CONNECTICUT HOUSING FINANCE AUTHORITY

FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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CONNECTICUT HOUSING FINANCE AUTHORITY

CONTENTS

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Independent Auditors' Report

To the Board of Directors
Connecticut Housing Finance Authority
Rocky Hill, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Connecticut Housing Finance Authority, a component unit of the State of Connecticut, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Connecticut Housing Finance Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Connecticut Housing Finance Authority as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the fiscal year ended December 31, 2019, Connecticut Housing Finance Authority adopted new accounting guidance, GASB Statement No. 88, *Certain Disclosures related to Debt, including Direct Borrowings and Direct Placements.* Our opinion is not modified with respect to this matter.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Connecticut Housing Finance Authority's basic financial statements. The supplementary information listed on the table of contents (combining schedules of net position and revenues, expenses and changes in net position) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements 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 2, 2020 on our consideration of Connecticut Housing Finance 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 Connecticut Housing Finance 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 Connecticut Housing Finance Authority's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
April 2, 2020

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, 2019 and 2018. 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

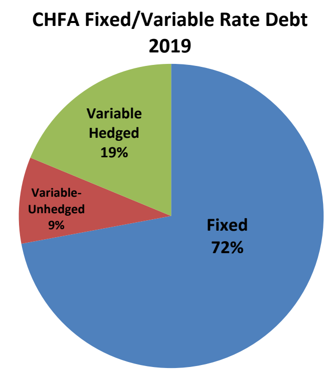
Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's 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, 2019

During 2019, the Authority closed $525.5 million in single family loans bringing homeownership to 2,877 homebuyers. Through new construction and/or rehabilitation, the Authority financed 701 affordable multifamily units for a total investment commitment of $112.8 million.

During 2019, the Authority issued six series of Housing Mortgage Finance Program Bonds generating $765 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs. The Authority was able to restructure and refund approximately $168 million in outstanding bonds to reduce interest rates. As loan production remains strong, the Authority is becoming more constrained to meet demands and in its ability to issue tax exempt debt due to volume cap limitations. In an effort to preserve volume cap, the Authority issued taxable bonds totaling $69.6 million during 2019. By combining these issues with new tax exempt debt, using a strategic mix of fixed rates, variable rates and the use of derivatives, the Authority remains able to offer below market interest rates on new mortgages for its borrowers.



Investment earnings continued to increase during 2019 as the vast majority of new single-family loans continue to be securitized. This trend is expected to decelerate during 2020 due to the recent changes made to the FNMA HFA Preferred and the FHLMC HFA Advantage Programs. To adjust for the newly instituted loan level price adjustments on certain loans delivered through the HFA Preferred and HFA Advantage Programs, the Authority will be limiting program eligibility to certain applicants. The loans that would have been previously securitized under old program rules, will instead be taken into the Authority's portfolio as whole loans.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was implemented in 2019. The implementation resulted in additional disclosures related to the status of a stand-by letter of credit and the separate reporting of debt that has been directly placed from publicly offered debt. Disclosures modified per this Statement can be found in Note 8-Bonds Payable and Note 9-Changes in Long Term Liabilities.

Per GASB Statement No. 68 and GASB Statement No. 75, the Authority is allocated pension and other post-employment benefit (OPEB) liabilities, deferred inflows of resources, deferred outflows of resources and expenses, per an actuarial valuation prepared by the State of Connecticut. OPEB and pension expense adjustments resulting from changes in actuarial assumptions have been historically included in operating expenses as a component of administrative expenses. In order to more accurately reflect the results of ongoing operations, these non-cash adjustments have been reclassified as a separate line item in the nonoperating section of the Statements of Revenues, Expenses and Changes in Net Position.

The Authority also issued three series of fixed rate conduit debt bonds totaling $25.1 million that were directly placed with an investor. These bonds are considered obligations of the State of Connecticut and are not reflected on the Authority's Statements of Net Position, however are disclosed in the Conduit Debt section of Note 8. The bond proceeds were used to refund $21.4 million in outstanding variable rate bonds with the remainder being used to fund the financing of new community based residential facilities. The new bonds financed nine facilities; five properties to serve as transitional housing for women in recovery and four group homes to provide long-term residential support services to clients with chronic mental health issues.

Financial Highlights – Year Ended December 31, 2018

During 2018, the Authority closed $573.8 million in single family loans bringing homeownership to 3,206 homebuyers. Through new construction and/or rehabilitation, the Authority financed 790 affordable multifamily units for a total investment commitment of $84.6 million.

The Authority was able to restructure and refund approximately $216 million of its outstanding bonds to reduce interest rates. By combining these issues with new debt using a strategic mix of fixed rates, variable rates and the use of derivatives, the Authority was able to establish below market interest rates on new mortgages for its borrowers and strengthen the underlying structure of its cash flows.

The Authority continued to recognize an increase in short term investment earnings as the rising interest rate environment continued during 2018. Conversely, the increase in rates resulted in a $49.5 million decrease in fair value of investments, substantially all of which is attributable to the reduction in fair value of its GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements). Such investments are pledged as security for the bonds issued under the Authority's various bond programs and are not expected to be sold prior to maturity.

During 2018, the Authority issued five series of Housing Mortgage Finance Program Bonds totaling $707.7 million to provide financing for its home mortgage and multifamily mortgage housing programs. Under the Special Needs Housing Mortgage Finance Program, the Authority issued four series of bonds totaling $25.8 million, $15.1 million of which are considered obligations of the State of Connecticut and are not reflected on the Authority's Statements of Net Position, however are disclosed in the Conduit Debt section of Note 8. The proceeds of these funds were used to refund $21.5 million in outstanding bonds with the remainder being used to fund the financing of six group homes. The group homes provide housing and support services for individuals with special needs. Under various programs, the Authority has also made funds available from net position.

With the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans,* the corresponding restatement of the Authority's 2017 financial statements resulted in the establishment of a net OPEB liability of $67.7 million, in addition to a corresponding Deferred Outflows of Resources of $2.7 million, Deferred Inflows of Resources of $1.7 million and a $66.8 million reduction in net position. The 2018 adjustments related to this new statement resulted in an ending Net OPEB Liability of $63.1 million, along with the related changes to Deferred Outflows and Inflows of Resources. Note 2 and Note 14 provide further detail regarding the implementation of GASB 75 and the OPEB plan.

The Authority manages a Down Payment Assistance Program (DAP) that helps single family borrowers purchase their first home. The DAP is a revolving program and was initially funded by the State of Connecticut. Due to the importance of homeownership and down payment assistance for first time homebuyers, in 2018 the Authority secured $12 million in additional funding from the State to further capitalize the program.

Financial Analysis of the Authority

The following table summarizes the changes in Net Position between December 31, 2019, 2018 and 2017:

	(in millions)			% Change	
	2019	2018	2017	2019/2018	2018/2017
Assets					
Current assets	$ 892.7	$ 798.8	$ 858.3	11.8 %	(6.9) %
Capital assets	2.9	3.0	3.5	(3.3)	(14.3)
Noncurrent assets	5,260.5	4,962.8	4,743.5	6.0	4.6
Total assets	**6,156.1**	**5,764.6**	**5,605.3**	**6.8**	**2.8**
Deferred outflows of resources					
Unamortized deferred bonds refunding costs	84.6	96.0	91.8	(11.9)	4.6
Deferred amounts for OPEB	13.3	2.6	2.7	401.7	(3.7)
Deferred amounts for pensions	18.5	16.8	22.0	10.1	(23.6)
Total deferred outflows of resources	**116.4**	**115.4**	**116.5**	**0.9**	**(0.9)**
Liabilities					
Long-term bonds payable	4,626.9	4,378.4	4,199.9	5.7	4.3
Net OPEB liability	78.5	63.1	67.7	24.4	(6.8)
Net pension liability	76.5	67.9	67.1	12.7	1.2
Other liabilities	555.7	537.1	550.3	3.5	(2.4)
Total liabilities	**5,337.6**	**5,046.5**	**4,885.0**	**5.8**	**3.3**
Deferred inflows of resources					
Deferred amount for OPEB	5.9	6.9	1.7	(14.3)	306.3
Deferred amount for pensions	5.5	8.4	10.2	(34.7)	(17.7)
Derivative financial instruments	12.8	49.5	10.7	(74.1)	362.6
Total deferred inflows of resources	**24.2**	**64.8**	**22.6**	**(62.7)**	**186.7**
Net position					
Net investment in capital assets	2.9	3.0	3.5	(3.3)	(14.3)
Restricted	907.8	765.7	810.7	18.6	(5.6)
Total Net Position	$ **910.7**	$ **768.7**	$ **814.2**	**18.5** %	**(5.6)** %

Change 2019/2018

- Mortgage loans receivable decreased $149.4 million or 4.9%.
  - During 2019, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. The home mortgage loan program, however, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year increase of 4.7%.
- Cash and investments in securities increased $561 million or 21.6% primarily resulting from:
  - A net decrease of $3.6 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.
  - The Authority continued to see growth in the home mortgage loan program. In 2019, 95% of new qualified home mortgage loans were securitized into mortgage backed securities. $452.5 million in bond proceeds were used to directly purchase investments as opposed to whole loans.

  - A $109.1 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).
  - A $3 million increase in Small Multifamily Loan Program Funds (see note 16 of the financial statements).
- Accounts receivable and other assets decreased $14.2 million or 23%. This decrease is due to:
  - A $1.2 million spend-down of Financing Adjustment Factor (FAF) funds. The use of FAF funds is governed by an agreement between the Authority and the Department of Housing and Urban Development.
  - A $1.7 million decrease in reimbursable expenses related to the Authority's single-family real estate owned (REO) properties. This is a direct result of the significant reduction in the Authority's single family REO portfolio.
  - 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 $11.3 decrease from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the timing of the last security settlements.
- Deferred outflows of resources increased $1.0 million or 0.9%. This increase is substantially attributed to:
  - A $1.7 million increase in deferred amounts for pensions and $10.7 million increase 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, 2019 and the Authority's year-end of December 31, 2019.
  - A $11.4 million decrease in unamortized deferral on bond refundings. The Authority periodically refunds certain variable rate bonds that are being hedged by interest rate swaps. The fair value of these swaps at the time of the refunding were reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The $11.4 million decrease represents the current year amortization of these deferred amounts.
- Bonds payable increased by $233.3 million or 5.1%. The increase is attributed to:
  - An increase of $765.0 million as a result of new bonds issued including original issue premium.
  - An increase of $0.9 million due to capital appreciation bond accretions.
  - A decrease of $524.8 million as a result of redemptions.
  - A decrease of $7.8 million due to amortization of original issue premiums.
- Net OPEB liability increased by $15.4 million or 24.4%. Net pension liability increased by $8.6 million or 12.7%. 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 $40.6 million or 62.7%. This includes:
  - A $1.0 million decrease in deferred amount for OPEB and $2.9 million decrease in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $36.7 million decrease in derivative financial instruments. There was a net increase in swap notional of $91.6 million and a $54.9 million decrease in the fair value of the Authority's swap portfolio.

Change 2018/2017

- Mortgage loans receivable decreased $135.4 million or 4.2%.
  - During 2018, the Authority's multifamily and single family loan portfolios experienced overall net reductions. The home mortgage loan program, however, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year increase of 7.4%.
- Cash and investments in securities increased $297.6 million or 12.9% primarily resulting from:
  - A net decrease of $94.3 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.
  - The Authority continued to see growth in the home mortgage loan program. In 2018, 91% of new qualified home mortgage loans were securitized into mortgage backed securities. $429.4 million in bond proceeds were used to directly purchase investments as opposed to whole loans.
  - A $49.5 million decrease attributable to the reduction in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).
  - A $12 million increase in Down Payment Assistance Program funds (see note 16 of the financial statements).
- Deferred outflows of resources decreased $1.0 million or 0.9%. This decrease is substantially attributed to:
  - A $5.3 million decrease in deferred amount for pensions. The deferred amounts are 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, 2018 and the Authority's year-end of December 31, 2018.
  - A $4.3 million increase in unamortized deferral on bond refundings. During 2018, the Authority refunded certain variable rate bonds that were being hedged by interest rate swaps. $15.0 million in fair value of these swaps at the time of the refunding was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The $15.0 million increase to unamortized deferral on bond refundings was offset by $10.7 million of such amortizations.
- Bonds payable increased by $183.2 million or 4.1%. The increase is attributed to:
  - An increase of $740.6 million as a result of new bonds issued including original issue premium.
  - An increase of $0.9 million due to capital appreciation bond accretions.
  - A decrease of $551.5 million as a result of redemptions.
  - A decrease of $6.8 million due to amortization of original issue premiums.
- Net OPEB liability decreased by $4.6 million or 6.8%. Net pension liability increased by $0.8 million or 1.2%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan and recorded these liabilities based on its 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 $42.2 million or 186.5%. This includes:
  - A $5.2 million increase in deferred amount for OPEB and $1.9 million decrease in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $38.9 million increase in derivative financial instruments deferred inflows. During 2018, the Authority refunded certain variable rate bonds that were being hedged by interest rate swaps.
  - The $15 million fair value of the swaps at the time of the refundings resulted in an increase in derivative financial instruments-deferred inflows and corresponding increase to unamortized deferral on bond refundings. There was a net increase in swap notional of $4.3 million which results in a reduction to deferred inflows. Lastly, there was a $28.2 million increase to the fair value of the Authority's swap portfolio.

The home mortgage, rental housing and special needs housing loan 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, 2019, 2018 and 2017 as follows:

	(in millions)		
	New Loans Financed	Payoffs	Net
2019	$ 532.8	$ 208.6	$ 324.2
2018	585.9	185.7	400.2
2017	533.6	199.8	333.8

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	
	2019	2018	2017	2019/2018	2018/2017
Construction loan balances	$ 122.7	$ 125.6	$ 190.2	(2.3) %	(34.0) %
Permanent loan balances	1,132.6	1,106.8	1,064.5	2.3	4.0
Special needs housing permanent loan balances	63.1	65.2	61.0	(3.2)	6.9
Total Multifamily Mortgage Loans	$ 1,318.4	$ 1,297.6	$ 1,315.7	1.6 %	(1.4) %

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, 2019, 2018 and 2017, is summarized as follows (in millions):

	December 31, 2019		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 1.4	$ (0.9)	$ 0.5
Multifamily mortgage loans	169.3	(145.5)	23.8
Total Acquired Portfolio	$ 170.7	$ (146.4)	$ 24.3
Allowance for losses % to par value		85.8%	

	December 31, 2018		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 12.6	$ (11.7)	$ 0.9
Multifamily mortgage loans	168.8	(138.1)	30.7
Total Acquired Portfolio	$ 181.4	$ (149.8)	$ 31.6
Allowance for losses % to par value		82.6%	

	December 31, 2017		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 17.1	$ (16.1)	$ 1.0
Multifamily mortgage loans	169.6	(135.7)	33.9
Total Acquired Portfolio	$ 186.7	$ (151.8)	$ 34.9
Allowance for losses % to par value		81.3%	

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, 2019, 2018 and 2017.

	(in millions)			% Change	
	2019	**2018***	**2017***	**2019/2018**	**2018/2017**
Operating Revenues:					
Interest on mortgage loans	$ 140.9	$ 143.0	$ 151.8	(1.5) %	(5.8) %
Interest on investments	76.4	62.4	47.7	22.5	30.7
Fees and other income	15.5	10.6	14.2	46.1	(25.5)
Total operating revenues	**232.8**	**216.0**	**213.7**	**7.8**	**1.0**
Operating Expenses:					
Interest	153.4	147.3	137.4	4.2	7.2
Bond issuance costs	6.2	6.9	7.5	(9.6)	(8.5)
Servicer fees	9.6	12.1	11.5	(20.6)	5.5
Administrative	36.3	37.8	36.7	(3.9)	3.1
Provision for (reduction to) loan loss reserve	(10.6)	14.8	1.6	(171.5)	828.1
Total operating expenses	**194.9**	**218.9**	**194.7**	**(10.9)**	**12.4**
Operating income (loss)	37.9	(2.9)	19.0	1,400.4	(115.3)
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	(7.8)	(4.9)	(2.1)	(60.4)	(135.6)
Net increase (decrease) in the fair value of investments	109.1	(49.5)	(5.9)	320.7	(738.9)
Other	2.7	11.8	(0.7)	(76.8)	1,785.7
Total nonoperating income (loss)	**104.0**	**(42.6)**	**(8.7)**	**344.3**	**(471.9)**
Change in Net Position	$ 141.9	$ (45.5)	$ 10.3	412.0 %	(541.9) %

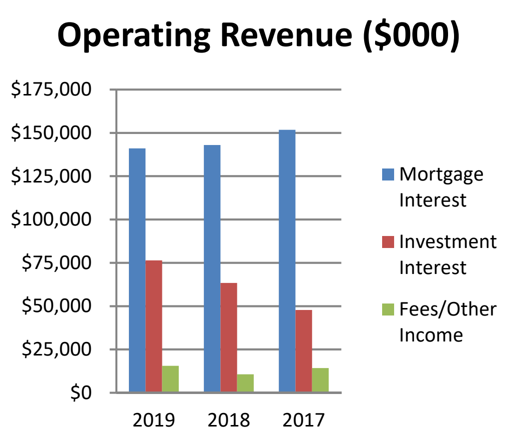
** See Note 2 - Reclassification of actuarial pension and OPEB adjustments*

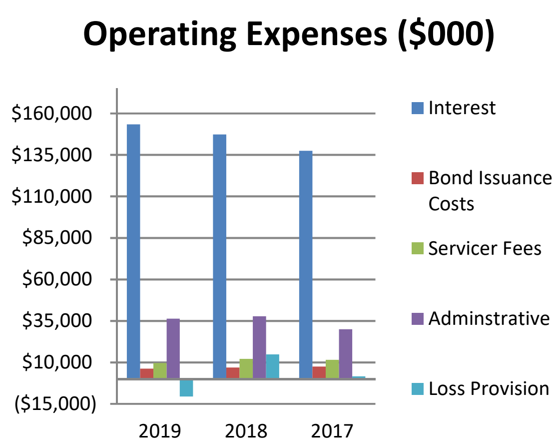
Change 2019/2018

- Total net position increased $141.9 million in 2019. Operating income was $37.9 million, an increase of $40.8 million from the prior year.

  - Operating revenues increased $16.8 million or 7.8%. This increase is primarily due to:
    - A substantial portion of new qualified home mortgage loans continue to be securitized into mortgage-backed securities as opposed to whole loans. On a combined basis, mortgage and investment interest income increased by $12.0 million in 2019. This is being driven by a $396 million net increase in program assets (mortgage loans receivable and investments in securities) year-over-year.
    - Fees and other income increased by $4.9 million over prior year. This is primarily the result of additional fees recognized of $1.5 million related to the administration of Section 8 contracts and $2.7 million is fees associated with the initial close of several multifamily projects.
  - Operating expenses decreased $24 million or 10.9%. This decrease is substantially attributable to:
    - A $6.1 million increase in interest costs. The Authority's bonds payable as of year-end was $233.3 million higher than the prior year.
    - A $2.5 million decrease in servicer fees. This fee reduction is a result of a $167 million reduction in the Authority's single family whole loan portfolio in addition to the elimination of the zero-point loan option and corresponding fee paid to originators.
    - A $1.5 million decrease in administrative costs.
      - The majority of this variance is reflected in salaries and fringe benefits. Although the Authority is approved for 145 FTEs, actual FTEs averaged 133 during 2019.

- A $25.4 million decrease in provision for loan loss reserves.
  - A distressed multifamily property was sold during 2019, resulting in the payoff off several delinquent loans that had been previously reserved.
- Nonoperating income increased by $146.6 million and is attributable to:
  - A $2.9 million expense increase 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 2019, there was a $109.1 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 $49.5 million during 2018, the result is a positive year-over-year variance of $158.5 million. Interest rates have decreased 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.
  - The net of state and federal program funding and expenses decreased $9 million. The Authority received $12 million in funding from the State for the DAP program in 2018, however, received no DAP funding during 2019. Small Multifamily Loan Program funding in the amount of $3 million was received from the State during 2019; however, funding for this program was not received in the prior year.





Change 2018/2017

- Total net position decreased $45.5 million in 2018. Operating loss was $2.9 million, a decrease of $21.9 million from the prior year.

  - Operating revenues increased $2.3 million or 1.0%. There has been a shift between interest on mortgage loans and interest on investments year-over-year as a substantial portion of new qualified mortgage loans are being securitized into mortgage-backed securities instead of being recognized as whole loans. On a combined basis, mortgage and investment interest income increased by $5.9 million in 2018. This is being driven by the $162 million net increase in program assets (mortgage loans receivable and investments in securities) year-over-year. Due in most part to the administration of Section 8 contracts in the multifamily portfolio, non-recurring fees were recognized during 2017. Since these were non-recurring, it has resulted in a $3.6 million decrease in fees and other income in 2018.

- Operating expenses increased $24.2 million or 12.4%. This increase is substantially attributable to:

  - A $9.9 million increase in interest costs. The Authority's bonds payable as of year-end was $183 million higher than the prior year. In addition, the interest rates being paid on the Authority's variable rate bonds increased during 2018.
  - A $13.2 million increase in provision for losses over prior year. The Authority sold the loans related to a distressed multifamily property through a competitive bid process that resulted in an additional charge-off to loss reserves in the amount of $11.3 million. The remaining $1.9 variance is due to routine performance changes in the multifamily portfolio.
- Nonoperating loss increased by $33.9 million and is substantially attributable to:
  - A $2.8 million expense increase 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.
  - The change 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, resulted in a fair value reduction of $43.6 million more than prior year. This reduction in fair value was due to an increasing market interest rate environment. The change in market interest rates has an inverse relationship to the fair value of mortgage-backed securities.
  - The $12 million in additional DAP program funding received from the State during 2018. No DAP funds were received in 2017.

Debt Administration

The following table summarizes the changes in bonds payable between December 31, 2019, 2018 and 2017. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2019	**2018**	**2017**	**2019/2018**	**2018/2017**
Bonds payable	$ 4,850.4	$ 4,617.1	$ 4,433.9	5.1%	4.1%

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, 2019	December 31, 2018
Assets		
Restricted current assets:		
Cash and cash equivalents	$ 436	$ 364
Mortgage loans receivable	140,652	134,424
Investments in securities	681,849	579,685
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	13,364	14,406
Securities	6,802	6,027
Accounts receivable and other assets	47,334	61,565
Total current assets	892,737	798,771
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,767,848	2,923,426
Investments in securities, net of current portion	2,481,518	2,022,711
Capital assets, net of depreciation	2,890	3,046
Real estate owned - single family	11,135	16,667
Total noncurrent assets	5,263,391	4,965,850
Total assets	6,156,128	5,764,621
Deferred Outflows of Resources		
Unamortized deferral on bond refundings	84,616	96,056
Deferred amount for OPEB	13,265	2,644
Deferred amount for pensions	18,465	16,775
Total deferred outflows of resources	116,346	115,475
Liabilities		
Current liabilities:		
Escrow deposits and unearned revenue	34,793	39,680
Accrued interest payable	17,841	17,447
Accounts payable and accrued liabilities	6,343	6,601
Bonds payable	223,538	238,711
Total current liabilities	282,515	302,439
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	149,469	147,739
Bonds payable, net of current portion	4,626,882	4,378,396
Derivative instruments - interest rate swaps	123,651	86,917
Net OPEB liability	78,547	63,147
Net pension liability	76,524	67,896
Total noncurrent liabilities	5,055,073	4,744,095
Total liabilities	5,337,588	5,046,534
Deferred Inflows of Resources		
Deferred amount for OPEB	5,926	6,912
Deferred amount for pensions	5,462	8,367
Derivative financial Instruments	12,810	49,544
Total deferred inflows of resources	24,198	64,823
Net Position		
Net investment in capital assets	2,890	3,046
Restricted by bond indentures and/or enabling legislation	907,798	765,693
Total Net Position	$ 910,688	$ 768,739

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, 2019	2018 *
Operating Revenues		
Interest on mortgage loans	$ 140,974	$ 142,976
Interest on investments	76,412	62,375
Fees and other income	15,489	10,604
Total operating revenues	232,875	215,955
Operating Expenses		
Interest	153,414	147,288
Bond issuance costs	6,199	6,858
Servicer fees	9,617	12,115
Administrative	36,309	37,799
Provision for (reduction to) loan loss reserves	(10,590)	14,801
Total operating expenses	194,949	218,861
Operating Income (Loss)	37,926	(2,906)
Nonoperating Revenues (Expenses)		
Actuarial assumption changes for pension and OPEB	(7,824)	(4,879)
Net increase (decrease) in the fair value of investments	109,127	(49,453)
State and federal program funding	5,588	14,129
State and federal program expenses	(2,868)	(2,378)
Nonoperating income (loss)	104,023	(42,581)
Change in Net Position	141,949	(45,487)
Net Position - Beginning of Year	768,739	814,226
Net Position - End of Year	$ 910,688	$ 768,739

** See Note 2 - Reclassification of actuarial pension and OPEB adjustments*

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, 2019	2018*
Cash Flows from Operating Activities		
Cash received from interest on mortgage loans	$ 141,954	$ 145,338
Cash received from scheduled mortgage principal payments	89,010	89,299
Cash received from mortgage principal prepayments	212,082	181,917
Cash received from fees and other income	14,202	11,301
Cash payments to purchase mortgage loans	(140,624)	(155,059)
Cash payments to employees	(21,073)	(22,300)
Cash payments to suppliers	(23,103)	(27,660)
Net cash provided by operating activities	272,448	222,836
Cash Flows from Noncapital Financing Activities		
Proceeds from (disbursements of) escrow deposits	(3,157)	4,971
Retirement of bonds payable	(524,796)	(551,490)
Proceeds from sales of bonds	765,000	740,550
Interest paid	(148,471)	(141,117)
Bond issuance costs	(6,176)	(6,827)
Proceeds from state and federal program funding	5,588	14,108
State and federal program costs	(2,868)	(2,357)
Net cash provided by noncapital financing activities	85,120	57,838
Cash Flows from Capital and Related Financing Activities		
Purchase of computer software	(359)	(35)
Net cash used in capital and related financing activities	(359)	(35)
Cash Flows from Investing Activities		
Proceeds from sales of and maturities of investment securities	226,494	384,559
Purchase of investment securities	(679,030)	(726,238)
Reduction of warehoused loans awaiting securitization	14,230	
Sales (acquisition) of real estate owned	5,533	(184)
Interest received on investments	75,636	61,055
Net cash used in investing activities	(357,137)	(280,809)
Increase (Decrease) in Cash and Cash Equivalents	72	(169)
Cash and Cash Equivalents - Beginning of Year	364	533
Cash and Cash Equivalents - End of Year	$ 436	$ 364
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 37,926	$ (2,906)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	515	454
Provision for losses	(10,590)	14,801
Bond issuance costs	6,199	6,858
Interest on investments	(76,412)	(62,375)
Interest expense	153,414	147,288
Change in assets and liabilities:		
Decrease in accrued interest receivable on mortgage loans	1,042	2,362
Decrease in accounts receivable and other assets	14,230	1,678
Decrease in accounts payable and other accrued liabilities	(258)	(365)
Decrease in mortgage loan and other receivables, net	146,382	115,041
Net Cash Provided by Operating Activities	$ 272,448	$ 222,836
Noncash Investing Activities		
Net increase (decrease) in the fair value of investments	$ 109,127	$ (49,453)

** See Note 2 - Reclassification of actuarial pension and OPEB adjustments*

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 Single Family Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Bond Resolution Providing for the Issuance of Single Family Mortgage Revenue Bonds (the SFSOB Resolution) of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Single Family) (the Single Family Other Bond Resolution) of November 19, 2009,

c. 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

d. 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.

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.

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 (STIF) 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.

Allowance for Losses

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.

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 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.

Capital Assets

Land, building, building improvements and computer software exceeding $5,000 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 years for computer software.

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 $2,602,000 and $2,834,000 for 2019 and 2018 respectively, and is reflected in the statement of net position as a component of account payable and accrued liabilities.

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.

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.

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 derivative investments. 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, 2019 and 2018, 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.

Real Estate Owned

Real estate acquired in satisfaction of a loan and in-substance foreclosures are reported separately in real estate owned. In-substance foreclosures are properties in which the borrower has little or no equity in the collateral, where repayment of the loan is expected only from the operation or sale of the collateral, and the borrower either effectively abandons control of the property or the borrower has retained control of the property, but his ability to rebuild equity based on current financial conditions is considered doubtful. Properties acquired by foreclosure or deed in lieu of foreclosure and properties classified as in-substance foreclosures 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.

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 30 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, SFSOB Resolution, Single Family Other Bond Resolution, MFSOB Resolution, QECB Resolution and Multifamily Other Bond Resolution and/or the Act.

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 (State and Federal Program Funding)

Grants received from 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.

Adoption of New Accounting Pronouncement

In March 2018, GASB approved Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (GASB 88). The objective of this statement is to improve the information that is disclosed in notes to financial statements related to debt, including direct borrowings and direct placements. Under this statement, a government is required to separate information in debt disclosures regarding direct borrowings and direct placements from other debt. This statement also clarifies which liabilities should be included when disclosing information related to debt. The provisions of this statement were implemented effective January 1, 2019 (see Note 8 for further details).

Reclassification of Actuarial Pension and OPEB Adjustments

The previous implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension,* has resulted in significant noncash adjustments to administrative expenses in the Statements of Revenues, Expenses and Changes in Net Position. In order to more accurately reflect the results of ongoing business operations, the Authority will be recording all pension and OPEB actuarial changes to nonoperating income or expense. For consistently in comparison, the relevant adjustments made in 2017 and 2018 have been reclassified accordingly. The following table summarizes the reclassification adjustments (in thousands):

	As Previously Reported	Reclassification Adjustment	As Reclassified
For the year ended December 31, 2017			
Administrative expenses	$ 38,832	$ (2,071)	$ 36,761
Operating income	16,888	2,071	18,959
Actuarial assumption changes for pension and OPEB	-	2,071	2,071
Net nonoperating expenses	(6,592)	(2,071)	(8,663)
For the year ended December 31, 2018			
Administrative expenses	$ 42,678	$ (4,879)	$ 37,799
Operating income	(7,785)	4,879	(2,906)
Actuarial assumption changes for pension and OPEB	-	4,879	4,879
Net nonoperating expenses	(37,702)	(4,879)	(42,581)

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, 2019 and December 31, 2018:

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2019

	Fair Value 12/31/19	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	$ 98	$	$ 98	$
GNMA, FNMA and FHLMC Program Assets	2,417,845		2,417,845	
MBS's	353		353	
Municipal Bonds	62,436		62,436	
Structured Securities	267		267	
U.S. Government Agency Securities	882	882		
Total	$ 2,481,881	$ 882	$ 2,480,999	$ -
Derivative instruments measured at fair value:				
Interest rate swaps	$ (123,651)	$	$ (123,651)	$

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2018

	Fair Value 12/31/18	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	$ 304	$	$ 304	$
GNMA, FNMA and FHLMC Program Assets	1,966,992		1,966,992	
MBS's	402		402	
Municipal Bonds	53,388		53,388	
Structured Securities	1,100		1,100	
U.S. Government Agency Securities	835	835		
U.S. Treasury Bills	79,816	79,816		
Total	$ 2,102,837	$ 80,651	$ 2,022,186	$ -
Derivative instruments measured at fair value:				
Interest rate swaps	$ (86,917)	$	$ (86,917)	$

NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES

B. Deposits (in 000's)

At December 31, 2019 and 2018, 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 $436 (including $4 held under the Special Needs Housing Renewal and Replacement Funds) and $364 (including $4 held under the Special Needs Housing Renewal and Replacement Funds), respectively. This entire amount is on deposit in independent financial institutions with a balance of $1,112 and $753 at December 31, 2019 and 2018, respectively. Included in the carrying amount reported as cash and cash equivalents are deposits held in escrow by the Authority at December 31, 2019 and 2018, of $244 and $176, respectively.

Custodial Credit Risk
Of the $1,112 and $753 financial institution balance at December 31, 2019 and 2018, $134 and $157, 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 $978 and $596, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2019, $728 was uninsured, $98 of which was collateralized with securities by the financial institution, but not in the Authority's name. As of December 31, 2018, $346 was uninsured, $60 of which was collateralized with securities by the financial institution, but not in the Authority's name.

C. Investments in Securities (in 000's)

At December 31, 2019, 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.

		Investment Maturities (in Years)			
	Amortized Cost, Net Asset Value or Fair Value	Less Than 1	1 - 5	6 -10	More Than 10
CMO (NR/NR/C)	$ 98	$	$	$ 98	$
GNMA, FNMA & FHLMC Program Assets	2,417,845			5,098	2,412,747
MBS's	353		35	318	
Money Market Funds (AAAm/Aaa-mf/NR)	5,083	5,083			
Municipal Bonds	62,436	363	1,567	2,061	58,445
STIF-rated (AAAm/NR/NR)	676,403	676,403			
Structured Securities-rated (NR/C/NR)	267			267	
U.S. Government Agency Securities	882				882
Total Investments Held by All Funds and Component Units	$ 3,163,367	$ 681,849	$ 1,602	$ 7,842	$ 2,472,074

Restricted current assets:	
Capital Reserve Funds	$ 20,230
Renewal and Replacement Funds	10,298
All other funds and component units	651,321
Total restricted current assets	681,849
Restricted noncurrent assets:	
Capital Reserve Funds	421,661
All other funds and component units	2,059,857
Total restricted noncurrent assets	2,481,518
Total Investments Held by All Funds and Component Units	$ 3,163,367

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, discussed above. 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

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, 2019, one CMO (fair value $98) and one Structured Security (fair value $267) were below Investment Grade rating standards. At December 31, 2018, one CMO (fair value $304) and one Structured Security (fair value $1,100) 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

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, 2019 and 2018, 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 - $2,417,845 or 76% in 2019 and $1,966,992 or 76% in 2018) or the State of Connecticut (STIF – net asset value - $676,403 or 21% in 2019 and $495,561 or 19% in 2018).

Custodial Credit Risk

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 - $2,486,964 in 2019 and $2,106,835 in 2018) with the exception of the STIF (net asset value - $676,403 in 2019 and $495,561 in 2018 - rated AAAm in 2019 and 2018). 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

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 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 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 FHLMC. GNMA, FNMA and FHLMC Program Assets are carried at fair value. As of December 31, 2019 and 2018, the fair value of GNMA, FNMA and FHLMC Program Asset investments was $2,417,845 and $1,966,992, 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 ($322,558 at December 31, 2019 and $309,324 at December 31, 2018) 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 ($336,622 at December 31, 2019 and $323,388 at December 31, 2018) 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 ($5,193 at December 31, 2019 and $5,167 at December 31, 2018) 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 ($5,198 at December 31, 2019 and $5,198 at December 31, 2018) 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:

	December 31, 2019 Bond Resolution	2019 Special Needs Indenture	2019 Total	2018 Bond Resolution	2018 Special Needs Indenture	2018 Total
Investment in securities	$ 436,419	$ 5,472	$ 441,891	$ 518,623	$ 5,440	$ 524,063
Accrued interest receivable	1,046	12	1,058	1,329	15	1,344
Total Capital Reserve Funds	$ 437,465	$ 5,484	$ 442,949	$ 519,952	$ 5,455	$ 525,407
Restricted current assets:						
Investments in securities	$ 15,729	$ 4,501	$ 20,230	$ 13,813	$ 4,476	$ 18,289
Accrued interest receivable	1,046	12	1,058	1,329	15	1,344
Total restricted current assets	16,775	4,513	21,288	15,142	4,491	19,633
Restricted noncurrent assets:						
Investments in securities	420,690	971	421,661	504,810	964	505,774
Total Capital Reserve Funds	$ 437,465	$ 5,484	$ 442,949	$ 519,952	$ 5,455	$ 525,407

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, 2019 and 2018, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	2019	2018
Cash and cash equivalents	$ 4	$ 4
Investments in securities	10,298	9,594
Accrued interest receivable	15	19
Total Special Needs Housing Renewal and Replacement Funds	$ 10,317	$ 9,617

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, 2019 and 2018, 31% and 32%, respectively, of this portfolio was serviced by one financial institution.

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

	December 31, 2019	December 31, 2018
Home mortgage loans		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	$ 1,292,495	$ 1,391,015
Insured by private mortgage insurance companies	72,276	85,907
Uninsured reverse annuity mortgage loans	1,534	1,578
Uninsured, State of Connecticut supported EMAP loans	59,834	61,955
Uninsured, not guaranteed	374,068	426,883
Total home mortgage loans	1,800,207	1,967,338
Multifamily mortgage loans		
Completed developments:		
Insured by the Federal Housing Administration or guaranteed by private insurer	29,167	31,022
Uninsured, federally subsidized	356,484	358,220
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	63,104	65,207
Uninsured, unsubsidized, not guaranteed	916,258	886,390
Total completed developments	1,365,013	1,340,839
Construction mortgage loans:		
Uninsured, unsubsidized	122,709	125,615
Total construction mortgage loans	122,709	125,615
Total multifamily mortgage loans	1,487,722	1,466,454
Less allowance for losses	(379,429)	(375,942)
Total Investments in Mortgage Loans	$ 2,908,500	$ 3,057,850
Restricted current assets	$ 140,652	$ 134,424
Restricted noncurrent assets	2,767,848	2,923,426
Total Mortgage Loans Receivable	$ 2,908,500	$ 3,057,850

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 the lesser of 25% of the loan amount or 25% of the Fannie Mae and Freddie Mac conforming loan limit for a single-family residence, varying by county and the year involved.

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 4.16% 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 5.66% at December 31, 2019 and 0% to 5.54% at December 31, 2018 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 12% at December 31, 2019 and 2018 and will generally be payable over 40 years.

NOTE 6 - REAL ESTATE OWNED

Real Estate Owned (in 000's)

	December 31,					
	2019			2018		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	$ 11,406	$ 2,300	$ 13,706	$ 18,211	$ 2,300	$ 20,511
Allowance for losses	(271)		(271)	(1,544)		(1,544)
Real Estate Owned-Carrying Amount	$ 11,135	$ 2,300	$ 13,435	$ 16,667	$ 2,300	$ 18,967

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, 2019 and 2018, one property remained in the multifamily real estate owned portfolio.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2019 and 2018 is as follows (in 000's):

	Balance January 1, 2019	Additions/ (Deletions)	Balance December 31, 2019
Capital Assets:			
Land	$ 851	$	$ 851
Building	2,851		2,851
Improvements	2,085		2,085
Computer software	1,349	249	1,598
	7,136	249	7,385
Less accumulated depreciation	(4,090)	(405)	(4,495)
Capital Assets, Net	$ 3,046	$ (156)	$ 2,890

	Balance January 1, 2018	Additions/ (Deletions)	Balance December 31, 2018
Capital Assets:			
Land	$ 851	$	$ 851
Building	2,851		2,851
Improvements	2,085		2,085
Computer software	1,314	35	1,349
	7,101	35	7,136
Less accumulated depreciation	(3,636)	(454)	(4,090)
Capital Assets, Net	$ 3,465	$ (419)	$ 3,046

NOTE 8 - BONDS PAYABLE

The Act authorizes the Authority to issue its own bonds, bond anticipation notes 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, 2019, the amount available under the SBLOC is $115,952,599. No drawings have been made as of December 31, 2019.

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, 2019 and December 31, 2018, and are subject to certain redemption provisions and mature in years through 2059 and 2058 as of December 31, 2019 and 2018, 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 2.10% to 5.00% as of December 31, 2019 and December 31, 2018, are subject to certain redemption provisions and mature in years through 2048 as of December 31, 2019 and December 31, 2018.

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.

SFSOB Resolution, MFSOB Resolution, Single Family Other Bond 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 $191,720,000 in Single Family Special Obligation Bonds under the SFSOB Resolution and $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 SFSOB Resolution and the MFSOB Resolution are special obligations of the Authority payable solely from and secured by assets pledged under the (i) SFSOB Resolution for Single Family Special Obligation Bonds, and (ii) MFSOB Resolution for Multifamily Special Obligation Bonds.

In connection with the Federal NIBP, the Authority has also authorized the Single Family Other Bond Resolution and the Multifamily Other Bond Resolution (Other Bond Resolutions) to issue bonds (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, 2019 and 2018 were as follows (in 000's):

Housing Mortgage Finance Program Bonds			**Outstanding Amount December 31,**		
Publicly Offered	**Maturity Dates**	**Interest Rate Range %**	**2019**	**2018**	**Amount Due Within 1 Year**
1989 Series D	1993-2024	Index	$	$ 14,815	$
1998 Series D	2020-2025	Index	25,000	25,000	1,900
2001 Series D	2012-2027	Index	15,405	16,865	1,550
2004 Series A	2017-2035	Index	14,000	15,000	
2007 Series A	2013-2038	Index	23,425	24,480	1,075
2009 Series D	2010-2039	6.274	56,480	57,040	600
2010 Series A	2010-2039	0.25 - 4.50		57,300	
2010 Series E	2011-2052	3.15 - 5.25	32,975	33,805	880
2010 Series G	2013-2031	1.90 - 3.05	14,505	15,825	1,015
2011 Series B	2011-2041	4.0	460	2,030	
2011 Series F	2012-2053	2.70 - 5.00	34,085	34,490	420
2012 Series A	2012-2032	2.35 - 3.55	78,655	92,395	14,440
2012 Series B	2013-2043	2.37 - 4.40	39,360	40,950	1,995
2012 Series C	2017-2038	2.75 - 3.875	103,830	115,235	5,295
2012 Series D	2013-2042	3.05 - 3.70/Variable	63,960	65,180	1,280
2012 Series F	2013-2042	1.85 - 3.40	89,790	97,690	5,205
2012 Series G	2013-2055	1.85 - 4.00	58,625	59,325	750
2013 Series B	2014-2034	2.65 - 4.00/Variable	58,940	78,735	10,115
2014 Series A	2014-2044	2.25 - 4.00	16,010	24,210	6,945
2014 Series B	2016-2044	1.95 - 4.15	48,075	48,615	565
2014 Series C	2015-2044	1.80 - 4.00/Variable	75,780	83,680	3,530
2014 Series D	2015-2044	1.95 - 4.00/Variable	126,885	137,455	5,350
2014 Series F	2015-2054	1.75 - 4.05	41,070	41,810	785
2015 Series A	2015-2045	1.55 - 3.85	110,965	119,565	3,475
2015 Series C	2016-2045	1.70 - 3.60/Variable	97,305	106,665	3,795
2015 Series E	2016-2055	1.50 - 4.00	29,695	29,855	165
2016 Series A	2016-2045	1.40 - 4.00/Variable	155,350	165,180	4,185
2016 Series B	2017-2046	1.60 - 3.55/Variable	161,180	171,145	3,995
2016 Series C	2017-2051	1.20 - 3.50	46,055	57,270	930
2016 Series E	2017-2046	1.35 - 3.50/Variable	156,540	167,550	4,630
2016 Series F	2017-2046	0.00 - 3.50/Variable	176,870	187,735	4,875
2016 Series G	2018-2056	1.30 - 3.90	17,980	18,145	175
2017 Series A	2017-2047	1.80 - 4.00/Variable	210,080	247,975	8,310
2017 Series C	2017-2047	1.60 - 4.00/Variable	156,790	166,070	4,110
2017 Series D	2018-2047	1.20 - 4.00/Variable	161,695	169,230	3,585
2017 Series E	2018-2057	1.20 - 3.90	27,820	46,380	1,055
2017 Series F	2018-2048	0.00 - 4.00/Variable	159,740	168,290	49,005
2018 Series A	2018-2048	1.90 - 4.00/Variable	158,600	164,025	3,105
2018 Series B	2018-2048	2.15 - 4.00/Variable	159,665	164,240	2,940
2018 Series C	2019-2048	1.70 - 4.00/Variable	156,370	163,025	3,530
2018 Series D	2019-2058	2.10 - 4.40	70,520	70,645	165
2018 Series E	2019-2049	0.00 - 4.25/Variable	121,890	143,520	2,150
2019 Series A	2019-2049	2.30 - 4.00/Variable	121,655		2,250
2019 Series B	2019-2049	1.55 - 4.00/Variable	121,060		2,195
2019 Series D	2020-2049	1.30 - 4.00/Variable	120,985		2,600
2019 Series E	2020-2059	1.30 - 3.35	128,075		2,655
2019 Series F	2020-2049	0.00 - 3.50/Variable	158,335		2,425
Subtotal			4,002,535	3,708,440	180,000

Housing Mortgage Finance Program Bonds (continued)			Outstanding Amount December 31,		Amount Due Within 1 Year
Direct Placements			**2019**	**2018**	
2009 Series F	2011-2039	3.05 - 4.65	$	$ 3,640	$
2013 Series A	2013-2041	Index	267,110	275,055	8,405
2013 Series C	2014-2046	Index	38,165	38,530	380
2014 Series E	2015-2032	Index		13,440	
2015 Series B	2025-2030	Index	35,000	35,000	
2016 Series D	2020-2050	3.25 - 3.45	35,000	33,665	22,690
2016 Series G	2020-2036	Index		15,770	
2017 Series B	2022-2047	Index		100,000	
2019 Series C	2022-2049	Index	100,000		
Subtotal			475,275	515,100	31,475
Plus unamortized bond premium			40,398	36,500	
Total Housing Mortgage Finance Bonds			$ 4,518,208	$ 4,260,040	$ 211,475

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, 2019 is $44,810. It is the intention of the Authority to renew these agreements prior to expiration.

Special Needs Housing Mortgage Finance Program Special Obligation Bonds

Publicly Offered	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	2018	Amount Due Within 1 Year
Series 13	2012-2040	3.00 - 5.00	$ 10,345	$ 10,655	$ 325
Series 16	2011-2030	3.00 - 5.00	8,635	9,525	905
Series 18	2017-2046	2.30 - 4.45	9,470	9,680	215
Series 19	2017-2035	2.30 - 4.25	8,895	9,400	525
Series 20	2017-2045	2.30 - 4.40	3,595	3,680	85
Series 21	2017-2045	2.40 - 4.70	12,195	12,525	345
Series 23	2019-2048	2.10 - 4.30	3,660	3,720	75
Series 24	2019-2037	2.10 - 4.10	6,095	6,310	225
			62,890	65,495	$ 2,700
Plus unamortized bond premium			492	558	
Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds			$ 63,382	$ 66,053	

Single Family Special Obligation Bonds

Publicly Offered	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	Outstanding Amount December 31, 2018	Amount Due Within 1 Year
Series 2010-1	2011-2030	3.15 - 4.00	$ 22,345	$ 29,115	$ 2,320
Series 2011-2	2017-2026	3.25 - 4.50	19,145	24,250	4,485
Subtotal			41,490	53,365	6,805
Direct Placements					
Series 2009-1	2019-2035	3.01	39,320	40,500	1,080
Series 2009-2	2035-2041	3.01	44,180	45,110	
Series 2009-3	2019-2038	2.32	53,570	55,940	200
Series 2009-4	2038-2041	2.32	10,650	11,090	
Series 2011-3	2012-2031	4.50	1,590	6,410	110
Subtotal			149,310	159,050	1,390
Plus unamortized bond premium			136	516	
Total Single Family Special Obligation Bonds			$ 190,936	$ 212,931	$ 8,195

Multifamily Special Obligation Bonds

Direct Placements	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	Outstanding Amount December 31, 2018	Amount Due Within 1 Year
Series 2009-1	2012-2051	2.32	$ 24,090	$ 24,570	$ 480
Total Multifamily Special Obligation Bonds			$ 24,090	$ 24,570	$ 480

Housing Mortgage Finance Program Bonds (Single Family) Other Bonds

Direct Placements	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	Outstanding Amount December 31, 2018	Amount Due Within 1 Year
2010 Series A	2042-2045	5.00	$ 9,400	$ 8,947	$
2011 Series A	2042-2046	4.625	10,128	9,675	
Total Housing Mortgage Finance Program Bonds (Single Family) Other Bonds			$ 19,528	$ 18,622	$ -

Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds

Direct Placements	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	Outstanding Amount December 31, 2018	Amount Due Within 1 Year
2011 Series A	2052-2055	4.75	$ 1,017	$ 971	$
2013 Series A	2013-2053	5.50/Variable	24,831	25,082	265
Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds			$ 25,848	$ 26,053	$ 265

Qualified Energy Conservation Bonds

Direct Placements	Maturity Dates	Interest Rate Range %	Outstanding Amount December 31, 2019	Outstanding Amount December 31, 2018	Amount Due Within 1 Year
2015 Series A (1,2)	2016-2034	4.35	$ 4,684	$ 4,880	$ 207
2016 Series B	2017-2035	3.94	2,132	2,252	121
2016 Series C	2017-2036	3.94	1,612	1,706	95
Total Qualified Energy Conservation Bonds			8,428	8,838	423
Total Bonds Payable, Net			$ 4,850,420	$ 4,617,109	$ 223,538

Conduit Debt

The Authority has issued conduit debt obligations. Three Multifamily Housing Revenue Bonds were issued in 2019 in the amount of $25,130,000, of which the outstanding balance was $24,830,000 as of December 31, 2019. Two existing Variable Rate Demand Housing Revenue bonds with an outstanding principal balance of $21,380,000 were refunded as part of this transaction. The current principal balances of the remaining conduit debt obligations as of December 31, 2019 include one series totaling $2,937,475 of Multifamily Housing Revenue Notes, one series totaling $9,476,653 of Multifamily Housing Revenue Bonds and five series totaling $82,310,000 of State-Supported Special Obligation Bonds. As of December 31, 2018, one series totaling $2,970,854 of Multifamily Housing Revenue Notes, one series totaling $9,944,875 of Multifamily Housing Revenue Bonds, two series totaling $22,370,000 of Variable Rate Demand Housing Revenue Bonds and five series totaling $88,630,000 of State-Supported Special Obligation Bonds were outstanding. 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, 2019 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
2020	$ 128,275	$ 98,512	$ 6,915	$ 14,137	$ 13,019	$ 22,690	$ 1,181
2021	137,610	95,627	11,210	13,948	12,651	220	398
2022	132,980	92,811	13,320	13,730	12,196	230	391
2023	134,600	89,797	12,610	13,475	11,635	235	384
2024	130,055	86,579	14,090	13,229	11,051	250	376
2025-2029	636,410	381,070	68,970	62,490	47,130	1,415	1,749
2030-2034	574,245	281,578	181,855	53,044	31,273	1,750	1,495
2035-2039	473,185	186,788	189,415	37,968	18,007	2,165	1,182
2040-2044	433,365	101,998	178,260	24,337	11,067	2,675	794
2045-2049	220,215	34,459	226,480	7,394	3,709	3,305	315
2050-2054	64,340	11,096	-	-	-	65	1
2055-2059	34,130	2,707	-	-	-	-	-
Total	$ 3,099,410	$ 1,463,022	$ 903,125	$ 253,752	$ 171,738	$ 35,000	$ 8,266

	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
Year Ending December 31,	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2020	$ 8,785	$ 10,521	$ 4,408	$ 166,665	$ 141,778	$ 308,443
2021	9,295	9,706	4,199	158,335	136,529	294,864
2022	11,690	10,079	3,975	158,220	133,182	291,402
2023	15,870	9,772	3,719	163,315	128,782	292,097
2024	16,575	9,424	3,213	160,970	123,872	284,842
2025-2029	118,800	39,370	9,805	825,595	541,614	1,367,209
2030-2034	98,085	25,254	2,606	855,935	395,250	1,251,185
2035-2039	78,185	14,413	100	742,950	258,458	1,001,408
2040-2044	48,045	6,519	-	662,345	144,715	807,060
2045-2049	34,945	1,774	-	484,945	47,651	532,596
2050-2054	-	-	-	64,405	11,097	75,502
2055-2059	-	-	-	34,130	2,707	36,837
Total	$ 440,275	$ 136,832	$ 32,025	$ 4,477,810	$ 2,065,635	$ 6,543,445

	Special Needs Indenture Fixed-Publicly Offered		SFSOB Resolution Fixed-Publicly Offered		SFSOB Resolution Fixed - Direct Placements	
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 2,700	$ 2,493	$ 6,805	$ 1,475	$ 1,390	$ 4,065
2021	2,780	2,407	8,630	1,237	410	4,028
2022	2,880	2,318	7,635	942	820	4,014
2023	2,965	2,222	7,030	657	650	3,989
2024	3,075	2,109	3,765	421	125	3,971
2025-2029	15,425	8,669	7,625	380	27,575	18,590
2030-2034	12,805	5,787			47,090	13,572
2035-2039	10,825	3,300			53,550	6,676
2040-2044	7,220	1,172			17,700	495
2045-2049	2,215	127				
2050-2054						
2055-2059						
Total	$ 62,890	$ 30,604	$ 41,490	$ 5,112	$ 149,310	$ 59,400

	MFSOB Resolution Fixed-Publicly Offered		Other Bond Resolutions Fixed - Direct Placement		QECB Resolution Fixed - Direct Placement		
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Total
2020	$ 480	$ 557	$ 265	$ 1,349	$ 424	$ 347	$ 330,793
2021	510	545	280	1,334	438	329	317,792
2022	530	533	296	1,318	452	311	313,451
2023	540	521	312	1,301	468	292	313,044
2024	560	508	330	1,284	483	272	301,745
2025-2029	3,100	2,335	1,951	6,118	2,672	1,043	1,462,692
2030-2034	3,680	1,946	2,567	5,502	3,155	439	1,347,728
2035-2039	4,370	1,484	3,378	4,691	336	14	1,090,032
2040-2044	5,190	935	18,003	32,138			889,913
2045-2049	4,960	290	11,816	16,609			568,613
2050-2054	170	4	5,988	3,288			84,952
2055-2059			190	1,289			38,316
Total	$ 24,090	$ 9,658	$ 45,376	$ 76,221	$ 8,428	$ 3,047	$ 7,059,071

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 London Interbank Offered Rate (LIBOR) 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.

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2019 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
2016 Series B-4		8/15/08	$ 9,855	3.849%	67% 3M LIBOR	$ (3,413)	11/15/38		
2016 Series B-4		8/15/08	8,925	3.855%	67% 3M LIBOR	(2,418)	11/15/33		
2016 Series F-5		8/15/08	27,550	3.845%	67% 3M LIBOR	(7,432)	11/15/33		
2018 Series E-2, 2018 Series C-4		11/15/18	16,457	2.471%	67% 3M LIBOR	(4,292)	11/15/48		
Total Bank of America, N.A.			62,787			(17,555)		A+/Aa2/AA-	6.97%
2001 Series D-5		12/20/01	15,405	5.360%	167% 3M LIBOR-SIFMA	(2,432)	11/15/27		
2012 Series D-3		12/20/01	40,000	4.090%	67% 1M LIBOR	(8,080)	5/15/33		
2013 Series A		8/15/08	20,490	3.852%	67% 3M LIBOR	(2,650)	11/15/28		
2014 Series C-2		9/13/05	13,915	3.546%	67% 3M LIBOR	(1,226)	11/15/34		
2014 Series D-3		2/18/09	20,615	3.433%	67% 3M LIBOR	(2,500)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3		5/15/18	28,520	2.248%	70% 3M LIBOR	(5,853)	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3		2/18/09	70,920	3.430%	67% 3M LIBOR	(13,675)	11/15/38		
2018 Series B-3		6/4/18	5,845	2.500%	70% 3M LIBOR	(737)	11/15/48		
Total Bank of New York Mellon			215,710			(37,153)		AA-/Aa2/AA	23.93%
2013 Series A		6/5/02	25,000	5.740%	167% 1M LIBOR- SIFMA	(9,080)	5/15/33		
2018 Series C-3 & 2018 Series C-4		6/5/02	17,720	4.352%	67% 1M LIBOR	(3,676)	5/15/33		
2019 Series F-2		10/29/19	26,250	1.708%	100% 1W SIFMA	72	11/15/49		
Total Citibank, NA			68,970			(12,684)		A+/Aa3/A+	7.65%
2013 Series A		3/7/01	22,735	5.475%	167% 1M LIBOR-SIFMA	(6,085)	5/15/32		
2013 Series C		2/26/14	38,165	2.776%	100% 1M LIBOR	(1,884)	5/15/24		
2017 Series C-3 & 2017 Series F-3		8/1/02	39,625	3.981%	67% 1M LIBOR	(6,982)	5/15/33		
2018 Series C-3 & 2018 Series C-4		3/7/01	11,245	4.120%	67% 1M LIBOR	(2,138)	5/15/32		
Total Goldman Sachs Mitsui Marine			111,770			(17,089)		AA-/Aa2	12.40%
1998 Series D-4		7/1/98	25,000	6.320%	100% 3M LIBOR	(4,048)	11/15/25		
2013 Series A		7/11/01	15,405	5.820%	167% 1M LIBOR-SIFMA	(3,377)	11/15/27		
2016 Series F-5		7/1/98	7,800	4.870%	100% 1W SIFMA	(1,971)	11/15/28		
2017 Series C-3 & 2018 Series C-3		7/11/01	17,000	4.310%	67% 1M LIBOR	(3,262)	5/15/32		
Total Merrill Lynch Capital Services	**		65,205			(12,658)		NR/A2/A+	7.23%
2013 Series B-6 & 2016 Series E		6/15/15	37,010	2.0515%	67% 3M LIBOR	(1,426)	11/15/35		
2015 Series C		8/6/15	45,000	2.3625%	70% 1M LIBOR	(2,371)	11/15/45		
2016 Series A		11/16/15	40,000	2.1325%	67% 3M LIBOR	(1,319)	11/15/45		
2016 Series B-4		11/15/18	21,220	2.1400%	70% 1M LIBOR	(926)	11/15/46		
2016 Series E-3		8/25/16	22,420	1.7970%	67% 3M LIBOR	470	11/15/46		
2017 Series A-3		3/2/17	38,000	2.3350%	67% 3M LIBOR	(2,057)	11/15/47		
2019 Series A-2		3/5/19	5,000	1.8600%	67% 3M LIBOR	(261)	5/15/29		
2019 Series B-2 & 2019 Series B-3		5/9/19	26,250	1.9990%	67% 3M LIBOR	(1,620)	11/15/43		
Total Royal Bank of Canada			234,900			(9,510)		AA-/Aa2/AA	26.06%
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4		11/15/18	16,458	2.242%	67% 3M LIBOR	(1,784)	11/15/28		
2018 Series B-3		6/4/18	5,845	2.071%	70% 3M LIBOR	(514)	5/15/28		
Total TD Bank, NA			22,303			(2,298)		AA-/Aa1/AA-	2.47%
2019 Series A-2 & 2019 Series A-3		3/5/19	18,500	2.290%	67% 3M LIBOR	(1,792)	5/15/49		
2019 Series D-3		8/8/19	26,230	1.4725%	67% 3M LIBOR	389	11/15/43		
Total US Bank			44,730			(1,403)		AA-/A1/AA-	4.96%
2013 Series A		3/2/06	39,885	3.4175%	67% 3M LIBOR	(6,633)	5/15/36		
2016 Series F-5		11/15/16	13,150	1.820%	67% 3M LIBOR	(1,649)	11/15/46		
2017 Series F-3		10/4/00	21,970	5.397%	100% 1W SIFMA	(5,019)	11/15/31		
Total Wells Fargo Bank, NA			75,005			(13,301)		A+/Aa2/AA-	8.33%
Portfolio Total			$ 901,380			$ (123,651)			100.00%

* S&P/Moody's/Fitch
** Credit support by Merrill Lynch Derivative Products AG (AA/Aa3/NR)

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. Because interest rates have declined since the implementation of the majority of the Authority's swap agreements, the aggregate fair value is negative as indicated in the previous chart.

Credit Risk

At December 31, 2019, the Authority was exposed to very limited counterparties' credit risk due to its broad diversification approach. Furthermore, the fair value of all except three swaps was negative. 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.

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, 2019, 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 January 1, 2019, ten 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. Three new swap agreements were established during 2019 with par termination rights resulting in thirteen interest rate swap agreements with these par termination rights remaining in the Authority's interest rate swap portfolio as of December 31, 2019.

Contingencies

Thirty-four of the Authority's thirty-eight interest rate swap agreements (outstanding notional amount $789,610,000, fair value ($106,561,637) at December 31, 2019, 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, 2019, 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 2019 and 2018:

Refunded Issue (s)	Refunding Issue	Cash Flow Savings Over Life of Refunding Issue	Economic Gain Over Life of Refunding Issue
2019			
2009 Series F	2019 Series E Subseries E-1	$ 1,106,136	$ 841,961
2010 Series A Subseries A-3	2019 Series E Subseries E-2	$ 6,834,099	$ 5,612,983
2018			
2008 Series D	2018 Series D Subseries D-1	$ 5,832,034	$ 3,936,256
2008 Series G			

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2019 and 2018 were as follows (in 000's):

	Balance January 1, 2019	Increase	Decrease	Balance December 31, 2019
Escrow deposits	$ 147,739	$ 28,865	$ (27,135)	$ 149,469
Bonds payable, publicly offered	3,670,642	651,540	(365,679)	3,956,503
Bonds payable, direct placement	707,754	100,952	(138,327)	670,379
Derivative instruments- interest rate swaps	86,917	102,230	(65,496)	123,651
Net OPEB liability	63,147	25,518	(10,118)	78,547
Net pension liability	67,896	19,637	(11,009)	76,524
	$ 4,744,095	$ 928,742	$ (617,764)	$ 5,055,073

	Balance January 1, 2018	Increase	Decrease	Balance December 31, 2018
Escrow deposits	$ 138,627	$ 31,376	$ (22,264)	$ 147,739
Bonds payable, publicly offered	3,325,184	713,996	(368,538)	3,670,642
Bonds payable, direct placement	874,709	15,468	(182,423)	707,754
Derivative instruments-interest rate swaps	110,830	66,260	(90,173)	86,917
Net OPEB liability	67,722	6,579	(11,154)	63,147
Net pension liability	67,070	31,838	(31,012)	67,896
	$ 4,584,142	$ 865,517	$ (705,564)	$ 4,744,095

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, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General and Capital Reserve Fund	Multifamily Real Estate Owned	$ 2,300,000
	Single Family Special Obligation Bond Fund	72,821
	Multifamily Special Obligation Bond Fund	119,939
	Insurance Fund	87,732
		$ 2,580,492

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. In 2019, $870,132 was transferred from the General Fund to the Special Needs Fund to reallocate bad debt recoveries.

NOTE 11 - OTHER LIABILITIES

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, 2019 and 2018, the Authority had no such liability.

NOTE 12 - NET POSITION

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

	December 31, 2019	December 31, 2018
General and Capital Reserve Funds:		
Net investment in capital assets	$ 2,890	$ 3,046
General and Capital Reserve Funds	871,495	734,669
Other Funds:		
Housing Mortgage Insurance Fund	3,559	3,506
Single Family Special Obligation Bond and Other Bond Funds	5,215	3,661
Multifamily Special Obligation Bond and Other Bond Funds	2,909	2,485
Special Needs Housing Funds	23,281	20,400
Qualified Energy Conservation Bonds	305	197
Component Units:		
CHFA-Small Properties, Inc.	1,034	775
	$ 910,688	$ 768,739

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.*

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, 2019 and 2018 were 40.03% and 34.08%, 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 $5,294,507 and $4,517,904 for the years ended December 31, 2019 and 2018, respectively.

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

As of December 31, 2019, the Authority reported a liability of $76,523,904 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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 0.33545% as of June 30, 2019.

For the year ended December 31, 2019, the Authority recognized pension expense of $9,130,481. At December 31, 2019 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	$ 5,199,168	$
Change of assumptions	5,023,154	
Net difference between projected and actual earnings on pension plan investments		182,083
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,746,406	5,279,815
Contributions subsequent to the measurement date	2,496,660	
	$ 18,465,388	$ 5,461,898

Of the total amount reported as deferred outflows of resources related to pensions, $2,496,660 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, 2020. 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,	
2020	$ 3,921,542
2021	2,085,806
2022	1,971,994
2023	1,667,469
2024	860,019
	$ 10,506,830

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2019. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2011 – June 30, 2015. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.50% - 19.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

The RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females is used for the period after service retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females is used for the period after disability.

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 %	5.6 %
Developed Market Intl. Stock Fund	11.0	6.0
Emerging Market Intl. Stock Fund	9.0	7.9
Core Fixed Income Fund	16.0	2.1
Inflation Linked Bond Fund	5.0	1.1
Emerging Market Debt Fund	5.0	2.7
High Yield Bond Fund	6.0	4.0
Real Estate Fund	10.0	4.5
Private Equity	10.0	7.3
Alternative Investments	7.0	2.9
Liquidity Fund	1.0	0.4

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2019 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 rates and that contributions from the participating governmental units will be made equal to the difference between the projected actuarially determined contribution and actual member contributions. Projected future benefit payments for all current plan members were projected through the year 2139. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit 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 plan liability and a municipal bond rate was not used in determining the discount rate.

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	$ 91,389,905	$ 76,523,904	$ 64,123,273

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 Comprehensive Annual Financial Report that is publicly available.

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.

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

At December 31, 2019, the Authority reported a liability of $78,547,288 for its proportionate share of the net OPEB liability. The net OPEB liability was determined based on a roll-forward to June 30, 2019 of the annual actuarial valuation report prepared as of June 30, 2018. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2019 relative to all other contributing employers. The Authority's proportion was 0.418651% as of June 30, 2019.

For the year ended December 31, 2019, the Authority recognized OPEB expense of $6,823,204. At December 31, 2019 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	$ 3,219,799	$ 2,867,722
Net difference between projected and actual earnings on OPEB plan investments		18,786
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	8,558,533	2,726,765
Employer contributions to the plan subsequent to the measurement date	1,486,439	
Difference between expected and actual experience in the total OPEB liability		312,277
	$ 13,264,771	$ 5,925,550

Of the total amount reported as deferred outflows of resources related to OPEB, $1,486,439 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, 2020. 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,	
2020	$ 963,949
2021	963,941
2022	1,041,670
2023	1,861,749
2024	1,021,473
	$ 5,852,782

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 roll forward actuarial valuation was determined using key actuarial assumptions summarized as follows:

Payroll growth rate	3.50%
Salary increases	3.25% - 19.5% varying by years of service
Discount rate	3.58% as of June 30, 2019 3.95% as of June 30, 2018
Healthcare cost trend rates:	
Medical	6.50% graded to 4.50% over 4 years
Prescription drug	8.00% graded to 4.50% over 7 years
Dental and Part B	4.50%
Administrative expense	3.00%

The RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females for healthy participants and the RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females is used for disabled participants. 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 using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class.

The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.0 %	5.8 %
Developed Non-U.S. Equities	18.0	6.6
Emerging Market (Non-U.S.)	9.0	8.3
Real Estate	7.0	5.1
Private Equity	11.0	7.6
Alternative Investments	8.0	4.1
Fixed Income (Core)	8.0	1.3
High Yield Bonds	5.0	3.9
Emerging Market Bonds	4.0	3.7
Inflation Linked Bonds	5.0	1.0
Cash or cash equivalents	4.0	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 (3.50% as of June 30, 2019 and 3.87% as of June 30, 2018). The final discount rate used to measure the total OPEB liability was 3.58% as of June 30. 2019. 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 3.58%, 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 (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Authority's proportionate share of net OPEB liability	$ 91,655,298	$ 78,547,288	$ 67,932,624

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	$ 65,887,324	$ 78,547,288	$ 94,721,418

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):

	2019	2018
Mortgage Loan Commitments:		
Home Mortgage Program Purchases	$ 79,989	$ 105,718
Multifamily Developments	98,954	97,497
Reverse Annuity Mortgage	253	246
Emergency Mortgage Assistance (EMAP)	4,131	6,353
	$ 183,327	$ 209,814

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 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, 2019 and December 31, 2018, the Authority had $15,296,000 and $13,858,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2019 and 2018, the claims paid from the CHFA Insurance Fund were $88,000 and $337,000, respectively.

NOTE 16 - STATE AND FEDERAL 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. With sufficient funds currently on hand, the Authority received no additional funding during 2019 and 2018, from the State of Connecticut to be used in support of the EMAP program 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 2019 and 2018, the Authority received $-0- and $2,000, respectively, in grant funds from the Neighborhood Reinvestment Corporation (dba Neighborworks America), a nonprofit, public corporation chartered by the Congress of the United States for the National Foreclosure Mitigation Counseling (NFMC) Program. These funds were made available through the 2008 Consolidated Appropriations Act and the 2008 Housing and Economic Recovery Act and are subject to the terms and conditions of the grant agreement entered into between Neighborworks America and the Authority. Funding began with Round 1 in 2008 and ended with Round 10 in 2016. Congress discontinued further appropriations for the NFMC Program in 2017. The $2,000 in funds received in 2018 represent the remainder of the Round 10 funding.

In 2019 and 2018, the Authority received $116,000 and $224,000, 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 2019 and 2018 was $238,000 and $248,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative. 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 2019 and 2018, the Authority funded $500,000 and $0 towards this commitment, respectively.

The Authority manages a Down Payment Assistance Program (DAP) that helps single family borrowers purchase their first home. The DAP allows first time homebuyers access to additional assistance in the form of a 2nd mortgage loan for up to 100% combined loan to value. The average DAP loan made during 2019 was $6,000, with approximately 33% of borrowers participating in the program. During 2019 and 2018, the Authority received $0 and $12,000,000, respectively, from the State of Connecticut to further capitalize the program.

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. During 2019, CHFA contributed $3,000,000 to the SML Program with an additional $3,000,000 being contributed by OPM.

Activity under these programs for the years ended December 31, 2019 and 2018 is summarized below (in 000's):

	2019 Program Funding	2019 Program Expenses	Net
PA 05-228	$	$ 279	$ (279)
EMAP	1,734	1,735	(1)
CC	116	116	
QECB	238	238	
ZERO 16	500	500	
SML PROGRAM	3,000		3,000
	$ 5,588	$ 2,868	$ 2,720

	2018 Program Funding	2018 Program Expenses	Net
PA 05-228	$	$ 249	$ (249)
EMAP	1,655	1,655	
NFMC	2	2	
CC	224	224	
QECB	248	248	
ZERO 16			
DAP	12,000		12,000
	$ 14,129	$ 2,378	$ 11,751

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 two pending claims, neither of which are expected to exceed insurance coverage limits if and when settled.

NOTE 18 - SUBSEQUENT EVENTS

On January 16, 2020, February 14, 2020 March 26, 2020 and April 1, 2020, the Authority redeemed $1,815,000, $1,600,000, $47,760,000 and $26,460,000, respectively, of various series of outstanding bonds held under the various resolutions.

On February 20, 2020, the Authority issued 2020 Series A fixed rate and variable rate bonds in the amount of $145,350,000 under the Bond Resolution. The bond proceeds were 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 the same date, CHFA entered into a Stand-By Bond Purchase Agreement with Barclays Bank PLC to secure the liquidity needs for 2020 Series A, Subseries A-3 with the principal balance of $31,250,000. Additionally, CHFA entered into a Remarketing Agreement with Barclays Capital Inc. to secure the remarketing needs of 2020 Series A Subseries A-3.

On March 10, 2020, the Governor of the State of Connecticut declared a state of emergency to combat a novel coronavirus disease (COVID-19). On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 outbreak. The Authority derives a significant portion of its revenues from loans made to multifamily projects and single-family homeowners which may have both been impacted by business closures and job loss. While the Authority has not experienced any significant increase in the amount of delinquency from its borrowers, the situation creates uncertainty about the impact on future revenues that might be generated from these loans.

Subsequent to the balance sheet date, domestic and global investment markets have experienced significant volatility. This volatility is the result of numerous economic and political factors including the impact of the spread of COVID-19. As a result, the current fair value of the Authority's investments may be materially different from the amounts recorded in the financial statements as of December 31, 2019. The change, however, does not impact the Authority's liquidity as it typically holds mortgage-backed securities until maturity.

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

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.33545%	0.31308%	0.31830%	0.30322%	0.39732%	0.34574%
Proportionate share of the net pension liability	$ 76,523,904	$ 67,896,479	$ 67,069,565	$ 69,628,178	$ 65,653,502	$ 55,368,069
Covered payroll	$ 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	578.56%	512.19%	504.08%	546.73%	529.34%	477.31%
Plan fiduciary net position as of percentage of total pension liability	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

*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
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST SIX YEARS*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 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	5,294,507	4,517,904	4,909,189	4,553,783	5,449,857	4,387,091
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ $ 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	40.03%	34.08%	36.90%	35.76%	43.94%	37.82%

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

Notes to Schedule

Changes in benefit terms:

For the June 30, 2017 valuation, there were several changes in benefit terms:

a. The annual COLA for those retiring on or after July 1, 2022 is based on the annual rate of increase in CPI-W from 0.0% to 2.0%, plus 60% of the annual rate of increase CPI-W from 3.33% to 6.0%, plus 75% of the annual rate of increase in CPI-W above 6% and with a cap on the COLA rate of 7.5%.

b. A COLA moratorium for those retiring on or after July 1, 2022 for the first 30 months of retirement benefits. If rate of increase in CPI-W exceeds an annualized rate of 5.5% during the initial 18 month period of receiving retirement benefits, the COLA provided beginning with the 31st monthly benefit includes an additional adjustment based on the annual COLA rate as determined above using the annualized rate over the 18 month period. The COLA rate applied is reduced by 2.5% and then multiplied by 1.5 to reflect the 18 month period.

c. Increase to all non-Tier IV members' contribution rates by 1.5% of compensation effective July 1, 2017 and an additional 0.5% of compensation effective July 1, 2019.

d. In years where employer contributions increase due to poor asset returns, half the increase is applied to the Tier IV member contribution rate, up t 2% in total.

e. Tier IV Hybrid Plan Structure for all new hires (Non-Hazardous and Hazardous) on or after July 1, 2017:

i. Non-Hazardous has same retirement eligibility as Tier III

ii. Non-Hazardous benefit multiplier is 1.3% with no breakpoint

iii. Hazardous duty requires 25 years of service to retire

iv. Hazardous duty employees contribute 3% more than Tier III employees into the Defined Benefit Plan

v. Employers contribute 1% and employees must contribute at least 1% to DC portion of the Hybrid Plan

Changes in assumptions:

	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%	8.00%	8.00%
Salary increases	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%	2.25% - 3.25%	2.30% - 3.60%	2.30% - 3.60%
Inflation	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 FOUR YEARS*

	2019	2018	2017	2016
Proportion of the net OPEB liability	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	$ 78,547,288	$ 63,147,471	$ 67,722,049	$ 65,649,161
Covered employee payroll	$ 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	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	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 FOUR YEARS*

	2019	2018	2017	2016
Contractually required contribution	$ 3,152,196	$ 2,933,060	$ 2,603,173	$ 2,317,169
Amount contributed in relation to contractually required contribution	3,152,196	2,933,060	2,603,173	2,317,169
Contribution deficiency	$ -	$ -	$ -	$ -
Covered employee payroll	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Contributions as a percentage of covered employee payroll	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:

	2019	2018	2017	2016
Payroll growth rate	3.50%	3.50%	3.50%	3.75%
Salary increases	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%
Discount rate	3.58%	3.95%	3.68%	3.74%
Health care cost trend rates:				
Medical	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	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	4.50%	4.50%	4.50%	5.00%
Administrative expense	3.00%	3.00%	3.00%	$250 per participar

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2019
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	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	$ 416	$	$	$	$ 20	$	$	$	$ 436
Mortgage loans receivable	130,269		5,854	645	3,491	393			140,652
Investments in securities	588,190	3,642	22,238	6,918	59,106	932	823		681,849
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	11,872		929	196	349	18			13,364
Securities	6,659	5	32	10	95		1		6,802
Due from other funds/component units	2,580							(2,580)	-
Accounts receivable and other assets	45,624		638		748		324		47,334
Total current assets	785,610	3,647	29,691	7,769	63,809	1,343	3,448	(2,580)	892,737
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,479,551		171,971	48,704	59,612	8,010			2,767,848
Investments in securities, net of current portion	2,466,523		13,373		1,622				2,481,518
Capital assets, net of depreciation	2,890								2,890
Real estate owned - single family	9,848		1,287						11,135
Total noncurrent assets	4,958,812	-	186,631	48,704	61,234	8,010	-	-	5,263,391
Total assets	5,744,422	3,647	216,322	56,473	125,043	9,353	3,448	(2,580)	6,156,128
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	84,584				32				84,616
Deferred amount for OPEB	13,265								13,265
Deferred amount for pensions	18,465								18,465
Total deferred outflows of resources	116,314	-	-	-	32		-	-	116,346
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	26,839			892	6,479	583			34,793
Due to other funds/component units		88	72	120			2,300	(2,580)	-
Accrued interest payable	17,177		467	47	113	37			17,841
Accounts payable and accrued liabilities	5,347		104	4	774		114		6,343
Bonds payable	211,475		8,195	745	2,700	423			223,538
Total current liabilities	260,838	88	8,838	1,808	10,066	1,043	2,414	(2,580)	282,515
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	115,860			2,563	31,046				149,469
Bonds payable, net of current portion	4,306,733		202,269	49,193	60,682	8,005			4,626,882
Derivative instruments - interest rate swaps	123,651								123,651
Net OPEB liability	78,547								78,547
Net pension liability	76,524								76,524
Total noncurrent liabilities	4,701,315	-	202,269	51,756	91,728	8,005	-	-	5,055,073
Total liabilities	4,962,153	88	211,107	53,564	101,794	9,048	2,414	(2,580)	5,337,588
Deferred Inflows of Resources									
Deferred amount for OPEB	5,926								5,926
Deferred amount for pensions	5,462								5,462
Derivative Financial Instruments	12,810								12,810
Total deferred inflows of resources	24,198	-	-	-	-	-	-	-	24,198
Net Position									
Net investment in capital assets	2,890								2,890
Restricted by bond indentures and/or enabling legislation	871,495	3,559	5,215	2,909	23,281	305	1,034		907,798
Total Net Position	$ 874,385	$ 3,559	$ 5,215	$ 2,909	$ 23,281	$ 305	$ 1,034	$ -	$ 910,688

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2018
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	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	$ 356	$	$	$	$ 8	$	$	$	$ 364
Mortgage loans receivable	125,106		5,220	616	3,105	377			134,424
Investments in securities	494,127	3,650	17,069	6,255	57,111	836	637		579,685
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	12,800		1,020	199	368	19			14,406
Securities	5,845	7	35	13	126		1		6,027
Due from other funds/component units	2,647							(2,647)	-
Accounts receivable and other assets	59,961		623		731	21	229		61,565
Total current assets	700,842	3,657	23,967	7,083	61,449	1,253	3,167	(2,647)	798,771
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,608,203		195,370	49,348	62,102	8,403			2,923,426
Investments in securities, net of current portion	2,006,046		14,972		1,693				2,022,711
Capital assets, net of depreciation	3,046								3,046
Real estate owned - single family	15,069		1,598						16,667
Total noncurrent assets	4,632,364	-	211,940	49,348	63,795	8,403	-	-	4,965,850
Total assets	5,333,206	3,657	235,907	56,431	125,244	9,656	3,167	(2,647)	5,764,621
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	96,018				38				96,056
Deferred amount for OPEB	2,644								2,644
Deferred amount for pensions	16,775								16,775
Total deferred outflows of resources	115,437	-	-	-	38		-	-	115,475
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	32,060		(29)	834	6,232	583			39,680
Due to other funds/component units		151	75	121			2,300	(2,647)	-
Accrued interest payable	16,717		529	48	115	38			17,447
Accounts payable and accrued liabilities	5,620		118	5	766		92		6,601
Bonds payable	225,960		9,005	731	2,605	410			238,711
Total current liabilities	280,357	151	9,698	1,739	9,718	1,031	2,392	(2,647)	302,439
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	113,708			2,315	31,716				147,739
Bonds payable, net of current portion	4,034,080		222,548	49,892	63,448	8,428			4,378,396
Derivative instruments - interest rate swaps	86,917								86,917
Net OPEB liability	63,147								63,147
Net pension liability	67,896								67,896
Total noncurrent liabilities	4,365,748	-	222,548	52,207	95,164	8,428	-	-	4,744,095
Total liabilities	4,646,105	151	232,246	53,946	104,882	9,459	2,392	(2,647)	5,046,534
Deferred Inflows of Resources									
Deferred amount for OPEB	6,912								6,912
Deferred amount for pensions	8,367								8,367
Derivative financial Instruments	49,544								49,544
Total deferred inflows of resources	64,823	-	-	-	-	-	-	-	64,823
Net Position									
Net investment in capital assets	3,046								3,046
Restricted by bond indentures and/or enabling legislation	734,669	3,506	3,661	2,485	20,400	197	775		765,693
Total Net Position	$ 737,715	$ 3,506	$ 3,661	$ 2,485	$ 20,400	$ 197	$ 775	$ -	$ 768,739

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	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	$ 126,927	$	$ 7,637	$ 2,309	$ 3,868	$ 233	$	$	$ 140,974
Interest on investments	77,435	79	522	93	588		16	(2,321)	76,412
Fees and other income	15,184	62					243		15,489
Total operating revenues	219,546	141	8,159	2,402	4,456	233	259	(2,321)	232,875
Operating Expenses									
Interest	144,516		6,616	1,978	2,500	125		(2,321)	153,414
Bond issuance costs	6,199								6,199
Servicer fees	8,982		635						9,617
Administrative	36,162	88	59						36,309
Reduction to loan loss reserves	(10,519)		(71)						(10,590)
Total operating expenses	185,340	88	7,239	1,978	2,500	125	-	(2,321)	194,949
Operating Income	34,206	53	920	424	1,956	108	259		37,926
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	(7,824)								(7,824)
Net increase in the fair value of investments	108,438		634		55				109,127
State and federal program funding	3,115				2,235	238			5,588
State and federal program expenses	(395)				(2,235)	(238)			(2,868)
Nonoperating income (loss)	103,334	-	634	-	55	-	-	-	104,023
Income (Loss) before Transfers	137,540	53	1,554	424	2,011	108	259		141,949
Operating Transfers In (Out)	(870)				870				
Change in Net Position	136,670	53	1,554	424	2,881	108	259	-	141,949
Net Position - Beginning of Year- as restated	737,715	3,506	3,661	2,485	20,400	197	775	-	768,739
Net Position - End of Year	$ 874,385	$ 3,559	$ 5,215	$ 2,909	$ 23,281	$ 305	$ 1,034	$ -	$ 910,688

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	**Housing Mortgage Insurance Fund**	**Single Family Special Obligation Bond and Other Bond Funds**	**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	$ 128,032	$	$ 8,569	$ 2,334	$ 3,798	$ 243	$	$	$ 142,976
Interest on investments	63,593	67	416	71	513		10	(2,295)	62,375
Fees and other income	10,369	68			121		46		10,604
Total operating revenues	201,994	135	8,985	2,405	4,432	243	56	(2,295)	215,955
Operating Expenses									
Interest	137,371		7,423	1,999	2,659	131		(2,295)	147,288
Bond issuance costs	6,377				432	49			6,858
Servicer fees	11,389		726						12,115
Administrative	37,178	337	284						37,799
Provision for losses	14,606		195						14,801
Total operating expenses	206,921	337	8,628	1,999	3,091	180	-	(2,295)	218,861
Operating Income (Loss)	(4,927)	(202)	357	406	1,341	63	56		(2,906)
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	(4,879)								(4,879)
Net decrease in the fair value of investments	(49,126)		(262)		(65)				(49,453)
State and federal program funding	12,226				1,655	248			14,129
State and federal program expenses	(475)				(1,655)	(248)			(2,378)
Nonoperating income (loss)	(42,254)	-	(262)	-	(65)	-	-	-	(42,581)
Income (Loss) before Transfers	(47,181)	(202)	95	406	1,276	63	56		(45,487)
Operating Transfers In (Out)	(1,006)				1,006				
Change in Net Position	(48,187)	(202)	95	406	2,282	63	56		(45,487)
Net Position - Beginning of Year- as restated	785,902	3,708	3,566	2,079	18,118	134	719	-	814,226
Net Position - End of Year	$ 737,715	$ 3,506	$ 3,661	$ 2,485	$ 20,400	$ 197	$ 775	$	$ 768,739

** See Note 2 - Reclassification of actuarial pension and OPEB adjustments*