



February 24, 2010

Emily Shepard
Associate Budget Analyst
Office of Fiscal Analysis
Legislative Office Building, Room 5200
Hartford, CT 06106-1591

Dear Emily,

Please find enclosed Connecticut Development Authority's quarterly report for the quarter ended December 31, 2009. They were just approved by the Authority's Board of Directors. Please feel free to contact me at the Authority at (860) 258-7865 or by E-mail at hilary.scott@ctcda.com if you have any further questions or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Hilary G. Scott". The signature is written in a cursive style and is positioned above the printed name.

Hilary G. Scott

Controller

Connecticut Development Authority

CONNECTICUT DEVELOPMENT AUTHORITY
INCOME STATEMENTS
ACTUAL vs. BUDGET

As of December 31, 2009

UNAUDITED

LINE ITEMS	SIX MONTHS ENDING December 31, 2009 ACTUAL	SIX MONTHS ENDING December 31, 2009 BUDGET	BETTER / (WORSE)
<u>CDA OPERATIONS:</u>			
Revenues:			
Application fees	4,000	15,700	(\$11,700)
Acceptance fees	525,396	656,015	(\$130,619)
Premiums earned	52,970	73,922	(\$20,952)
Interest on loans	1,606,127	1,525,012	\$81,115
Income from investments	124,321	159,224	(\$34,903)
Other	28,926	50,000	(\$21,074)
Total revenues	\$2,341,740	\$2,479,873	(\$138,133)
Expenses:			
Interest	350,761	350,608	(\$153)
Payroll & fringe benefits	1,863,522	1,923,067	\$59,545
Credit investigation	582	7,500	\$6,918
Legal	32,354	70,002	\$37,648
Accounting	21,500	21,498	(\$2)
Consulting	93,444	95,000	\$1,556
Travel and conferences	8,552	7,500	(\$1,052)
Personnel development	1,154	3,252	\$2,098
Marketing	34,099	100,002	\$65,903
General Facility	65,027	66,996	\$1,969
Telephone	5,035	7,002	\$1,967
Contractual Services	35,369	43,248	\$7,879
Leased equipment	11,955	12,000	\$45
Insurance expense	48,026	52,272	\$4,246
Office supplies	15,048	21,000	\$5,952
Depreciation	37,842	46,818	\$8,976
Trustee and service fees	1,400	1,400	\$0
Amort. of def. bond iss. exp.	23,307	23,307	\$0
Loan work-out	7,527	10,000	\$2,473
Provision for loan and guarantee losses	425,000	425,000	\$0
Other real estate owned	0	0	\$0
Other	67	498	\$431
Total expenses	\$3,081,571	\$3,287,970	\$206,399
OPERATING INCOME (LOSS)	(\$739,831)	(\$808,097)	\$68,266
<u>NON-CORE OPERATIONS:</u>			
XL Center revenues	\$2,243,439	\$2,231,675	\$11,764
XL Center expenses	\$1,904,291	\$1,865,213	(\$39,078)
OPERATING INCOME (LOSS) ON NON-CORE OPERATIONS	\$339,148	\$366,462	(\$27,314)
TOTAL OPERATING INCOME (LOSS)	(\$400,683)	(\$441,635)	\$40,952
NON-OPERATING ITEMS:			
Gain (Loss) on investments	150	0	\$150
Change in Net Assets after non-operating items	(400,533)	(441,635)	\$41,102

**CONNECTICUT DEVELOPMENT AUTHORITY
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2009 AND JUNE 30, 2009
UNAUDITED**

	<u>December 31, 2009</u>	<u>June 30, 2009</u>
ASSETS		
CURRENT ASSETS		
Unrestricted cash and cash equivalents	\$ 25,120,656	\$ 27,177,569
Cash and cash equivalents for loan commitments	13,407,554	19,090,315
Loans	4,738,128	5,258,163
CBRA receivable	258,579	37,987
Interest and other receivables	380,768	147,876
Prepaid and deferred expenses	450,423	471,030
Total current assets	<u>44,356,108</u>	<u>52,182,940</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	15,022,107	14,478,259
Marketable securities	3,008,095	3,008,095
Total restricted assets	<u>18,030,202</u>	<u>17,486,354</u>
Loans, less allowances of \$11,908,015 and \$11,532,415 respectively	40,726,777	36,123,270
Program investments	1,218,234	1,218,998
CBRA receivable	7,912,885	6,765,461
Furniture and equipment at cost less accumulated depreciation of \$38,444,701 and \$38,406,859, respectively	127,049	149,892
Prepaid and deferred expenses	327,034	351,154
Due from State of Connecticut	12,974,864	13,107,781
Total noncurrent assets	<u>81,317,045</u>	<u>75,202,910</u>
Total assets	<u>\$ 125,673,153</u>	<u>\$ 127,385,850</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Current portion of bonds payable	\$ 3,425,000	\$ 3,360,000
Accrued expenses and liabilities	2,585,272	2,666,659
Deferred revenue	411,802	436,502
Reserve for guarantee losses	810,755	776,899
Total current liabilities	<u>7,232,829</u>	<u>7,240,060</u>
Noncurrent liabilities:		
Escrow deposits	7,578,918	5,544,711
Bonds payable, net of current portion	15,800,000	19,225,000
Deferred revenue	445,697	359,837
Total noncurrent liabilities	<u>23,824,615</u>	<u>25,129,548</u>
Total liabilities	<u>31,057,444</u>	<u>32,369,608</u>
NET ASSETS		
Invested in capital assets, net of related debt	127,049	149,892
Restricted	10,451,284	11,941,643
Unrestricted	84,037,376	82,924,707
Total net assets	<u>94,615,709</u>	<u>95,016,242</u>
Total liabilities and net assets	<u>\$ 125,673,153</u>	<u>\$ 127,385,850</u>

**CONNECTICUT DEVELOPMENT AUTHORITY
COMBINED STATEMENT OF CASH FLOWS**

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2009 AND YEAR ENDED JUNE 30, 2009

UNAUDITED

	<u>DECEMBER 31, 2009</u>	<u>JUNE 30, 2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings (loss) after special items	<u>(\$400,533)</u>	<u>(\$3,108,653)</u>
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:		
Interest expense on bonds and notes payable	541,386	1,198,509
Interest income on investments and cash and cash equivalents	(214,952)	(1,097,675)
Depreciation	37,842	76,758
Amortization of deferred bond issue expenses	23,307	44,793
Amortization of bond issue premium	(1,640)	(3,280)
Principal collected on notes	3,932,230	5,897,737
DECD Participation principal collected	0	375,000
CBRA receivable principal collected	131,984	159,802
Loans funded	(8,391,302)	(11,742,544)
Brownfields loans funded	0	0
CBRA grants due from Municipal Tax Incremental revenues	(1,500,000)	0
Provision for loan and insurance losses	375,000	1,395,000
Provision for guarantee losses	50,000	75,000
(Gain) loss on sale of investment securities	(150)	698,854
Charge-off of notes receivable	0	0
Guarantee losses paid	(50,434)	(23,999)
Recoveries of loan principal	34,892	98,118
Changes in assets and liabilities:		
Interest and other receivables	(234,032)	88,598
Due from State of Connecticut	132,915	(307,392)
Other assets	21,420	(44,408)
Accrued expenses	2,217	91,817
Unearned insurance premium	16,970	4,612
Deferred revenue	2,079	(134,738)
Total adjustments	<u>(5,090,268)</u>	<u>(3,149,438)</u>
Net cash provided by operating activities	<u>(5,490,801)</u>	<u>(6,258,091)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of stock	915	13,400
Purchase of preferred and common stock	0	0
Proceeds from the sale of U.S. Treasury securities	0	22,500
Proceeds from the sale of other investments	0	0
Interest received on investments and cash and cash equivalents	216,091	1,104,027
Purchase of U.S. Treasuries	0	0
Purchase of other investments	0	0
Purchase of furniture and equipment	(15,000)	(7,659)
Net cash provided by (used in) investing activities	202,006	1,132,268
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Contributed capital	0	0
Escrow Deposits	2,034,206	5,544,711
Brownfield funding	(4,232)	(2,082)
Principal payments on bonds and notes payable	(3,360,000)	(3,290,000)
Interest payments on bonds and notes payable	(577,005)	(1,231,622)
Net cash provided by (used in) financing activity	<u>(1,907,031)</u>	<u>1,021,007</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,195,826)	(4,104,816)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	60,746,143	64,850,959
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$53,550,317	\$60,746,143
<u>SCHEDULE OF CASH AND CASH EQUIVALENTS, END OF PERIOD</u>		
END OF PERIOD CASH AND CASH EQUIVALENTS ABOVE	\$53,550,317	\$60,746,143
RESTRICTED CASH AND CASH EQUIVALENTS	(\$15,022,107)	(\$14,478,259)
CASH AND CASH EQUIVALENTS DESIGNATED FOR LOAN COMMITMENTS	<u>(\$13,407,554)</u>	<u>(\$19,090,315)</u>
CASH AND CASH EQUIVALENTS AVAILABLE FOR FUTURE COMMITMENTS	<u>\$25,120,656</u>	<u>\$27,177,569</u>
PIPELINE TOTALS @ 12/31/09 AND 6/30/09	\$27,073,000	\$23,050,000