorizes the Authority to issue its own bonds and other obligations in such principal amounts as, in the opinion of the Authority, will be necessary to provide sufficient funds for carrying out its purposes. The State legislature enacted legislation that provides the authority to enter into agreements to reduce the rate of borrowing and moderate the effect of bond interest rate fluctuations through the use of contracts commonly known as interest rate swap agreements and similar type contracts. The Authority's obligations are not debt of the State of Connecticut, and the State is not liable thereon.

Included in the Authority's bond portfolio are variable rate demand bonds. The Authority has two mechanisms to ensure the purchase of variable rate demand bonds in the event that the bonds cannot be remarketed.

1) The Authority has entered into Standby Bond Purchase Agreements with various providers to purchase the bonds.

2) The Authority has entered into a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for the Authority to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2023, the amount available under the SBLOC is $92,792,109. No drawings have been made as of December 31, 2023.

Bond Resolution

Housing Mortgage Finance Program Bonds issued under the Bond Resolution bear fixed interest at rates ranging from 0.0% to 6.274% as of December 31, 2023 and December 31, 2022, and are subject to certain redemption provisions and mature in years through 2066 and 2065 as of December 31, 2023 and 2022, respectively.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Bond Resolution: (1) the proceeds derived from the sale of bonds issued under the Bond Resolution, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed, or deemed to have been financed from the Housing Mortgage General Fund, and (3) all monies and securities of the Housing Mortgage General Fund and the Bond Resolution Capital Reserve Fund.

Special Needs Indenture

Special Needs Housing Mortgage Finance Program Bonds issued under the Special Needs Indenture bear fixed interest at rates ranging from 0.55% to 4.70% as of December 31, 2023 and 0.40% to 4.70% as of December 31, 2022, are subject to certain redemption provisions and mature in years through 2051 as of December 31, 2023 and December 31, 2022.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Special Needs Indenture: (1) the proceeds derived from the sale of bonds issued under the Special Needs Indenture, (2) all mortgage repayments with respect to Special Needs Housing mortgages financed from the Special Needs Housing Fund, and (3) all monies and securities of the Special Needs Housing Fund, the State Assistance Agreement Fund, the EMAP State Assistance Agreement Fund and the Special Needs Housing Capital Reserve Fund.

MFSOB Resolution and Multifamily Other Bond Resolution

In October 2009, the U.S. Department of Treasury (the “Treasury”), the Federal Housing Finance Agency and Fannie Mae and Freddie Mac (the “GSEs”) announced the Federal New Issue Bond Program (the “Federal NIBP”) authorized by the Housing Economic Recovery Act of 2008. The Federal NIBP allowed the GSEs to purchase bonds from housing finance agencies (the “HFAs”) and package them into GSE-guaranteed securities for delivery to and purchase by the Treasury. These HFA bonds were to be issued to finance single family or multifamily mortgage loans. If issued to finance single family loans, the HFA bonds were not to exceed 60% of the bond issue. The HFA bonds were required to be issued at fixed rates to maturity or monthly rate reset bonds that were to convert to rates fixed to maturity in calendar year 2010. In September 2010, the Treasury announced an extension to the end of this conversion period to December 31, 2011. The fixed interest rates were expected to be lower than prevailing interest rates available through a public bond offering. Pursuant to this program and based on an allocation for GSE purchase received from the Treasury, the Authority issued $27,610,000 in Multifamily Special Obligation Bonds under the MFSOB Resolution (collectively, the “NIBP Escrow Bonds”) on December 30, 2009 that settled on January 12, 2010. The proceeds of the NIBP Escrow Bonds were held in escrow pending the issuance by the Authority of additional taxable or tax-exempt bonds (the “NIBP Market Bonds”). As of December 31, 2011, all NIBP Escrow Bonds had been converted to long-term fixed rates of interest.

Bonds issued under the MFSOB Resolution are special obligations of the Authority payable solely from and secured by assets pledged under the MFSOB Resolution for Multifamily Special Obligation Bonds.

In connection with the Federal NIBP, the Authority has also authorized the Multifamily Other Bond Resolution to issue Other Bonds secured by the Bond Resolution Capital Reserve Fund under the Bond Resolution. Proceeds of the Other Bonds, the NIBP Escrow Bonds and the NIBP Market Bonds are intended to be used to (i) participate in the purchase or making of single-family or multifamily mortgage loans under the Authority's Housing Mortgage Finance Program, (ii) fund reserves and (iii) pay related bond costs. Bonds issued under the Other Bond Resolutions are general obligations of the Authority.

QECB Resolution

The Authority adopted the Qualified Energy Conservation Bond Resolution ("QECB Resolution") on February 26, 2015. The bond proceeds are intended to be used for energy conservation improvements and replacements for multifamily housing developments owned or managed by participating public housing authorities. Bonds issued under the QECB Resolution are secured by, among others, the loan repayments from the QECB funded loans, the QECB federal tax credit subsidy and are general obligations of the Authority. The Authority will no longer issue bonds under the QECB Resolution due to the Tax Cuts and Jobs Act of 2017.

Bonds payable as of December 31, 2023 and 2022 were as follows (in 000's):

Housing Mortgage Finance Program Bonds			**Outstanding Amount December 31,**		
Publicly Offered	**Final Maturity Date**	**Interest Rate Range %**	**2023**	**2022**	**Amount Due Within 1 Year**
1998 Series D	2025	Index	10,100	14,700	4,900
2001 Series D	2027	Index	8,610	10,460	1,965
2004 Series A	2035	Index	4,000	4,000	
2009 Series D	2039	6.274	53,805	54,545	790
2013 Series B	2034	Variable	17,810	18,725	18,775
2014 Series A	2023	4.00		840	
2014 Series B	2044	3.00 - 4.15	45,670	46,310	670
2014 Series C	2038	3.20 - 3.95/Variable	39,365	43,860	18,095
2014 Series D	2036	2.85 - 3.40/Variable	86,485	92,545	26,925
2014 Series F	2054	2.75 - 4.05	37,640	38,575	990
2015 Series A	2045	2.70 - 3.85	69,250	76,270	
2015 Series C	2045	2.95 - 3.50/Variable	64,015	71,715	2,150
2015 Series E	2055	2.30 - 4.00	28,975	29,170	4,385
2016 Series A	2045	2.40 - 4.00/Variable	117,325	125,530	4,865
2016 Series B	2046	2.05 - 3.55/Variable	121,215	129,405	4,635
2016 Series C	2051	1.90 - 3.50	41,960	43,080	1,190
2016 Series E	2046	2.25 - 3.50/Variable	115,945	125,205	5,320
2016 Series F	2046	2.05 - 3.50/Variable	112,270	122,145	56,055
2016 Series G	2056	2.05 - 3.70	17,230	17,430	210
2017 Series A	2047	2.45 - 4.00/Variable	80,275	93,385	9,350
2017 Series C	2047	2.10 - 4.00/Variable	82,950	90,990	4,820
2017 Series D	2047	2.00 - 4.00/Variable	112,970	121,175	4,150
2017 Series E	2057	1.95 - 3.90	14,140	15,455	1,400
2017 Series F	2047	2.00 - 4.00/Variable	97,795	107,320	4,830
2018 Series A	2048	2.75 - 4.00/Variable	72,045	79,765	3,625
2018 Series B	2048	2.95 - 4.00/Variable	59,330	67,050	665
2018 Series C	2048	2.45 - 4.00/Variable	75,535	84,535	4,265
2018 Series D	2058	2.70 - 4.40	31,105	31,430	345
2018 Series E	2048	0.00 - 4.25/Variable	56,355	68,735	2,530
2019 Series A	2049	2.30 - 4.00/Variable	59,040	65,915	2,635
2019 Series B	2049	2.05 - 4.00/Variable	91,760	98,765	2,585
2019 Series D	2049	1.55 - 4.00/Variable	95,930	103,065	37,730
2019 Series E	2059	1.60 - 3.35	78,325	84,475	6,340
2019 Series F	2049	0.00 - 3.50/Variable	106,270	113,410	47,360
2020 Series A	2050	1.45- 3.50/Variable	117,855	126,670	3,575
2020 Series C	2050	0.70 - 5.00/Variable	133,685	143,315	4,320
2020 Series D	2060	0.75 - 2.85	57,400	74,915	1,150
2020 Series E	2050	0.80 - 3.00/Variable	123,215	132,735	4,840
2021 Series A	2038	0.25 - 1.85	170,520	178,295	6,855
2021 Series B	2065	0.35 - 3.00	169,575	183,435	4,935
2021 Series D	2051	1.55 - 5.00	142,485	153,280	4,885
2021 Series E	2061	0.40 - 5.00	117,535	126,925	8,405
2022 Series A	2051	2.15 - 5.00/Index/Variable	197,925	202,705	2,410
2022 Series B	2052	2.75 - 5.00	83,645	83,890	535
2022 Series C	2052	2.25 - 4.50/Index/Variable	131,215	168,500	1,345
2022 Series D	2052	2.90 - 5.00	55,095	55,200	140
2022 Series E	2052	3.00 - 5.50/Variable	146,030	147,815	1,950
2023 Series A	2053	3.10 - 5.25	170,485		4,255
2023 Series B	2053	3.15 - 5.75	146,655		2,365
2023 Series C	2066	3.75 - 5.25	52,180		
2023 Series D	2054	3.80 - 6.25	190,125		1,415
Subtotal			$ 4,311,120	$ 4,067,660	$ 337,930

Housing Mortgage Finance Program Bonds (continued)			**Outstanding Amount December 31,**		
Direct Placements	**Final Maturity Date**	**Interest Rate Range %**	**2023**	**2022**	**Amount Due Within 1 Year**
2013 Series A	2041	Index	88,130	88,130	
2013 Series C	2046	Index	30,320	30,320	
2016 Series D	2050	3.25	11,845	12,080	250
2021 Series C	2033	Index	189,245	201,970	14,405
2022 Series C	2055	3.31	31,500	31,500	
Subtotal			351,040	364,000	14,655
Plus unamortized bond premium			47,152	51,740	
Total Housing Mortgage Finance Bonds			$ 4,709,312	$ 4,483,400	$ 352,585

The amounts due within one year in the previous table include the total outstanding balance of variable rate demand bond obligations where the standby bond purchase agreements expire within one year of the balance sheet date, although the maturities extend well beyond. The value of these obligations as of December 31, 2023 is $176,520. It is the intention of the Authority to renew these agreements prior to expiration.

Special Needs Housing Mortgage Finance Program Special Obligation Bonds

			Outstanding Amount December 31,		
Publicly Offered	**Final Maturity Date**	**Interest Rate Range %**	**2023**	**2022**	**Amount Due Within 1 Year**
Series 18	2046	3.20 - 4.45	8,580	8,810	240
Series 19	2035	3.20 - 4.25	6,735	7,295	575
Series 20	2045	3.20 - 4.40	3,235	3,330	95
Series 21	2045	3.30 - 4.70	10,770	11,140	380
Series 23	2048	2.95 - 4.30	3,350	3,430	85
Series 24	2037	2.95 - 4.10	5,135	5,390	265
Series 27	2051	0.55 - 2.65	7,430	7,475	45
Series 28	2040	0.55 - 2.375	13,760	15,135	1,435
Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds			$ 58,995	$ 62,005	$ 3,120

Multifamily Special Obligation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2023	Outstanding Amount December 31, 2022	Amount Due Within 1 Year
Series 2009-1	2051	2.32	22,030	22,570	560
Total Multifamily Special Obligation Bonds			$ 22,030	$ 22,570	$ 560

Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2023	Outstanding Amount December 31, 2022	Amount Due Within 1 Year
2011 Series A	2055	4.75	1,227	1,171	
2013 Series A	2053	5.50/Variable	23,678	23,990	330
Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds			$ 24,905	$ 25,161	$ 330

Qualified Energy Conservation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2023	Outstanding Amount December 31, 2022	Amount Due Within 1 Year
2015 Series A (1,2)	2034	4.35	3,776	4,023	261
2016 Series B	2035	3.94	1,638	1,764	127
2016 Series C	2036	3.94	1,232	1,327	95
Total Qualified Energy Conservation Bonds			6,646	7,114	483
Total Bonds Payable, Net			$ 4,821,888	$ 4,600,250	$ 357,078

Line of Credit

On July 15, 2021, CHFA entered into a revolving line of credit agreement with US Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The agreement had a maximum line of credit amount of $75 million and an expiration date of December 14, 2023. From the inception through May 31, 2023, the outstanding line of credit balance bore interest at an index rate which reset monthly and was one-month LIBOR plus 39 basis points. Thereafter, the outstanding line of credit balance bore interest at an index rate which reset monthly and was one-month Term SOFR plus 49 basis points. The agreement was terminated by the Authority on November 30, 2023.

On November 4, 2021, CHFA entered into a revolving line of credit agreement with Wells Fargo Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The revolving agreement has a maximum line of credit amount of $100 million and an expiration date of November 3, 2023. From inception and through June 30, 2023, the outstanding line of credit balance bore interest at an index rate which resets monthly and was one-month LIBOR plus 28 basis points. Thereafter and through November 3, 2023, the outstanding line of credit balance bore interest at an index rate which resets daily and was daily SOFR plus 33 basis points. On October 26, 2023, the agreement was modified and extended to July 29, 2024 and beginning from November 4, 2023, the outstanding line of credit balance bears interest at an index rate which resets daily and is daily SOFR plus 39 basis points. As of December 31, 2023, the outstanding balance was zero.

On April 27, 2022, CHFA entered into a revolving line of credit agreement with Bank of America, N.A., proceeds of which were used as a single-family loan warehouse facility. The agreement has a maximum line of credit amount of $75 million and expires on April 26, 2024. The outstanding line of credit balance bears interest at an index rate which resets monthly and is one-month BSBY plus 48 basis points. As of December 31, 2023, $75 million of the line of credit was drawn and outstanding.

On November 30, 2023, CHFA entered into a line of credit agreement with U.S. Bank National Association, proceeds of which were used as a single-family loan warehouse facility. The agreement has a maximum line of credit amount of $75 million and expires on May 29, 2025. The outstanding line of credit balance bears interest at an index rate which resets daily and is one-month Term SOFR plus 128 basis points. As of December 31, 2023, $50 million of the line of credit was drawn and outstanding.

Conduit Debt

In furtherance of the Authority’s mission, the Authority has issued conduit debt obligations. The outstanding principal balances of conduit debt obligations as of December 31, 2023 include four Multifamily Housing Revenue Bonds totaling $24,941,203, one series totaling $2,785,675 of Multifamily Housing Revenue Notes, and four series totaling $53,625,000 of State-Supported Special Obligation Bonds. The outstanding principal balances of conduit debt obligations as of December 31, 2022 include four Multifamily Housing Revenue Bonds totaling $26,414,145, one series totaling $2,826,557 of Multifamily Housing Revenue Notes, and four series totaling $61,305,000 of State-Supported Special Obligation Bonds. The issuance of these obligations does not create or imply any indebtedness on the part of the Authority. Each issue requires that the funds related to such issue be held by a trustee for the bondholders; therefore, such funds are not under the control of the Authority, and, accordingly, the Authority’s financial statements do not reflect the balances or operating results of the various trust accounts.

Debt Service Requirements

The following tables provide a summary of debt service requirements and net swap payments for the next five years and in five-year increments thereafter (in 000’s). The interest calculations are based on the variable rates in effect on December 31, 2023 and may not be indicative of the actual interest expense that will be incurred.

	Bond Resolution						
	Fixed-Publicly Offered		Variable-Publicly Offered			Fixed - Direct Placements	
Year Ending December 31,	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2024	$ 153,580	$ 107,440	$ 7,830	$ 43,082	$ (9,011)	$ 250	$ 1,426
2025	137,445	103,663	11,990	43,166	(9,193)	260	1,417
2026	136,715	100,223	9,775	42,602	(9,442)	270	1,409
2027	127,175	96,855	9,880	42,152	(9,723)	285	1,400
2028	129,560	93,580	14,100	41,642	(10,005)	295	1,391
2029-2033	666,470	412,163	156,575	194,724	(48,869)	1,675	6,800
2034-2038	596,880	312,428	222,210	155,386	(41,560)	2,075	6,499
2039-2043	465,300	217,578	234,280	110,411	(27,713)	2,565	6,128
2044-2048	394,020	131,661	368,960	54,534	(12,495)	14,130	5,210
2049-2053	303,510	53,841	78,520	4,581	(585)	19,805	1,936
2054-2058	53,755	11,215				1,735	40
2059-2063	26,025	3,726					
2064-2068	6,565	433					
Total	$ 3,197,000	$ 1,644,806	$ 1,114,120	$ 732,280	$ (178,596)	$ 43,345	$ 33,656

	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
Year Ending December 31,	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2024	$ 14,405	$ 17,391	$ (208)	$ 176,065	$ 160,120	$ 336,185
2025	16,910	17,160	257	166,605	156,470	323,075
2026	22,300	16,091	229	169,060	151,112	320,172
2027	22,135	14,802	200	159,475	145,686	305,161
2028	21,555	13,551	168	165,510	140,327	305,837
2029-2033	91,940	49,781	372	916,660	614,971	1,531,631
2034-2038	68,860	27,385		890,025	460,138	1,350,163
2039-2043	29,965	10,678		732,110	317,082	1,049,192
2044-2048	19,625	3,315		796,735	182,225	978,960
2049-2053				401,835	59,773	461,608
2054-2058				55,490	11,255	66,745
2059-2063				26,025	3,726	29,751
2064-2068				6,565	433	6,998
Total	$ 307,695	$ 170,154	$ 1,018	$ 4,662,160	$ 2,403,318	$ 7,065,478

Year Ending December 31,	Special Needs Indenture Fixed-Publicly Offered Principal	Special Needs Indenture Fixed-Publicly Offered Interest	MFSOB Resolution Fixed-Publicly Offered Principal	MFSOB Resolution Fixed-Publicly Offered Interest
2024	$ 3,120	$ 1,894	$ 560	$ 508
2025	3,250	1,829	580	495
2026	3,380	1,757	600	482
2027	3,200	1,677	610	467
2028	2,930	1,594	650	453
2029-2033	14,140	6,568	3,550	2,029
2034-2038	12,660	4,183	4,230	1,583
2039-2043	9,950	2,013	5,010	1,053
2044-2048	5,175	535	5,970	422
2049-2053	1,190	45	270	10
2054-2058				
2059-2063				
Total	$ 58,995	$ 22,095	$ 22,030	$ 7,502

Year Ending December 31,	Other Bond Resolutions Fixed - Direct Placement Principal	Other Bond Resolutions Fixed - Direct Placement Interest	QECB Resolution Fixed - Direct Placement Principal	QECB Resolution Fixed - Direct Placement Interest	Total
2024	$ 330	$ 1,294	$ 483	$ 272	$ 344,646
2025	349	1,276	500	252	331,606
2026	368	1,256	516	231	328,762
2027	389	1,235	534	209	313,482
2028	411	1,213	552	187	313,827
2029-2033	2,430	5,692	3,053	568	1,569,661
2034-2038	3,197	4,924	1,008	48	1,381,996
2039-2043	4,207	3,915			1,075,340
2044-2048	5,535	2,587			999,184
2049-2053	7,319	2,285			472,727
2054-2058	370	2,446			69,561
2059-2063					29,751
2064-2068					6,998
Total	$ 24,905	$ 28,123	$ 6,646	$ 1,767	$ 7,237,541

Objective of the Interest Rate Swaps

The Authority employs swaps to establish synthetic fixed rates for a portion of its variable rate bond obligations. The Authority's interest rate swap transactions are structured for the Authority to pay a fixed interest rate while receiving variable interest rates from the counterparties which are comparable to the rates required by the variable rate bonds. These synthetic fixed rates were lower than those available to the Authority from fixed rate obligations of comparable maturity. The proceeds of these transactions are generally used to make fixed rate mortgage loans. As the objective of the derivative instruments entered into was to hedge changes in cash flows for each bond series, they are classified as cash flow hedges.

Terms

The Authority has entered into amortizing interest rate swap agreements under the Bond Resolution in which the Authority owes a fixed payment to the counterparties of the swaps. In return, the counterparties owe the Authority a payment based on common indices such as the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") or the LIBOR Fallback Rate (SOFR) that is comparable to the rates required by the Authority's bonds. Only the net difference in interest payments is actually exchanged between the Authority and the counterparties. The Authority's amortizing interest rate swap agreements contain scheduled reductions to outstanding notional amounts that are projected to follow scheduled or anticipated reductions in bonds payable. The Authority did not pay or receive any cash when the swap transactions were initiated.

On October 23, 2020, the International Swaps and Derivatives Association (ISDA) published its LIBOR Fallbacks Protocol and Supplement to the 2006 ISDA Definitions in anticipation of the expected discontinuation of the London Interbank Offered Rate (LIBOR) at the end of 2021. While the use of the Protocol and the Supplement is voluntary, the Authority agreed and adhered to the Protocol on January 19, 2021 to avoid any market disruption. On November 30, 2020, the ICE Benchmark Administration and the Financial Conduct Authority announced that most tenors of US Dollar LIBOR including the 1 month and the 3 month, would continue to be published through June 30, 2023. Upon the occurrence of the cessation of LIBOR on June 30, 2023, all tenors of LIBOR were replaced by Fallback Rate (SOFR). Fallback Rate (SOFR) means the term adjusted SOFR plus the spread relating to the U.S. Dollar LIBOR, in each case, for a period of the designated maturity provided by Bloomberg Index Services Limited.

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2023 were as follows (in 000’s):

Associated Bond Issue	Effective Date	Notional Amount	Fixed Rate Paid	Variable Rate Received **	Fair Value	Termination Date	Counterparty Credit Rating *	Counterparty % of Total Outstanding
1998 Series D-4	7/1/98	$ 10,100	6.320%	100% 3M LIBOR	$ (182)	11/15/25		
2016 Series B-4	8/15/08	9,855	3.849%	67% 3M LIBOR	(1,283)	11/15/38		
2016 Series B-4	8/15/08	8,925	3.855%	67% 3M LIBOR	(811)	11/15/33		
2016 Series F-5	7/1/98	7,800	4.870%	100% 1W SIFMA	(889)	11/15/28		
2016 Series F-5	8/15/08	27,550	3.845%	67% 3M LIBOR	(2,484)	11/15/33		
2017 Series C-3 & 2018 Series C-3	7/11/01	14,530	4.310%	67% 1M LIBOR	(622)	5/15/32		
2018 Series C-3, 2018 Series C-4, 2018 Series E-2, 2017 Series C-3	11/15/18	20,383	2.471%	67% 3M LIBOR	1,707	11/15/48		
2021 Series C	7/11/01	8,610	5.820%	167% 1M LIBOR-SIFMA	(319)	11/15/27		
Total Bank of America, N.A.		107,753			(4,883)		A+/Aa1/AA	11.65%
2001 Series D-5	12/20/01	8,610	5.360%	167% 3M LIBOR-SIFMA	(181)	11/15/27		
2021 Series C	12/20/01	34,610	4.090%	67% 1M LIBOR	(2,110)	5/15/33		
2021 Series C	8/15/08	12,615	3.852%	67% 3M LIBOR	(382)	11/15/28		
2014 Series D-3	2/18/09	20,615	3.433%	67% 3M LIBOR	(1,291)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	5/15/18	44,395	2.248%	70% 3M LIBOR	4,288	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	2/18/09	57,350	3.430%	67% 3M LIBOR	(3,378)	11/15/38		
2018 Series B-3	6/4/18	8,560	2.500%	70% 3M LIBOR	1,668	11/15/48		
2022 Series A-3	3/24/22	15,000	2.173%	100% 1W SIFMA	499	5/15/31		
Total Bank of New York Mellon		201,755			(887)		AA-/Aa2/AA	21.82%
2021 Series C	6/5/02	23,190	5.740%	167% 1M LIBOR- SIFMA	(2,547)	5/15/33		
2018 Series C-3 & 2018 Series C-4	6/5/02	13,500	4.352%	67% 1M LIBOR	(973)	5/15/33		
2019 Series F-2	10/29/19	26,250	1.708%	100% 1W SIFMA	4,607	11/15/49		
Total Citibank, NA		62,940			1,087		A+/Aa3/A+	6.81%
2013 Series C, 2021 Series C	2/26/14	36,500	2.776%	100% 1M LIBOR	250	5/15/24		
2017 Series C-3 & 2017 Series F-3	8/1/02	30,600	3.981%	67% 1M LIBOR	(1,979)	5/15/33		
2018 Series C-3 & 2018 Series C-4	3/7/01	8,675	4.120%	67% 1M LIBOR	(497)	5/15/32		
2021 Series C	3/7/01	17,265	5.475%	167% 1M LIBOR-SIFMA	(1,495)	5/15/32		
Total Goldman Sachs Mitsui Marine		93,040			(3,721)		AA-/Aa2/NR	10.06%
2013 Series B-6 & 2016 Series E	6/15/15	30,135	2.0515%	67% 3M LIBOR	1,111	11/15/35		
2015 Series C	8/6/15	45,000	2.3625%	70% 1M LIBOR	3,246	11/15/45		
2016 Series A	11/16/15	40,000	2.1325%	67% 3M LIBOR	3,419	11/15/45		
2016 Series B-4	11/15/18	21,220	2.1400%	70% 1M LIBOR	2,274	11/15/46		
2016 Series E-3	8/25/16	25,685	1.7970%	67% 3M LIBOR	3,902	11/15/46		
2017 Series A-3	3/2/17	38,000	2.3350%	67% 3M LIBOR	3,120	11/15/47		
2019 Series A-2	3/5/19	5,000	1.8600%	67% 3M LIBOR	179	5/15/29		
2019 Series B-2 & 2019 Series B-3	5/9/19	25,125	1.9990%	67% 3M LIBOR	2,029	11/15/43		
2020 Series C-3	8/13/20	30,000	1.2660%	100% 1W SIFMA	7,198	11/15/50		
2022 Series C-2	7/21/22	15,000	2.9980%	100% 1W SIFMA	257	11/15/37		
Total Royal Bank of Canada		275,165			26,735		AA-/Aa1/AA-	29.74%
2014 Series C & 2020 Series E	12/17/20	26,475	0.723%	100% 1W SIFMA	3,016	11/15/30		
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	11/15/18	20,387	2.242%	67% 3M LIBOR	360	11/15/28		
2018 Series B-3	6/4/18	8,560	2.071%	70% 3M LIBOR	258	5/15/28		
Total TD Bank, NA		55,422			3,634		AA-/Aa2/AA-u	5.99%
2019 Series A-2 & 2019 Series A-3	3/5/19	18,500	2.290%	67% 3M LIBOR	1,491	5/15/49		
2019 Series D-3	8/8/19	26,230	1.4725%	67% 3M LIBOR	3,862	11/15/43		
Total US Bank		44,730			5,353		A+/A2/A+	4.84%
2016 Series F-5	11/15/16	13,150	1.820%	67% 3M LIBOR	2,595	11/15/46		
2017 Series F-3	10/4/00	16,200	5.397%	100% 1W SIFMA	(1,595)	11/15/31		
2021 Series C & 2020 Series A-3	3/2/06	32,185	3.4175%	67% 3M LIBOR	(1,654)	5/15/36		
2022 Series E-2	11/10/22	22,500	3.848%	100% 1W SIFMA	(1,201)	11/15/37		
Total Wells Fargo Bank, NA		84,035			(1,855)		A+/Aa2/AA-	9.09%
Portfolio Total		$ 924,840			$ 25,463			100.00%

* S&P/Moody's/Fitch
** As a result of the cessation of LIBOR on 6/30/23, all reference to LIBOR in this chart refers to the corresponding LIBOR Fallback Rate (SOFR).

The changes of fair value of outstanding swaps from December 31, 2022 to December 31, 2023 were as follows (in 000's):

Associated Bond Issue	Fair Value 12/31/2023	Fair Value 12/31/2022	Change in Fair Value
1998 Series D-4	$ (182)	$ (420)	$ 238
2016 Series B-4	(1,283)	(1,326)	43
2016 Series B-4	(811)	(859)	48
2016 Series F-5	(889)	(2,632)	1,743
2016 Series F-5	(2,484)	(854)	(1,630)
2017 Series C-3 & 2018 Series C-3	(622)	(736)	114
2018 Series C-3, 2018 Series C-4, 2018 Series E-2	1,707	1,340	367
2021 Series C	(319)	(541)	222
Total Bank of America, N.A.	(4,883)	(6,028)	1,145
2001 Series D-5	(181)	(341)	160
2021 Series C	(2,110)	(3,093)	983
2021 Series C	(382)	(500)	118
2014 Series D-3	(1,291)	(1,346)	55
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	4,288	3,946	342
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	(3,378)	(3,580)	202
2018 Series B-3	1,668	1,354	314
2022 Series A-3	499	1,001	(502)
Total Bank of New York Mellon	(887)	(2,559)	1,672
2021 Series C	(2,547)	(3,287)	740
2018 Series C-3 & 2018 Series C-4	(973)	(1,158)	185
2019 Series F-2	4,607	5,375	(768)
Total Citibank, NA	1,087	930	157
2013 Series C, 2021 Series C	250	881	(631)
2017 Series C-3 & 2017 Series F-3	(1,979)	(2,223)	244
2018 Series C-3 & 2018 Series C-4	(497)	(595)	98
2021 Series C	(1,495)	(1,995)	500
Total Goldman Sachs Mitsui Marine	(3,721)	(3,932)	211
2013 Series B-6 & 2016 Series E	1,111	1,292	(181)
2015 Series C	3,246	3,151	95
2016 Series A	3,419	3,353	66
2016 Series B-4	2,274	2,132	142
2016 Series E-3	3,902	3,669	233
2017 Series A-3	3,120	2,851	269
2019 Series A-2	179	222	(43)
2019 Series B-2 & 2019 Series B-3	2,029	1,968	61
2020 Series C-3	7,198	9,775	(2,577)
2022 Series C-2	257	744	(487)
Total Royal Bank of Canada	26,735	29,157	(2,422)
2014 Series C & 2020 Series E	3,016	4,118	(1,102)
2018 Series E-2, 2017 Series C-3, 2018 Series C-3	-		
& 2018 Series C-4	360	472	(112)
2018 Series B-3	258	311	(53)
Total TD Bank, NA	3,634	4,901	(1,267)
2019 Series A-2 & 2019 Series A-3	1,491	1,297	194
2019 Series D-3	3,862	3,930	(68)
Total US Bank	5,353	5,227	126
2016 Series F-5	2,595	2,035	560
2017 Series F-3	(1,595)	(1,578)	(17)
2021 Series C & 2020 Series A-3	(1,654)	(1,765)	111
2022 Series E-2	(1,201)	(681)	(520)
Total Wells Fargo Bank, NA	(1,855)	(1,989)	134
Portfolio Total	$ 25,463	$ 25,707	$ (244)

Fair Value

There is a multi-step process in determining the fair value of the Authority's swap portfolio. The first step is to determine the settlement price utilizing the Income Approach from "mid market" pricing data. Such data consists primarily of observable quotes from the over-the-counter swap markets that fall into Level 2 of the fair value hierarchy. The second step is to determine the credit valuation adjustment ("CVA"). The purpose of the CVA is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Default probabilities are derived from credit default swap quotes or generic ratings based on borrowing curves that fall into Level 2 of the fair value hierarchy. In the final step, to determine fair value, the settlement price is adjusted by the CVAs of both the reporting entity's and counterparty's payment obligations. The aggregate fair value of the Authority's swap agreements was $25,462,965 as of December 31, 2023.

Credit Risk

Credit exposure arises when the fair value of a swap is positive due to the obligation of the counterparty to make payment to the Authority in the event of termination. Counterparty credit risk is lessened due to the Authority's broad diversification approach and collateral posting rating requirement. For any new swap contract, the Authority's derivative transaction policy requires a counterparty to have credit ratings no lower than Aa3 by Moody's, AA- by S&P or AA- by Fitch. As of December 31, 2023, the fair value of approximately 63% of the agreements in the portfolio was positive. The Authority's existing counterparties have credit ratings ranging from A2 to Aa1 by Moody's, A+ to AA- by S&P and A+ to AA by Fitch.

Basis Risk

Basis risk is the risk that there may be a difference between the floating rate component of the swap, which is based on indices that consist of taxable or tax-exempt market-wide averages, and the rate on the Authority's variable rate bonds, which is based on that specific bond issue. CHFA's basis risk is within the Authority's acceptable tolerance levels.

Termination Risk

Counterparties to the Authority's interest rate swap agreements have default termination rights that may require settlement payments by the Authority or by the counterparty based on the fair value of the swap at the date of termination. As of December 31, 2023, no termination events requiring settlement payments have occurred.

Rollover Risk

The Authority's interest rate swap agreements have limited rollover risk because the swap agreements contain scheduled reductions to outstanding notional amounts which are expected to follow scheduled and anticipated reductions in the associated bonds payable. As of December 31, 2023, fifteen of the Authority's outstanding interest rate swap agreements provided the Authority with full or partial termination rights requiring no settlement payments to accommodate unexpected faster paydowns of the associated bonds as a result of higher repayment of home mortgage loans.

Contingencies

Thirty-five of the Authority's forty-two interest rate swap agreements (outstanding notional amount $772,380,000, fair value $33,069,885) at December 31, 2023, require the Authority to post collateral in the event that the fair value of the interest rate swap falls below specific declining thresholds based on declines in the Authority's credit rating. As of December 31, 2023, the Authority's ratings remain at AAA/Aaa (S&P/Moody's) and therefore, was not required to post collateral for any of its outstanding swaps.

Refunding Bonds

The schedule below summarizes the cash flow savings and economic gain resulting from the Authority's issuance of fixed rate refunding bonds under the Bond Resolution in 2023 and 2022:

Refunded Issue (s)	Refunding Issue	Cash Flow Savings Over Life of Refunding Issue	Economic Gain Over Life of Refunding Issue
2023			
NONE			
2022			
2010 Series G	2022 Series A Subseries A-2	$ 1,011,311	$ 560,916

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2023 and 2022 were as follows (in 000's):

	Balance January 1, 2023	Increase	Decrease	Balance December 31, 2023
Escrow deposits	$ 199,346	$ 50,076	$ (85,612)	$ 163,810
Bonds payable, publicly offered	3,805,980	561,126	(290,889)	4,076,217
Bonds payable, direct placement	404,565		(15,972)	388,593
Net OPEB liability	51,273	37,913	(37,063)	52,123
Net pension liability	50,111	8,140	(16,291)	41,960
	$ 4,511,275	$ 657,255	$ (445,827)	$ 4,722,703

	Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022
Escrow deposits	$ 155,674	$ 89,360	$ (45,688)	$ 199,346
Bonds payable, publicly offered	3,530,245	661,540	(385,805)	3,805,980
Bonds payable, direct placement	520,811	31,554	(147,800)	404,565
Derivative instruments-interest rate swaps	118,936		(118,936)	
Net OPEB liability	77,331	14,788	(40,846)	51,273
Net pension liability	64,880	1,686	(16,455)	50,111
	$ 4,467,877	$ 798,928	$ (755,530)	$ 4,511,275

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Authority reports interfund balances among its funds which are reflected on the combining schedule of net position as "due from/due to other funds/component units". These balances generally consist of accruals of various revenues or expenses due to a fund, but received or paid to another, and transfers between funds to meet liquidity requirements. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements. The composition of interfund balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General and Capital Reserve Fund	Multifamily Real Estate Owned	$ 2,300,000
	Multifamily Special Obligation Bond Fund	120,703
		$ 2,420,703

During the year, operating transfers are used to reallocate or move resources from one fund to another and are reflected on the combining schedule of revenues, expenses and changes in net position.

NOTE 11 – ARBITRAGE REBATES

On certain bond issues, the Authority's earnings from the investment of bond proceeds are limited per Federal Income Tax rules. Yields in excess of Federal Limits are payable to the U.S. Treasury and are recorded as a liability. As of December 31, 2023, the Authority had arbitrage rebate liabilities totaling $2,928,000 reported in the statements of net position as a component of "escrow deposits and unearned revenue". The net effect of changes in this liability are recorded as increases or reductions of "interest on investments" in the statement of revenues, expenses and changes in net position.

NOTE 12 - NET POSITION

Net position consisted of the following (in 000's):

	December 31, 2023	December 31, 2022
General and Capital Reserve Funds:		
Net investment in capital assets	$ 4,161	$ 4,605
General and Capital Reserve Funds	716,207	659,124
Other Funds:		
Housing Mortgage Insurance Fund	3,949	3,747
Multifamily Special Obligation Bond and Other Bond Funds	3,786	3,412
Special Needs Housing Funds	42,226	36,907
Qualified Energy Conservation Bonds	705	610
Component Units:		
CHFA-Small Properties, Inc.	1,713	1,911
	$ 772,747	$ 710,316

NOTE 13 - PENSION PLAN

Plan Description

Eligible employees of the Authority participate in the Connecticut State Employees' Retirement System ("SERS") which is administered by the State Employees' Retirement Commission. SERS is a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS") established in 1939 and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes. Detailed information about the total Plan's funding status and progress, contributions required and fiduciary net position can be found in the Connecticut State Employees' Retirement System GASB Statement 68 Report available at www.osc.ct.gov/rbsd/reports/index.html.

SERS provides retirement, disability and health benefits, and annual cost-of-living allowances to plan members and their beneficiaries. Employees are covered under one of five tiers. All Authority employees are classified as non-hazardous duty. A summary of plan benefits and required contributions for non-hazardous duty members is represented in the following table:

	Tier I	Tier II	Tier IIA	Tier III	Tier IV
Eligibility - hire date	Prior to July 1, 1984	On or after July 1, 1984	On or after July 1, 1997	On or after July 1, 2011	On or after July 1, 2017
Final Average Earnings (FAE)	Average Salary of 3 highest paid years of service	Average Salary of 3 highest paid years of service		Average Salary of 5 highest paid years of service	
Benefit	Plan B 2% of FAE x years of service up to age 65. Thereafter, 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800. At age 70, greater of 1.25% of FAE up to $4,800 plus 2.5% of FAE in excess of $4,800 x years of service or 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800 x years of service. Plan C 2% of FAE x years of service. At age 70, greater of 2.5% of FAE x years of service (max 20 years) or 2% of FAE x years of service.	1.4 % of FAE plus 0.433% of FAE in excess of breakpoint x years of service up to a max of 35 years plus 1.625% of FAE x years of service over 35 years			1.3% of FAE x years of service
Vesting	10 years of service	5 years of service	5 years of service	10 years of service	10 years of service
Normal Retirement	Age 55 with 25 years Age 60 with 10 years Age 70 with 5 years	If eligible for retirement prior to July 1, 2022 Age 62 with 10 years Age 60 with 25 years Age 70 with 5 years If NOT eligible for retirement prior to July 1, 2022 Age 65 with 10 year Age 63 with 25 years Age 70 with 5 years		Age 63 with 25 years Age 65 with 10 years	Age 63 with 25 years Age 65 with 10 years
Early Retirement	Age 55 with 10 years	Age 55 with 10 years	Age 55 with 10 years	Age 58 with 10 years	Age 58 with 10 years
Member Contributions (prior to 7/1/17)	Plan B 2% of earnings up to social security wage base plus 5% of earnings above that level Plan C 5% of earnings	None	2% of earnings	2% of earnings	n/a
Member Contributions (Effective 7/1/17 - 6/30/19)	Plan B 3.5% of earnings up to social security wage base plus 5% of earnings above that level Plan C 6.5% of earnings	1.5% of earnings	3.5% of earnings	3.5% of earnings	* 5% of earnings
Member Contributions (Effective 7/1/19)	Plan B 4.0% of earnings up to social security wage base plus 5% of earnings above that level Plan C 7.0% of earnings	2.0% of earnings	4.0% of earnings	4.0% of earnings	* 5% of earnings

* *In years where plan asset losses require further increases in contributions, Tier IV employees' contributions may increase by half the necessary increase in rates (up to 2%). All Tier IV employees must contribute 1% to the Defined Contribution (DC) portion of the Hybrid Plan and may elect additional contributions of up to 3% of salary to the DC portion. Effective July 1, 2023 through June 30, 2024, retirement contributions for Tier IV members increased 2% (from 5% to 7%). This increase is temporary and is a result of less than expected performance of plan assets. Asset performance will be re-evaluated during 2024 and any adjustment of employee contributions will be made at that time.*

The 2011 State Employees Bargaining Agent Coalition Agreement (Agreement) provides current Tier II and Tier IIA members who remain employed after July 1, 2022, the opportunity for a one-time irrevocable election to retain the normal retirement eligibility in place prior to the Agreement. The election would require an additional employee contribution based on their original eligible retirement date. Under the prior agreement, normal retirement eligibility was age 60 and 25 years of service or age 62 and 10 years of service. All plans provide for death and disability benefits.

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but requires employee contributions 3% higher than the contribution required from the applicable Tier II/IIA/III plan. The State is required to contribute at an actuarially determined rate.

The Authority's contractually required contribution rates for the years ended December 31, 2023 and 2022 were 45.20% and 45.52%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $6,597,741 and $6,474,089 for the years ended December 31, 2023 and 2022, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of December 31, 2023 and 2022, the Authority reported a liability of $41,959,538 and $50,110,693 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the plan relative to the projected contributions of all participating governmental units. The Authority's proportion was 0.20227% as of June 30, 2023.

For the year ended December 31, 2023, the Authority recognized pension expense of $959,271. At December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,386,665	$
Change of assumptions		42,654
Net difference between projected and actual earnings on pension plan investments	798,018	
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,182,501	16,017,589
Contributions subsequent to the measurement date	3,119,352	
	$ 9,486,536	$ 16,060,243

Of the total amount reported as deferred outflows of resources related to pensions, $3,119,352 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2024	$ (3,009,295)
2025	(3,293,792)
2026	(2,074,199)
2027	(1,182,544)
2028	(133,229)
	$ (9,693,059)

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2023. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.00% - 11.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

Assumed rates of mortality were obtained from the Pub-2010 Mortality Tables projected generationally with scale MP-2020. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2023 was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as the what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of net pension liability	$ 52,080,072	$ 41,959,538	$ 33,522,952

Fiduciary Plan Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report of the State of Connecticut.

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The State provides postemployment healthcare and life insurance benefits in accordance with State statutes, Section 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Authority. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the Plan), a cost sharing single-employer defined benefit plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements, however, financial statements for the Plan are included as part of the State of Connecticut's Annual Comprehensive Financial Report that is publicly available online at https://www.osc.ct.gov/reports/.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan.

Benefits Provided

When employees retire, the State pays up to 100% of their healthcare insurance premium cost (including dependents' coverage), depending on the plan. The State currently pays up to 20% of the cost for retiree dental insurance (including dependents' coverage) depending on the plan. In addition, the State pays 100% of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at the time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than $10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest $100 of coverage. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as you-go basis through an appropriation in the State's General Fund.

Contributions

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and SEBAC, all employees shall pay a 3% retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. Participants of Tier I, Tier II and Tier IIA shall be required to have 10 years of actual state service to be eligible for retirement health insurance. Participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement. Contributions made by the Authority in 2023 and 2022 totaled $3,115,192 and $2,805,206. Contributions made by employees in 2023 and 2022 totaled $540,510 and $481,274.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023 and 2022, the Authority reported a liability of $52,122,667 and $51,272,846 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2023 relative to all other contributing employers. The Authority's proportion was 0.366272% as of June 30, 2023.

For the year ended December 31, 2023, the Authority recognized OPEB expense of ($1,002,337). At December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 4,814,256	$ 26,236,238
Net difference between projected and actual earnings on OPEB plan investments	358,306	
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	8,160,434	5,532,633
Employer contributions to the plan subsequent to the measurement date	1,472,835	
Difference between expected and actual experience in the total OPEB liability	697,409	1,176,875
	$ 15,503,240	$ 32,945,746

Of the total amount reported as deferred outflows of resources related to OPEB, $1,472,835 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense as follows:

Year Ending December 31,		
2024	$	(5,531,999)
2025		(6,883,297)
2026		(5,978,490)
2027		(594,359)
2028		72,804
	$	(18,915,341)

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using key actuarial assumptions summarized as follows:

Payroll growth rate	3.00%
Salary increases	3.00% - 11.5% varying by years of service
Discount rate	4.46% as of June 30, 2023 3.90% as of June 30, 2022
Healthcare cost trend rates:	
Medical & Prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

Assumed rates of mortality were obtained from the Pub-2010 Above Median Mortality Tables (Amount-Weighted) projected generationally with MP-2020 improvement scale. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by an actuarial analysis. The June 30, 2023 target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.65% as of June 30, 2023 and 3.54% as of June 30, 2022). The final discount rate used to measure the total OPEB liability was 4.46% as of June 30. 2023. The blending is based on the sufficiency of projected assets to make projected benefit payments.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 4.46%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease (3.46%)	Discount Rate (4.46%)	1% Increase (5.46%)
Authority's proportionate share of net OPEB liability	$ 60,895,955	$ 52,122,667	$ 44,984,677

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rate as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of net OPEB liability	$ 43,462,683	$ 52,122,667	$ 63,067,339

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The Authority is a party to financial instruments with risk in connection with its commitments to provide financing that is not included on the statement of net position. These expose the Authority to credit risk in excess of the amount recognized on the statement of net position. The Authority's exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of those instruments. The Authority uses the same credit policies in making commitments and conditional obligations as it does for instruments that are included on the statement of net position. Total credit exposure is summarized below (in 000's):

	2023	2022
Mortgage Loan Commitments:		
Home Mortgage Program Purchases	$ 224,315	$ 136,829
Multifamily Development Loans	155,622	69,849
Reverse Annuity Mortgage	21	38
Emergency Mortgage Assistance (EMAP)	1,607	1,711
Time to Own (TTO)	8,049	8,123
	$ 389,614	$ 216,550

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Authority evaluates each borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Authority upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held is primarily residential and multifamily properties. Interest rates on approved mortgage loan commitments are fixed.

CHFA has funds committed for initiatives other than mortgage loans.

CHFA is involved in certain litigation and disputes incidental to its operations. Because it is generally difficult to predict the outcome of lawsuits, CHFA cannot give any assurance as to the outcome of such litigation. Based on the information it presently possesses, however, it is management's judgment that such litigation will not have a material adverse impact upon the financial condition of the Authority.

The Authority offers mortgage insurance through the CHFA Insurance Fund. CHFA mortgage insurance is permitted on a case-by-case basis when FHA insurance and VA guarantees are not available and PMI insurance is either not available for the home or has been declined for a reason that would not prevent CHFA from issuing an insurance commitment. The CHFA Insurance Fund receives annual premiums from participating borrowers. The accumulation of these premiums is used to fund any claims. Premiums are collected until the LTV reaches certain thresholds at which such time the insurance coverage is terminated. As of December 31, 2023 and December 31, 2022, the Authority had $7,528,000 and $7,404,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2023 and 2022, there were no claims paid from the CHFA Insurance Fund.

NOTE 16 – GRANT PROGRAMS

Pursuant to Public Act No. 05-228 (CIA), the Authority was receiving a 25% distribution of funds held in the State of Connecticut's land protection, affordable housing and historic preservation account for the purpose of supplementing new or existing affordable housing programs. Effective May 28, 2014, and pursuant to Public Act No. 14-45 passed on said date, distribution of these funds was redirected to the State of Connecticut's Department of Housing. The Authority is currently spending down the funds received in prior years.

The rights of certain property owners are protected in Connecticut foreclosure actions by § 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Payment ("EMAP") Program. These provisions allow homeowners the opportunity to avoid foreclosure by enabling them to obtain financial assistance from the State, acting through the Authority. A qualified homeowner may obtain funds under this program to bring a delinquent mortgage current, and may also obtain assistance with subsequent mortgage payments to a maximum period of 60 months. The program is governed by the relevant statutes and pursuant to a memorandum of understanding between the Authority and the State of Connecticut, Office of Policy and Management. Unspent funds are held by the Authority in escrow until expended on the program. Only when funds are spent are they recognized as program revenue and expenses. During 2011, the Authority issued $20,000,000 in conduit debt under its Special Needs Indenture in support of the EMAP Program. Debt service on these bonds is paid by the State of Connecticut.

In 2023 and 2022, the Authority received $207,000 and $160,000, respectively, in Comprehensive Counseling ("CC") grant funds from the U.S. Department of Housing and Urban Development; the purpose being to provide counseling and advice to tenants and homeowners to assist them in improving their housing conditions and fulfilling the responsibilities of tenancy or homeownership. The funds were made available through Section 106 of the Housing and Urban Development Act of 1968 and Section 4 of the Department of Housing and Urban Development Act as amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the use of which is subject to the terms and conditions of the grant agreement.

The Qualified Energy Conservation Bond ("QECB") program was established under the Economic Stabilization Act of 2008 ("Act") and is governed by certain provisions of the Internal Revenue Code of 1986, as amended ("Code"). Pursuant to the Act and Code, QECBs are qualified tax credit bonds where the U.S. Treasury subsidizes a portion of the bond interest payment equal to 70% of the tax credit bond rate. The interest subsidy due or received in 2023 and 2022 was $191,000 and $204,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative back in 2016. In furtherance of reaching this goal, the Authority committed to contributing $5,000,000 over ten years to fund supportive housing rental subsidies. The funding is to be made first from State funds on hand resulting from CHFA's administration of the State's supportive housing program. Once the designated State funds are exhausted, Financing Adjustment Factor (FAF) funds obtained from an agreement between the Authority and U.S. Department of Housing and Urban Development (HUD) will be used to fund the balance of the subsidy. In 2023 and 2022, the Authority funded $500,000 each year towards this commitment. $2.25 million remains committed to be spent on this program in future years.

The Authority maintains a Small Multifamily Lending Program (the SML Program) which provides loans through community development financial institutions for the acquisition, rehabilitation or long-term financing of small multifamily properties having 3 to 20 units. The State of Connecticut Office of Policy and Management (OPM) has partnered with CHFA to promote the SML Program, with a focus on providing loans in areas near transit stations and in neighborhoods served by public transportation. The partnership provides CHFA to contribute up to $5,000,000; with OPM contributing equivalent matching funds. CHFA and OPM each contributed $2,000,000 during 2023.

Section 3206 of the American Rescue Plan Act of 2021, authorized the U.S. Department of the Treasury to help mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities under the Homeowner Assistance Fund Program (HAF). Program funds were used to assist qualified applicants with payment of delinquent mortgage payments including principal, interest, taxes and other costs the loan servicers incurred to bring the loan current. The Authority received $12,314,000 in HAF funds during 2021. In 2022, $110,823,000 in additional grant funds were received. Under current guidelines, the program will run through September 30, 2026 or until funds are exhausted. The Authority anticipates committing the $16.4 million in remaining grant funds on hand as of December 31, 2023 before the end of 2024.

During 2021, the Authority created an Opportunity Fund (OF), using a portion of CHFA's excess revenues from its bond program. The Opportunity Fund supports programs and mission driven initiatives that are in need of additional financing in order to move forward. During 2021, the Authority contributed $50,000 from the OF in support of the Housing and Community Development Leadership Institute established to train community development professionals in the fields of housing and community development, in order to develop leadership and production skills in these areas. $50,000 in additional funds were contributed to this program during 2023.

Housing Stability Counseling Program (HSCP) funds were made available through the American Rescue Plan Act of 2021 to help communities recover from the economic impact of the COVID-19 pandemic. NeighborWorks America, a public, Congressionally-chartered nonprofit organization, was in direct receipt of this federal appropriation. CHFA was subsequently awarded grant funds from NeighborWorks. The purpose of the grant is to support the Authority in the delivery of housing counseling services to homeowners facing housing instability such as loss of income that caused or could cause default, foreclosure or homelessness. $428,000 in grant funds were spent during 2022. The remaining grant funds in the amount of $216,000 were spent during 2023.

One of the significant obstacles to homeownership is a potential homebuyer's inability to cover the down payment and closing costs required to purchase a home. To address this obstacle, in December 2021, the Connecticut State Bond Commission allocated $20,000,000 to create a First Time Homebuyers Assistance Program ("Program") to the Connecticut Department of Housing which in turn requested the Authority to administer and implement the Program. The Program was named "Time to Own" and provides downpayment assistance to eligible applicants. The Program provides assistance of up to 25% of the cost of a home, up to a maximum of $50,000. Program loans are non-amortizing (deferred), with a 10-year term and a 0% interest rate. 10% of the loan balance is forgiven on each anniversary of the loan closing until fully forgiven. The program has received an additional funding commitment of $135,000,000, $85,000,000 of which was received during 2023.

Activity under these programs for the years ended December 31, 2023 and 2022 is summarized below (in 000's):

	2023 Program Funding	2023 Program Expenses	Net
EMAP	595	595	
CC	207	207	
QECB	191	191	
ZERO 16		500	(500)
SML PROGRAM	2,000		2,000
HAF	79,239	79,239	
OF		50	(50)
HSCP	216	216	
TIME TO OWN	66,998	66,998	
	$ 149,446	$ 147,996	$ 1,450

	2022 Program Funding	2022 Program Expenses	Net
PA 05-228	$	$ 112	$ (112)
EMAP	246	246	
CC	160	160	
QECB	204	204	
ZERO 16		500	(500)
FHLB-DAP	100		100
HAF	25,179	25,179	
HSCP	428	428	
TIME TO OWN	18,744	18,744	
	$ 45,061	$ 45,573	$ (512)

NOTE 17 - RISK MANAGEMENT

The Authority is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There are no pending claims against the Authority as of December 31, 2023. There have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

NOTE 18 - SUBSEQUENT EVENTS

On March 12, 2024, the Authority issued 2024 Series A fixed rate bonds in the amount of $197,195,000 under the Bond Resolution. The bond proceeds are to be used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single-family whole loans and mortgage backed securities.

On March 14, 2024, the Authority issued 2024 Series B fixed rate bonds in the amount of $50,000,000 under the Bond Resolution. This was a taxable direct placement with TD Bank. The proceeds are to be used as warehouse funding for primarily multifamily construction loans.

On November 15, 2023, Bloomberg Index Services Limited (BISL) announced the future permanent cessation of all tenors of the Bloomberg Short -Term Bank Yield Index (BSBY). The cessation will take effect immediately following publication of BSBY on Friday, November 15, 2024. The Authority intends to replace BSBY before cessation. The replacement index for the impacted bond in the Authority's portfolio will be one-month term SOFR plus 10 basis points plus an applicable spread of 56 basis points.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST TEN YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.20227%	0.22723%	0.30512%	0.29711%	0.33545%	0.31308%	0.31830%	0.30322%	0.39732%	0.34574%
Proportionate share of the net pension liability	$ 41,959,538	$ 50,110,693	$ 64,880,119	$ 70,480,100	$ 76,523,904	$ 67,896,479	$ 67,069,565	$ 69,628,178	$ 65,653,502	$ 55,368,069
Covered payroll	$ 14,597,232	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	287.45%	352.32%	500.99%	535.54%	578.56%	512.19%	504.08%	546.73%	529.34%	477.31%
Plan fiduciary net position as of percentage of total pension liability	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST TEN YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 6,597,741	$ 6,474,089	$ 5,452,202	$ 4,802,267	$ 5,294,507	$ 4,517,904	$ 4,909,189	$ 4,553,783	$ 5,449,857	$ 4,387,091
Amount contributed in relation to contractually required contribution	6,597,741	6,474,089	5,452,202	4,802,267	5,294,507	4,517,904	4,909,189	4,553,783	5,449,857	4,387,091
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,597,232	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Contributions as a percentage of covered employee payroll	45.20%	45.52%	42.10%	36.49%	40.03%	34.08%	36.90%	35.76%	43.94%	37.82%

Notes to Schedule

Changes in assumptions:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Investment rate of return (net of pension plan investment expense, including inflation)	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%
Salary increases	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	4.00% - 20.0%	4.00% - 20.0%
Cost of living adjustments	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	2.25% - 3.25%	2.30% - 3.60%	2.30% - 3.60%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST EIGHT YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.366272%	0.330831%	0.320431%	0.349907%	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	$ 52,122,667	$ 51,272,846	$ 77,331,488	$ 82,371,279	$ 78,547,288	$ 63,147,471	$ 67,722,049	$ 65,649,161
Covered payroll	$ 14,597,232	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	357.07%	360.49%	597.13%	625.89%	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	15.79%	12.63%	8.35%	6.13%	5.99%	4.69%	3.03%	1.94%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES' OTHER POST EMPLOYMENT BENEFIT PLAN
LAST EIGHT YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,115,192	$ 2,805,206	$ 2,781,565	$ 3,034,471	$ 3,152,196	$ 2,933,060	$ 2,603,173	$ 2,317,169
Amount contributed in relation to contractually required contribution	3,115,192	2,805,206	2,781,565	3,034,471	3,152,196	2,933,060	2,603,173	2,317,169
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,597,232	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Contributions as a percentage of covered employee payroll	21.34%	19.72%	21.48%	23.06%	23.83%	22.13%	19.56%	18.19%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in assumptions:

	2023	2022	2021	2020	2019	2018	2017	2016
Payroll growth rate	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%
Salary increases	3.00% - 11.5%	3.00% - 11.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%
Discount rate	4.46%	3.90%	2.31%	2.38%	3.58%	3.95%	3.68%	3.74%
Health care cost trend rates:								
Medical	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	5.00%
Prescription drug	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	10.0% graded to 5.0% over 5 years
Dental and Part B	3.0% / 4.5%	3.0% / 4.5%	3.0% / 4.5%	3.0% / 4.5%	4.50%	4.50%	4.50%	5.00%
Administrative expense	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	$250 per participant

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2023
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets								
Restricted current assets:								
Cash and cash equivalents	$ 723	$	$	$ 8	$	$	$	$ 731
Mortgage loans receivable	112,501		776	5,382	466			119,125
Investments in securities	1,076,539	3,931	8,277	80,069	1,226	1,320		1,171,362
Real estate owned - multifamily						2,300		2,300
Accrued interest receivable on:								
Mortgage loans	9,101		186	292	15			9,594
Securities	12,752	18	40	378		6		13,194
Due from other funds/component units	2,421						(2,421)	
Accounts receivable and other assets	98,700			781		558		100,039
Total current assets	1,312,737	3,949	9,279	86,910	1,707	4,184	(2,421)	1,416,345
Restricted noncurrent assets:								
Mortgage loans receivable, net of current portion	2,281,895		45,803	55,078	6,257			2,389,033
Investments in securities, net of current portion	2,443,572			986				2,444,558
Derivative instruments - interest rate swaps	25,463							25,463
Capital assets, net of depreciation	4,161							4,161
Real estate owned - single family	1,608							1,608
Total noncurrent assets	4,756,699		45,803	56,064	6,257			4,864,823
Total assets	6,069,436	3,949	55,082	142,974	7,964	4,184	(2,421)	6,281,168
Deferred Outflows of Resources								
Unamortized deferral on bond refundings	53,873							53,873
Deferred amount for OPEB	15,503							15,503
Deferred amount for pensions	9,487							9,487
Total deferred outflows of resources	78,863							78,863
Liabilities								
Current liabilities:								
Escrow deposits and unearned revenue	126,769		905	6,768	584			135,026
Due to other funds/component units			121			2,300	(2,421)	
Accrued interest payable	19,448		43	85	29			19,605
Accounts payable and accrued liabilities	6,555		15	876		171		7,617
Line of credit payable	125,000							125,000
Bonds payable	352,585		890	3,120	483			357,078
Total current liabilities	630,357		1,974	10,849	1,096	2,471	(2,421)	644,326
Noncurrent liabilities								
Escrow deposits and unearned revenue, net of current portion	126,509		3,277	34,024				163,810
Bonds payable, net of current portion	4,356,727		46,045	55,875	6,163			4,464,810
Net OPEB liability	52,123							52,123
Net pension liability	41,960							41,960
Total noncurrent liabilities	4,577,319		49,322	89,899	6,163			4,722,703
Total liabilities	5,207,676		51,296	100,748	7,259	2,471	(2,421)	5,367,029
Deferred Inflows of Resources								
Deferred amount for OPEB	32,946							32,946
Deferred amount for pensions	16,060							16,060
Derivative financial Instruments	171,249							171,249
Total deferred inflows of resources	220,255							220,255
Net Position								
Net investment in capital assets	4,161							4,161
Restricted by bond indentures and/or enabling legislation	716,207	3,949	3,786	42,226	705	1,713		768,586
Total Net Position	$ 720,368	$ 3,949	$ 3,786	$ 42,226	$ 705	$ 1,713	$	$ 772,747

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2022
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets								
Restricted current assets:								
Cash and cash equivalents	$ 1,047	$	$	$ 4	$	$	$	$ 1,051
Mortgage loans receivable	115,953		741	4,921	435			122,050
Investments in securities	1,376,836	3,733	7,773	73,243	1,070	1,241		1,463,896
Real estate owned - multifamily						2,300		2,300
Accrued interest receivable on:								
Mortgage loans	10,053		188	303	10			10,554
Securities	10,243	14	28	275		5		10,565
Due from other funds/component units	2,418						(2,418)	
Accounts receivable and other assets	55,178			772	100	804		56,854
Total current assets	1,571,728	3,747	8,730	79,518	1,615	4,350	(2,418)	1,667,270
Restricted noncurrent assets:								
Mortgage loans receivable, net of current portion	2,272,349		46,579	58,341	6,723			2,383,992
Investments in securities, net of current portion	1,973,000			1,035				1,974,035
Derivative instruments - interest rate swaps	25,707							25,707
Capital assets, net of depreciation	4,605							4,605
Real estate owned - single family	2,274							2,274
Total noncurrent assets	4,277,935		46,579	59,376	6,723			4,390,613
Total assets	5,849,663	3,747	55,309	138,894	8,338	4,350	(2,418)	6,057,883
Deferred Outflows of Resources								
Unamortized deferral on bond refundings	61,847							61,847
Deferred amount for OPEB	15,202							15,202
Deferred amount for pensions	13,120							13,120
Total deferred outflows of resources	90,169							90,169
Liabilities								
Current liabilities:								
Escrow deposits and unearned revenue	97,774		902	5,718	583			104,977
Due to other funds/component units			118			2,300	(2,418)	
Accrued interest payable	17,638		44	88	31			17,801
Accounts payable and accrued liabilities	6,390		11	844		139		7,384
Line of credit payable	180,425							180,425
Bonds payable	385,375		852	3,010	468			389,705
Total current liabilities	687,602		1,927	9,660	1,082	2,439	(2,418)	700,292
Noncurrent liabilities								
Escrow deposits and unearned revenue, net of current portion	162,923		3,091	33,332				199,346
Bonds payable, net of current portion	4,098,025		46,879	58,995	6,646			4,210,545
Net OPEB liability	51,273							51,273
Net pension liability	50,111							50,111
Total noncurrent liabilities	4,362,332		49,970	92,327	6,646			4,511,275
Total liabilities	5,049,934		51,897	101,987	7,728	2,439	(2,418)	5,211,567
Deferred Inflows of Resources								
Deferred amount for OPEB	37,661							37,661
Deferred amount for pensions	17,015							17,015
Derivative financial Instruments	171,493							171,493
Total deferred inflows of resources	226,169							226,169
Net Position								
Net investment in capital assets	4,605							4,605
Restricted by bond indentures and/or enabling legislation	659,124	3,747	3,412	36,907	610	1,911		705,711
Total Net Position	$ 663,729	$ 3,747	$ 3,412	$ 36,907	$ 610	$ 1,911	$ -	$ 710,316

EXHIBIT II

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues								
Interest on mortgage loans	$ 107,897		2,187	3,534	190			$ 113,808
Interest on investments	124,891	195	258	2,105		65	(1,365)	126,149
Fees and other income	13,951	7		10		(263)		13,705
Total operating revenues	246,739	202	2,445	5,649	190	(198)	(1,365)	253,662
Operating Expenses								
Interest	147,883		1,885	1,947	95		(1,365)	150,445
Bond issuance costs	5,526							5,526
Servicer fees	20,855							20,855
Administrative	38,719							38,719
Provision for loss reserves	19,895							19,895
Total operating expenses	232,878		1,885	1,947	95		(1,365)	235,440
Operating Income (Loss)	13,861	202	560	3,702	95	(198)		18,222
Nonoperating Revenues (Expenses)								
Actuarial assumption changes pension and OPEB	9,639							9,639
Net decrease in the fair value of investments	33,129			(9)				33,120
State and federal program funding	148,660			595	191			149,446
State and federal program expenses	(147,210)			(595)	(191)			(147,996)
Nonoperating income (loss)	44,218			(9)				44,209
Income (Loss) before Transfers	58,079	202	560	3,693	95	(198)		62,431
Operating Transfers In (Out)	(1,440)		(186)	1,626				
Change in Net Position	56,639	202	374	5,319	95	(198)		62,431
Net Position - Beginning of Year	663,729	$ 3,747	$ 3,412	$ 36,907	$ 610	$ 1,911	$	710,316
Net Position - End of Year	$ 720,368	$ 3,949	$ 3,786	$ 42,226	$ 705	$ 1,713	$	$ 772,747

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues								
Interest on mortgage loans	$ 109,582		2,218	3,650	202			$ 115,652
Interest on investments	79,778	64	83	730		16	(1,371)	79,300
Fees and other income	12,531	13				613		13,157
Total operating revenues	201,891	77	2,301	4,380	202	629	(1,371)	208,109
Operating Expenses								
Interest	120,974		1,903	1,997	105		(1,371)	123,608
Bond issuance costs	6,308							6,308
Servicer fees	12,144							12,144
Administrative	35,800							35,800
Provision for loss reserves	1,140							1,140
Total operating expenses	176,366		1,903	1,997	105		(1,371)	179,000
Operating Income	25,525	77	398	2,383	97	629		29,109
Nonoperating Revenues (Expenses)								
Actuarial assumption changes pension and OPEB	12,611							12,611
Net decrease in the fair value of investments	(342,952)			(200)				(343,152)
State and federal program funding	44,611			246	204			45,061
State and federal program expenses	(45,123)			(246)	(204)			(45,573)
Nonoperating loss	(330,853)			(200)				(331,053)
Income (Loss) before Transfers	(305,328)	77	398	2,183	97	629		(301,944)
Operating Transfers In (Out)	(2,816)		(189)	3,005				
Change in Net Position	(308,144)	77	209	5,188	97	629		(301,944)
Net Position - Beginning of Year	971,873	3,670	3,203	31,719	513	1,282		1,012,260
Net Position - End of Year	$ 663,729	$ 3,747	$ 3,412	$ 36,907	$ 610	$ 1,911	$	$ 710,316

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