



July 13, 2010

Ms. Kerry Kelley
Office of Fiscal Analysis
Legislative Office Building, Room 5200
Hartford, CT 06106-1591

Dear Ms. Kelley:

Please find enclosed Connecticut Development Authority's quarterly report for the quarter ended March 31, 2010 that were approved by the Authority's Board of Directors on May 19, 2010.

I apologize for the delay in providing them to you. Please feel free to contact me at the authority at (860) 238-7865 or by e-mail at hilary.scott@ctcda.com if you have any questions or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Hilary G. Scott".

Hilary G. Scott
Controller

CONNECTICUT DEVELOPMENT AUTHORITY
INCOME STATEMENTS
ACTUAL vs. BUDGET

As of March 31, 2010

LINE ITEMS	NINE MONTHS ENDING March 31, 2010 ACTUAL	NINE MONTHS ENDING March 31, 2010 BUDGET	BETTER / (WORSE)
<u>CDA OPERATIONS:</u>			
Revenues:			
Application fees	17,500	30,350	(\$12,850)
Acceptance fees	696,655	777,978	(\$81,323)
Premiums earned	69,537	115,383	(\$45,846)
Interest on loans	2,368,415	2,321,801	\$46,614
Income from investments	163,030	237,404	(\$74,374)
Other	550,064	75,000	\$475,064
Total revenues	\$3,865,201	\$3,557,916	\$307,285
Expenses:			
Interest	520,188	520,188	\$0
Payroll & fringe benefits	2,853,645	2,855,462	\$1,817
Credit investigation	14,085	11,250	(\$2,835)
Legal	72,369	105,003	\$32,634
Accounting	32,250	32,247	(\$3)
Consulting	107,581	128,750	\$21,169
Travel and conferences	11,292	11,250	(\$42)
Personnel development	1,154	4,878	\$3,724
Marketing	36,129	150,003	\$113,874
General Facility	97,545	100,494	\$2,949
Telephone	7,611	10,503	\$2,892
Contractual Services	51,701	64,872	\$13,171
Leased equipment	17,922	18,000	\$78
Insurance expense	83,808	78,408	(\$5,400)
Office supplies	22,563	31,500	\$8,937
Depreciation	57,037	70,227	\$13,190
Trustee and service fees	2,100	2,100	\$0
Amort. of def. bond iss. exp.	34,961	34,961	\$0
Loan work-out	8,256	15,000	\$6,744
Provision for loan and guarantee losses	637,500	637,500	\$0
Other real estate owned	0	0	\$0
Other	69	747	\$678
Total expenses	\$4,669,766	\$4,883,343	\$213,577
OPERATING INCOME (LOSS)	(\$804,565)	(\$1,325,427)	\$520,862
<u>NON-CORE OPERATIONS:</u>			
XL Center revenues	\$2,852,413	\$2,795,574	\$56,839
XL Center expenses	\$2,852,597	\$2,735,362	(\$117,235)
OPERATING INCOME (LOSS) ON NON-CORE OPERATIONS	(\$184)	\$60,212	(\$60,396)
TOTAL OPERATING INCOME (LOSS)	(\$804,749)	(\$1,265,215)	\$460,466
NON-OPERATING ITEMS:			
Gain (Loss) on investments	150	0	\$150
Change in Net Assets after non-operating items	(804,599)	(1,265,215)	\$460,616

**CONNECTICUT DEVELOPMENT AUTHORITY
STATEMENTS OF NET ASSETS
AS OF MARCH 31, 2010 AND JUNE 30, 2009
UNAUDITED**

	<u>March 31, 2010</u>	<u>June 30, 2009</u>
ASSETS		
CURRENT ASSETS		
Unrestricted cash and cash equivalents	\$ 26,390,348	\$ 27,177,569
Cash and cash equivalents for loan commitments	7,242,845	19,090,315
Loans	4,923,671	5,258,163
CBRA receivable	258,579	37,987
Interest and other receivables	449,631	147,876
Prepaid and deferred expenses	533,306	471,030
Total current assets	<u>39,798,380</u>	<u>52,182,940</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	16,625,775	14,478,259
Marketable securities	<u>3,008,095</u>	<u>3,008,095</u>
Total restricted assets	19,633,870	17,486,354
Loans, less allowances of \$12,095,815 and \$11,532,415 respectively	41,028,544	36,123,270
Program investments	1,218,234	1,218,998
CBRA receivable	10,069,614	6,765,461
Furniture and equipment at cost less accumulated depreciation of \$38,463,896 and \$38,406,859, respectively	109,678	149,892
Prepaid and deferred expenses	314,975	351,154
Due from State of Connecticut	<u>12,963,542</u>	<u>13,107,781</u>
Total noncurrent assets	<u>85,338,457</u>	<u>75,202,910</u>
Total assets	<u>\$ 125,136,837</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	1,881,646	2,666,659
Deferred revenue	416,478	436,502
Reserve for guarantee losses	847,257	776,899
Total current liabilities	<u>6,570,381</u>	<u>7,240,060</u>
Noncurrent liabilities:		
Escrow deposits	8,066,186	5,544,711
Bonds payable, net of current portion	15,800,000	19,225,000
Deferred revenue	488,627	359,837
Total noncurrent liabilities	<u>24,354,813</u>	<u>25,129,548</u>
Total liabilities	<u>30,925,194</u>	<u>32,369,608</u>
NET ASSETS		
Invested in capital assets, net of related debt	109,678	149,892
Restricted	11,567,684	11,941,643
Unrestricted	<u>82,534,281</u>	<u>82,924,707</u>
Total net assets	<u>94,211,643</u>	<u>95,016,242</u>
Total liabilities and net assets	<u>\$ 125,136,837</u>	<u>\$ 127,385,850</u>

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

**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2010 AND YEAR ENDED JUNE 30, 2009
UNAUDITED**

	<u>MARCH 31, 2010</u>	<u>JUNE 30, 2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings (loss) after special items	<u>(\$804,599)</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	788,969	1,198,509
Interest income on investments and cash and cash equivalents	(297,919)	(1,097,675)
Depreciation	57,037	76,758
Amortization of deferred bond issue expenses	34,961	44,793
Amortization of bond issue premium	(2,460)	(3,280)
Principal collected on notes	4,803,874	5,897,737
DECD Participation principal collected	0	375,000
CBRA receivable principal collected	275,255	159,802
Loans funded	(9,938,056)	(11,742,544)
Brownfields loans funded	0	0
CBRA grants due from Municipal Tax Incremental revenues	(3,800,000)	0
Provision for loan and insurance losses	562,500	1,395,000
Provision for guarantee losses	75,000	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	46,692	98,118
Changes in assets and liabilities:		
Interest and other receivables	(245,315)	88,598
Due from State of Connecticut	144,237	(307,392)
Other assets	(61,058)	(44,408)
Accrued expenses	(715,867)	91,817
Unearned insurance premium	11,645	4,612
Deferred revenue	12,080	(134,738)
Total adjustments	<u>(8,299,010)</u>	<u>(3,149,438)</u>
Net cash provided by operating activities	<u>(9,103,609)</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	241,483	1,104,027
Purchase of U.S. Treasuries	0	0
Purchase of other investments	0	0
Purchase of furniture and equipment	(16,823)	(7,659)
Net cash provided by (used in) investing activities	<u>225,575</u>	<u>1,132,268</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Contributed capital	0	0
Escrow Deposits	2,521,475	5,544,711
Brownfield funding	(4,313)	(2,082)
Principal payments on bonds and notes payable	(3,360,000)	(3,290,000)
Interest payments on bonds and notes payable	(766,303)	(1,231,622)
Net cash provided by (used in) financing activity	<u>(1,609,141)</u>	<u>1,021,007</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(10,487,175)</u>	<u>(4,104,816)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>60,746,143</u>	<u>64,850,959</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$50,258,968</u>	<u>\$60,746,143</u>
<u>SCHEDULE OF CASH AND CASH EQUIVALENTS, END OF PERIOD</u>		
END OF PERIOD CASH AND CASH EQUIVALENTS ABOVE	\$50,258,968	\$60,746,143
RESTRICTED CASH AND CASH EQUIVALENTS	(\$16,625,775)	(\$14,478,259)
CASH AND CASH EQUIVALENTS DESIGNATED FOR LOAN COMMITMENTS	<u>(\$7,242,845)</u>	<u>(\$19,090,315)</u>
CASH AND CASH EQUIVALENTS AVAILABLE FOR FUTURE COMMITMENTS	<u>\$26,390,348</u>	<u>\$27,177,569</u>
PIPELINE TOTALS @ 3/31/10 AND 6/30/09	<u>\$28,725,000</u>	<u>\$23,050,000</u>