CONNECTICUT GREEN BANK
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021
(With Summarized Totals as of and for Fiscal Year Ended June 30, 2020)

Department of Finance and Administration
75 Charter Oak Avenue, Suite 1-103
Hartford, Connecticut

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INTRODUCTORY SECTION

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CONNECTICUT
GREEN BANK

October 31, 2021

As we complete our decennial year as the nation's first green bank, we are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Connecticut Green Bank (Green Bank) for the fiscal year ending June 30, 2021 accompanied by summarized totals as of and for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that it has established for this purpose. To provide a reasonable basis for making these representations, the management of Green Bank has established a comprehensive internal control framework that is designed both to protect the entity's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of Green Bank's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, Green Bank's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As such, management asserts that this financial report is complete and reliable in all material respects to the best of managements' knowledge and belief.

CliftonLarsonAllen LLP has issued an unmodified opinion on the Green Bank's financial statements for the fiscal year ending June 30, 2021. The independent auditors' report is presented in the financial section of this report. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Green Bank's MD&A can be found immediately following the report of the independent auditors.

Kestrel Verifiers has issued an independent opinion that the metrics, data collection, calculation methodologies, and transparency for the social benefits supported by the Green Bank are sound and represent best practice. The independent opinion is presented in the non-financial statistics section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Connecticut Green Bank for its annual comprehensive report for the fiscal years ending June 30, 2014 through June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Profile of the Connecticut Green Bank

The Green Bank[1] was established in a bipartisan manner by the Governor and Connecticut's General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first green bank, the Green Bank makes clean energy more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of green economy. We facilitate clean energy deployment by leveraging a public-private financing model that uses limited public dollars to attract private capital investments. By partnering with the private sector, we create solutions that result in long-term, affordable financing to increase the number of clean energy projects statewide.

As outlined in its Comprehensive Plan: Green Bonds US,[2] the Green Bank's vision is a planet protected by the love of humanity. The Green Bank's mission is to confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy.

To achieve its vision and mission, the Green Bank has established the following three goals:

1. To leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut.

2. To strengthen Connecticut's communities, especially vulnerable communities, by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses.

3. To pursue investment strategies that advance market transformation in green investing while supporting the organization's pursuit of financial sustainability.

These goals support the implementation of Connecticut's clean energy policies be they statutory (e.g., Public Act 11-80, Public Act 13-298, Public Act 15-194, Public Act 21-115, Public Act 21-53), planning (e.g., Comprehensive Energy Strategy, Integrated Resources Plan), or regulatory (e.g., Docket No. 17-12-03) in nature. The powers of the Green Bank are vested in and exercised by a Board of Directors that is comprised of eleven voting and one non-voting members each with knowledge and expertise in matters related to the purpose of the organization. Upon the passage of Public Act 21-115 on July 6, 2021, one additional voting member was added to the Board of Directors. Board of Directors and Staff are governed through the statute, as well as an Ethics Statement and Ethical Conduct Policy, Resolutions of Purposes, Bylaws, and Comprehensive Plan.

[1] Public Act 11-80 repurposed the Connecticut Clean Energy Fund (CCEF) administered by Connecticut Innovations, into a separate quasi-public organization called the Clean Energy Finance and Investment Authority (CEFIA). Per Public Act 14-94, CEFIA was renamed to the Connecticut Green Bank.

[2] https://www.ctgreenbank.com/wp-content/uploads/2021/07/3_Comprehensive-Plan_FY-2020-and-Beyond_Final.pdf

Initiatives and Results

Accelerate the Growth of and Investment in the Green Economy

The Green Bank makes clean energy more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of green energy. As a result of the efforts undertaken over the past ten years, we are deploying more clean energy in our state than ever before (see Table 1).

Table 1. Project Investments between FY 2012 through FY 2021[3]

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Total
Total Investment ($MM)	$280.5	$287.4	$317.3	$218.3	$177.3	$317.3	$314.7	$104.4	$111.1	$9.9	$2,138.1
Green Bank Investment $(MM)	$36.0	$32.8	$30.1	$25.0	$27.2	$34.9	$51.4	$29.1	$18.4	$3.4	$288.4
Leverage Ratio	7.8	8.8	10.6	8.7	6.5	9.1	6.1	3.6	6.0	2.9	7.4
% of Funding as Grants	32%	40%	42%	36%	35%	48%	53%	62%	67%	100%	46%
Installed Capacity (MW)	71.8	75.3	64.4	56.4	49.9	65.9	62.2	23.4	23.5	1.9	494.6

By using $288.4 million of Green Bank funds,[4] we have helped attract $1,849.7 million of private investment in clean energy for a total investment of $2.1 billion in Connecticut's green economy. In addition, $107.5 million in estimated tax revenues have been generated from this investment. This is supporting the deployment of 494.6 MW of clean renewable energy, saving an estimated 64.1 million MMBtu of energy, producing 20.3 million MWh of clean energy, and avoiding an estimated 9.9 million tons of CO_2 emissions over the life of the projects, while creating over 25,000 job-years, and improving public health benefits by $298.1 to $674.1 million as a result of cleaner air.

Responsible Public Investment in Green Energy

The Green Bank receives funding through a number of public sources, including a Systems Benefit Charge (i.e., Clean Energy Fund), and allowance proceeds from the Regional Greenhouse Gas Initiative (RGGI), as well as earned revenues from renewable energy certificate (REC) sales, interest income from its loans, fees, and the federal government. The Green Bank's predecessor organization's programs were primarily structured as grants, which meant the funds were spent with no expectation of return. This model put the organization at the mercy of these funding streams which, while reliable, are largely determined by activities outside of our control such as levels of state electricity use and RGGI allowance prices. With the transition to a new financing model, the Green Bank is able to invest its funds in activities that earn a return and begin to build revenue streams that can be reinvested in clean energy in Connecticut while strengthening the financial position and sustainability of the organization.

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[3] Includes closed transactions approved by the Board of Directors consistent with its Comprehensive Plan and Budget.

[4] Including, but not limited to public resources such as the Clean Energy Fund and Regional Greenhouse Gas Initiative allowance proceeds, as well as earned revenues such as interest income, sales of renewable energy credits, and fees.

Acknowledgements

First and foremost, we would like to thank the Staff of the Connecticut Green Bank. Through their hard work, commitment and innovation, in ten years we have eclipsed $2 billion of investment into Connecticut's green economy and have built a model that is delivering results for our state and serving as a model across the country and around the world.

We are grateful to our independent auditors, CliftonLarsonAllen LLP and Kestrel Verifiers, for their assistance and advice during the course of this audit and review, and for supporting our interests in continuing to disclose not only our financial position, but also the public benefits to society resulting from increasing public and private investment and the deployment of clean energy.

Finally, we thank the Board of Directors, Connecticut General Assembly, and the Governor for their continued leadership and guidance as we continue to prove that there is a new model for how government is able to play a part in deploying more clean energy, at a faster pace, while using public resources responsibly.

Respectfully submitted,

Bryan T. Garcia
President and CEO

Jane J. Murphy
Executive Vice President - Finance

Board of Directors

Connecticut Green Bank

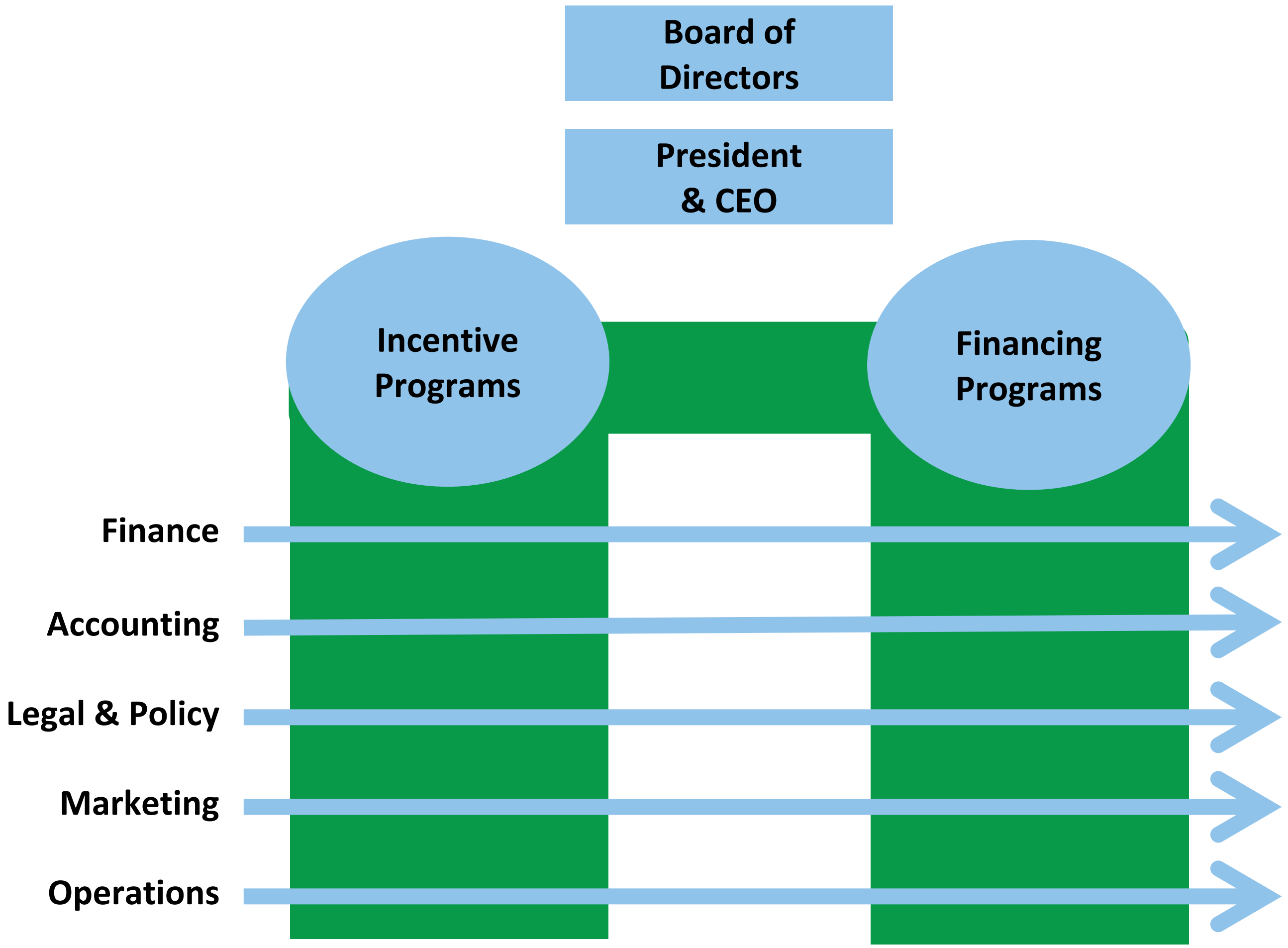
Position	Status	Voting	Name	Organization
State Treasurer (or designee)	Ex Officio	Yes	Steven Meier	Treasurer's Office
Commissioner of DEEP[5] (or designee)	Ex Officio	Yes	Michael Li	DEEP
Commissioner of DECD[6] (or designee)	Ex Officio	Yes	Binu Chandy	DECD
Secretary of the Office of Policy Management (or designee) [7]	Ex Officio	Yes	Claire Coleman	OPM
Residential or Low-Income Group	Appointed	Yes	Brenda Watson	Operation Fuel
Investment Fund Management	Appointed	Yes	Adrienne Farrar Houël	Greater Bridgeport Community Enterprises
Environmental Organization	Appointed	Yes	Matthew Ranelli[8]	Shipman & Goodwin
Finance or Deployment	Appointed	Yes	Thomas Flynn	Alvarez & Marsal
Finance of Renewable Energy	Appointed	Yes	Eric Brown[9]	Connecticut Business and Industry Association
Finance of Renewable Energy	Appointed	Yes	Kevin Walsh	GE Energy Financial Services
Labor Organization	Appointed	Yes	John Harrity[10]	IAM Connecticut
R&D or Manufacturing	Appointed	Yes	Lonnie Reed[11]	Former Chair of E&T Committee
President of the Green Bank	Ex Officio	No	Bryan Garcia	Connecticut Green Bank

Discretely Presented Component Units

Position	Name
President	Bryan Garcia
Treasurer	Jane Murphy
Secretary	Brian Farnen
Chief Investment Officer	Roberto Hunter

[5] Department of Energy and Environmental Protection
[6] Department of Economic and Community Development
[7] As of July 1, 2021, with the passage of Public Act 21-115, the Board of Directors was expanded by an additional member, including the Secretary of the Office of Policy Management (or their designee).
[8] Secretary of the Board of Directors and Chairperson of the Audit, Compliance and Governance Committee
[9] Chairperson of the joint committee of the EEB and CGB
[10] Chairperson of the Budget and Operations Committee
[11] Appointed by Governor Lamont and designated as Chair on 10/10/19

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut Green Bank

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

Board of Directors
Connecticut Green Bank
Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, discretely presented component units of Connecticut Green Bank (a component unit of the state of Connecticut), and reporting entity totals, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Connecticut Green Bank'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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the business-type activities, discretely presented component units, and reporting entity totals of Connecticut Green Bank as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Correction of an Error

As stated in Note 21 to the financial statements, the beginning net positions of CT Solar Lease 2 LLC and CT Solar Lease 3 LLC were restated due to the correction of an error.

Our opinions are not modified with respect to this matter.

Other Matters

Prior Year Summarized Financial Information

The financial statements as of June 30, 2020 were audited by Blum, Shapiro & Company, P.C., whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report dated October 23, 2020 expressed an unmodified opinion on those statements from which the prior year summarized financial information included in the basic financial statements and footnotes was derived.

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 financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Connecticut Green Bank's basic financial statements. The introductory section, financial statistical section and other statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, financial statistical section and other statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021 on our consideration of Connecticut Green Bank'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 Green Bank'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 Green Bank's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

West Hartford, Connecticut
October 31, 2021

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of the Connecticut Green Bank (the Green Bank), formerly known as the Clean Energy Finance and Investment Authority, (a component unit of the state of Connecticut) for the fiscal year ended June 30, 2021. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements and notes to the financial statements included in the "Basic Financial Statements" section of this report.

The Green Bank as a reporting entity is comprised of the primary government and three discretely presented component units as defined under Government Auditing Standards Board Statement (GASB) No. 61: *The Financial Reporting Entity: Omnibus and Amendment of GASB Statements No. 14 and No. 34*.

This MD&A discusses financial performance of both the primary government, the Green Bank, and its discretely presented component units, CT Solar Lease 2 LLC, CT Solar Lease 3 LLC and CEFIA Solar Services Inc. We are including the performance of these component units in the consolidated data tables included in this analysis because they play an integral part in assisting the Green Bank in achieving its goal to deploy renewable energy in the state of Connecticut and to omit them from the analysis would not provide a complete picture of the Green Bank's activities. Where possible we have distinguished activity pertaining solely to a component unit or the primary government in the discussion that follows.

FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

On June 6, 2014, Public Act 14-94 of the state of Connecticut changed the name of the Clean Energy Finance and Investment Authority to the Connecticut Green Bank.

The Green Bank is a quasi-public agency of the state of Connecticut established on July 1, 2011 by Section 16-245n of the Connecticut General Statutes (CGS), created for the purposes of, but not limited to: (1) implementing the Comprehensive Plan developed by the Green Bank pursuant to Section 16-245n(c) of the CGS, as amended; (2) developing programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects, and such others as the Green Bank may determine; (3) supporting financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy resources and related enterprises; and (4) stimulating demand for clean energy and the deployment of clean energy sources within the state that serve end-use customers in the State. The Green Bank constitutes the successor agency to Connecticut Innovations for the purposes of administering the Connecticut Clean Energy Fund in accordance with section 4-38d of the CGS and therefore the net position of such fund was transferred to the newly created the Green Bank as of July 1, 2011.

On July 6, 2021, Public Act No. 21-115 extended the green bank model beyond clean energy and increased the scope of the Green Bank's mission to now include environmental infrastructure (structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services).

The basic financial statements include: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides a measure of the Green Bank's economic resources. The Statement of Revenues, Expenses and Changes in Net Position measures the transactions for the periods presented and the impact of those transactions on the resources of the Green Bank. The Statement of Cash Flows reconciles the changes in cash and cash equivalents with the activities of the Green Bank for the period presented. The activities are classified as to operating, noncapital financing, capital and related financing, and investing activities.

Notes to the basic financial statements provide additional detailed information to supplement the basis for reporting and nature of key assets and liabilities.

FINANCIAL HIGHLIGHTS OF FISCAL 2021

NET POSITION

The Green Bank's net position, which is reflective of the reporting entity's overall financial position, increased year over year. Net position as of June 30, 2021 and 2020 was $89.2 million and $76.7 million, respectively, an increase of $12.5 million. Unrestricted net position increased to $4.6 million as of June 30, 2021 as compared to $(2.8) million as of June 30, 2020, an increase of $7.4 million. Contributing to this increase was a $3.2 million increase in SHREC ABS 1 LLC's net position due to lower bond obligations of $2.2 million and a $1.0 million increase in unrestricted cash from residual funds received after quarterly bond payments were satisfied. Nonexpendable restricted net position decreased to $62.3 million as of June 30, 2021 as compared to $64.4 million as of June 30, 2020, a decrease of $2.1 million. Net position restricted for energy programs increased to $16.9 million as of June 30, 2021 as compared to $10.6 million as of June 30, 2020, an increase of $6.3 million. Contributing to this increase was an increase of $5.7 million in the Green Bank's restricted cash, of which $5.2 million is restricted cash related to the closing and issuance of both the 2020-1 and 2021-1 series of Green Liberty Bonds in Fiscal 2021. Note 18 Restricted Net Position provides a breakout by dollar amount of cash balances restricted by program.

Green Bank assets increased $44.4 million in fiscal year 2021 to $257.7 million. As of June 30, 2020, assets totaled $213.3 million. Program Loans increased by $6.3 million due to an increase in CPACE Program benefit assessment financing of $7.9 million offset by a decrease in CPACE lending facilities of $2.0 million. Note 7 Program Loans provides a breakout by dollar amount of program loans by project type.

Unrestricted cash and cash equivalents increased $35.9 million to $44.1 million as of June 30, 2021 compared to $8.2 million as of June 30, 2020 and restricted cash and cash equivalents increased $5.7 million to $20.6 million as of June 30, 2021 from $14.9 million as of June 30, 2020. The net increase in both unrestricted cash and restricted cash was primarily the result of the closing of the 2020-1 series and 2021-1 series Green Liberty Bonds in fiscal 2021.

Investments in capital assets net of depreciation decreased $2.9 million to $77.1 million as of June 30, 2021 from $80.0 million as of June 30, 2020. This decrease was due to depreciation expense for the total reporting entity of $3.5 million, partially offset by an increase to capital assets of $0.7 million due to capital expenditures related to relocating Green Bank offices in fiscal year 2021. Note 13 Capital Assets provides further details on capital assets by type and reporting unit.

Green Bank liabilities increased by $21.5 million in fiscal year 2021 to $168.5 million as of June 30, 2021 from $147.0 million as of June 30, 2020. Current liabilities, comprised of current maturities of long-term debt, accounts payable and accrued expenses, line of credit and custodial liabilities decreased $2.8 million to $19.0 million as of June 30, 2021 compared to $21.8 million as of June 30, 2020. Lines of credit decreased by $6.0 million due to full repayment on the SHREC Warehouse 1 LLC Line of Credit with Webster Bank and Liberty Bank in fiscal year 2021. This decrease was offset by increases in accounts payable and accrued expenses of $1.8 million and current maturities of long-term debt of $1.8 million.

The Green Bank's allocation of the state of Connecticut State Employee Retirement System unfunded pension liability, as calculated under GASB statement 68 decreased $4.9 million to $20.3 million as of June 30, 2021 compared to $25.2 million as of June 30, 2020. The related Deferred Outflows of Resources, which represents timing differences in plan earnings, assumptions and Green Bank pension contributions decreased $1.7 million to $4.6 million as of June 30, 2021 compared to $6.3 million as of June 30, 2020. Deferred Inflows of Resources related to the pension liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions increased $3.7 million to $5.1 million as of June 30, 2021 compared to $1.4 million as of June 30, 2020. Note 16 provides further detail regarding the pension plan. The primary government is responsible for this pension obligation.

The Green Bank's allocation of the state of Connecticut State Employee Retirement System unfunded retiree healthcare (OPEB) liability, as calculated under GASB statement 75 decreased $4.8 million to $23.7 million as of June 30, 2021 compared to $28.5 million as of June 30, 2020. The related Deferred Outflows of Resources, which represents timing differences in plan earnings, assumptions, and Green Bank OPEB contributions remained consistent at $5.2 million as of June 30, 2021 and June 30, 2020. Deferred Inflows of Resources related to the OPEB liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions and other actuarial assumptions, increased $4.9 million to $7.2 million at June 30, 2021 compared to $2.3 million at June 30, 2020. Note 17 provides further detail regarding the OPEB plan. The primary government is responsible for this OPEB obligation.

Long-term debt increased $34.6 million to $100.0 million as of June 30, 2021 as compared to $65.4 million as of June 30, 2020. The increase is due to the issuance of the 2020-1 and 2021-1 series Green Liberty Bonds in fiscal year 2021, totaling $16.8 million and $24.8 million respectively. Offsetting these, the Green Bank made principal payments of $2.3 million against the SHREC Collateralized Note and principal payments of $0.7 million on the Meriden Hydro and CSCU Clean Renewable Energy Bonds (CREBs). An additional $2.4 million decrease resulted from repayments of principal by CT Solar Lease 2 LLC of funds borrowed under its credit facility with Key Bank and Webster Bank. Note 9 Long-Term Debt provides a breakout by dollar amount of the types of long-term debt including changes during fiscal year 2021.

As of June 30, 2021, the Green Bank's unfunded contingent grant and loan commitments, which are obligations of the primary government, the majority of which represent Performance Based Incentive (PBI) payments to third-party owners of solar facilities as described in Note 15, totaled $66.6 million. These grant and loan commitments are expected to be funded over the next one to six years from current and future unrestricted cash balances.

The following table summarizes the net position of the reporting entity at June 30, 2021 and 2020:

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2021	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Component Units	Eliminating Entries	Increase (Decrease)
Cash and cash equivalents-unrestricted	$ 41,325	$ 2,811	$ -	$ 44,136	$ 5,473	$ 2,683	$ -	$ 8,156	$ 35,852	$ 128	$ -	$ 35,980
Cash and cash equivalents-restricted	17,122	3,503	-	20,625	10,857	4,053	-	14,910	6,265	(550)	-	5,715
Bonds receivable	987	-	-	987	3,031	-	-	3,031	(2,044)	-	-	(2,044)
Solar lease notes	3,960	-	-	3,960	4,948	-	-	4,948	(988)	-	-	(988)
Promissory notes	1,877	-	-	1,877	2,518	-	-	2,518	(641)	-	-	(641)
Program loans	91,937	-	-	91,937	85,682	-	-	85,682	6,255	-	-	6,255
Capital assets, net	14,317	62,831	-	77,148	14,169	65,803	-	79,972	148	(2,972)	-	(2,824)
Other assets	52,008	44,498	(79,538)	16,968	48,780	44,643	(79,342)	14,081	3,228	(145)	(196)	2,887
Total Assets	223,533	113,643	(79,538)	257,638	175,458	117,182	(79,342)	213,298	48,075	(3,539)	(196)	44,340
Deferred Outflows of Resources												
Deferred amount for pensions	4,551	-	-	4,551	6,266	-	-	6,266	(1,715)	-	-	(1,715)
Deferred amount for OPEB	5,238	-	-	5,238	5,189	-	-	5,189	49	-	-	49
Deferred amount for asset retirement obligations	-	2,488	-	2,488	-	2,658	-	2,658	-	(170)	-	(170)
Total deferred outflows of resources	9,789	2,488	-	12,277	11,455	2,658	-	14,113	(1,666)	(170)	-	(1,836)
Current liabilities	15,735	51,569	(48,274)	19,030	18,204	51,688	(48,078)	21,814	(2,469)	(119)	(196)	(2,784)
Unearned revenue	-	721	-	721	-	801	-	801	-	(80)	-	(80)
Pension liabilities	20,269	-	-	20,269	25,174	-	-	25,174	(4,905)	-	-	(4,905)
OPEB liabilities	23,689	-	-	23,689	28,485	-	-	28,485	(4,796)	-	-	(4,796)
Other long term liabilities	-	4,018	-	4,018	-	4,108	-	4,108	-	(90)	-	(90)
Fair value of interest rate swap	-	699	-	699	-	1,164	-	1,164	-	(465)	-	(465)
Long term debt, less current maturities	81,753	18,270	-	100,023	44,689	20,716	-	65,405	37,064	(2,446)	-	34,618
Total liabilities	141,446	75,277	(48,274)	168,449	116,552	78,477	(48,078)	146,951	24,894	(3,200)	(196)	21,498
Deferred Inflows of Resources												
Deferred amount for pensions	5,072	-	-	5,072	1,381	-	-	1,381	3,691	-	-	3,691
Deferred amount for OPEB	7,228	-	-	7,228	2,336	-	-	2,336	4,892	-	-	4,892
Total deferred outflows of resources	12,300	-	-	12,300	3,717	-	-	3,717	8,583	-	-	8,583
Investment in capital assets	3,688	1,714	-	5,402	2,894	1,635	-	4,529	794	79	-	873
Restricted Net Position:												
Non-expendable	-	62,273	-	62,273	-	64,388	-	64,388	-	(2,115)	-	(2,115)
Restricted - energy programs	16,764	117	-	16,881	10,462	123	-	10,585	6,302	(6)	-	6,296
Unrestricted	59,126	(23,252)	(31,264)	4,610	53,288	(24,784)	(31,264)	(2,760)	5,838	1,532	-	7,370
Total Net Position	$ 79,578	$ 40,852	$ (31,264)	$ 89,166	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 12,934	$ (510)	$ -	$ 12,424

CHANGES IN NET POSITION

Operating revenues increased by $2.2 million to $55.5 million as of June 30, 2021 as compared to $53.3 million as of June 30, 2020. Remittances to the primary government from utility companies representing the one mil per kilowatt hour charge to each end use customer of electric services in the state of Connecticut increased $0.2 million to $25.1 million for the fiscal year ended June 30, 2021 as compared to $24.9 million for the fiscal year ending June 30, 2020. Interest earned on promissory notes increased by $0.7 million in to $6.8 million as compared to $6.1 million in fiscal 2020 as a result of increased program and CPACE loans originated in the Green Bank's investment portfolio. Interest as a revenue source is expected to continue to increase in future years as the Green Bank expands its investment portfolio. Sales of energy systems decreased $3.3 million to $0.7 million in 2021 compared to $4.0 million in 2020. The decrease is due to fewer sales of commercial Power Purchase Agreements (PPA) projects to third-party renewable energy companies than in the prior year. Sales of Renewable Energy Credits (RECs) increased $2.6 million to $11.8 million in 2021 compared to $9.2 million in 2020 primarily as a result of the inclusion of sales of RECs for Tranche 4 systems to the two public utility companies in Connecticut. Fiscal year 2020 only included sales of RECs for Tranche 1, 2, and 3 systems. Proceeds received by the primary government from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions increased $1.9 million year over year with proceeds of $6.5 million in fiscal year 2021 compared to proceeds of $4.6 million in fiscal year 2020. The increase in proceeds is due to the price per allowance increasing substantially throughout fiscal year 2021 compared to fiscal year 2020.

Provision for loan losses decreased $4.8 million to $0.2 million in fiscal 2021 from $5.0 million in fiscal 2020. The decrease is from higher reserves being provided in the prior year due to anticipated loan payment deferrals as a result of COVID-19. Due to the ongoing uncertainty of COVID-19, these reserves remain in place, thus decreasing the provision for loan losses in the Consolidating Statement of Revenues, Expenses and Changes in Net Position during fiscal year 2021.

Total payments of grants and incentives to commercial, not for profit, municipal and residential owners by the primary government to install either solar PV systems or energy efficiency measures decreased $0.4 million to $15.9 million in fiscal year 2021 compared to $16.3 million for the fiscal year 2020. The decrease is primarily due to slightly lower PBI and Expected Performance-Based Buydown (EPBB) solar PV payments under the Residential Solar Investment Program. PBI payments comprised the largest component of incentives paid in both these fiscal years.

Program administration expenses increased $1.0 million to $17.4 million in fiscal 2021 from $16.4 million in fiscal 2020, a 7% increase. General and administrative costs decreased by $2.9 million to $4.0 million in fiscal year 2020 from $6.9 million in fiscal year 2020, a 42% decrease. Included in general and administrative costs for 2021 and 2020 is $0.6 million and $3.6 million respectively for the noncash GASB 68 pension expense and GASB 75 OPEB expense allocated to the Green Bank by the state of Connecticut which is not an expense that is controllable by Green Bank management. General and Administrative expense excluding these noncash charges for 2021 and 2020 were $3.4 million and $3.3 million, respectively.

Interest expense decreased $0.1 million to $3.3 million from $3.4 million due to a slight decrease in interest on the SHREC Collateralized Notes. Debt issuance costs increased $1.0 million due to the issuance of Series 2020-1 and 2021-1 Green Liberty Bonds in fiscal year 2021. Capital contributions decreased to zero from $0.5 million due to final true-up contributions for the Solar Lease 3 program occurring in fiscal 2020.

The following table summarizes the changes in net position between June 30, 2021 and 2020:

Changes in Net Position
(in thousands)

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2021	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Component Units	Eliminating Entries	Increase (Decrease)
Operating Revenues												
Utility remittances	$ 25,144	$ -	$ -	$ 25,144	$ 24,854	$ -	$ -	$ 24,854	$ 290	$ -	$ -	$ 290
Interest income-promissory notes	6,845	-	-	6,845	6,106	-	-	6,106	739	-	-	739
Energy system sales	747	-	-	747	4,373	-	(367)	4,006	(3,626)	-	367	(3,259)
REC sales	10,844	1,345	-	12,189	7,975	1,281	-	9,256	2,869	64	-	2,933
Other revenues	7,673	3,968	(1,051)	10,591	6,268	3,943	(1,109)	9,102	1,405	25	58	1,489
Total revenues	51,253	5,314	(1,051)	55,516	49,576	5,224	(1,476)	53,324	1,677	90	425	2,192
Operating Expenses												
Cost of goods sold - energy systems	747	-	-	747	4,371	-	(365)	4,006	(3,624)	-	365	(3,259)
Provision for loan losses	239	-	-	239	4,962	-	-	4,962	(4,723)	-	-	(4,723)
Grants and incentive programs	16,788	-	(908)	15,880	17,314	-	(970)	16,344	(526)	-	62	(464)
Program administration expenses	13,399	4,123	-	17,522	12,334	4,129	(2)	16,461	1,065	(6)	2	1,061
General and administrative expenses	3,753	394	(143)	4,004	6,702	374	(139)	6,937	(2,949)	20	(4)	(2,933)
Total operating expenses	34,926	4,518	(1,051)	38,393	45,683	4,503	(1,476)	48,710	(10,757)	15	425	(10,317)
Operating Income	16,327	796	--	17,123	3,893	721	--	4,614	12,434	75	--	12,509
Non-Operating Revenues (Expenses)												
Interest earned	84	53	(118)	19	227	54	(116)	165	(143)	(1)	(2)	(146)
Interest expense	(2,402)	(986)	118	(3,270)	(2,327)	(1,184)	116	(3,395)	(75)	198	2	125
Investment loss	(75)	(313)	-	(388)	(107)	(13)	-	(120)	32	(300)	-	(268)
Debt issuance costs	(1,001)	-	-	(1,001)	(19)	-	-	(19)	(982)	-	-	(982)
Unrealized gain (loss) on interest rate swap	-	465	-	465	-	(641)	-	(641)	-	1,106	-	1,106
Distribution to member	-	(527)	-	(527)	-	(597)	-	(597)	-	70	-	70
Net Change before Capital Contributions	12,933	(510)	--	12,423	1,667	(1,660)	--	7	11,266	1,150	--	12,416
Capital Contribution	-	-	-	-	-	453	-	453	-	(453)	-	(453)
Net Position Beginning of Year	66,644	41,362	(31,264)	76,742	64,977	42,569	(31,264)	76,282	1,667	(1,207)	-	460
Net Position at End of Year	$ 79,577	$ 40,852	$ (31,264)	$ 89,165	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 12,933	$ (510)	$ -	$ 12,423

FINANCIAL HIGHLIGHTS OF FISCAL 2020

NET POSITION

The Green Bank's net position, which is reflective of the reporting entity's overall financial position, increased year over year. Net position as of June 30, 2020 and 2019 was $76.7 million and $76.3 million, respectively, an increase of $0.5 million. Unrestricted net position increased to $(2.8) million as of June 30, 2020 as compared to $(6.0) million as of June 30, 2019, an increase of $3.2 million. Contributing to this increase was a $3.2 million increase in SHREC ABS 1 LLC's net position due to lower bond obligations of $2.2 million and a $1.0 million increase in unrestricted cash from residual funds received after quarterly bond payments were satisfied. Nonexpendable restricted net position decreased to $64.4 million as of June 30, 2020 as compared to $66.9 million as of June 30, 2019, a decrease of $2.5 million. Contributing to this decrease was a reduction in CT Solar Lease 2 LLC's tax equity partner's capital account of $2.1 million driven by current year noncash program losses. Net position restricted for energy programs decreased to $10.6 million as of June 30, 2020 as compared to $11.5 million as of June 30, 2019, a decrease of $0.9 million. Contributing to this decrease was a reduction in the Green Bank's restricted cash due to payments from Clean Renewable Energy Bond proceeds of $1.7 million to construct solar PV facilities on campuses in the state of Connecticut's system of colleges and universities (CSCU) and a reduction of $1.0 million for the transfer of the Kresge Foundation loan to a strategic partner. These decreases were partially offset by a $2.0 million increase in SHREC receipts held in SHREC Warehouse 1 LLC as collateral for a Line of Credit. Note 18 Restricted Net Position provides a breakout by dollar amount of cash balances restricted for these programs.

Green Bank assets increased $2.3 million in fiscal year 2020 to $213.3 million. As of June 30, 2019, assets totaled $211.0 million. Program Loans increased by $17.1 million due to increases in Low- and Moderate-income lending of $5.0 million, Commercial solar PV asset sale financing of $4.1 million, Multifamily lending of $2.7 million, Fuel Cell financing of $2.3 million, CPACE lending facilities of $1.8 million, CPACE benefit assessment financing of $0.6 million and hydropower financing of $0.6 million.

Unrestricted cash and cash equivalents decreased $10.7 million to $8.2 million as of June 30, 2020 compared to $18.9 million as of June 30, 2019 and restricted cash and cash equivalents decreased $1.7 million to $15.0 million as of June 30, 2020 from $16.7 million as of June 30, 2019. The net decrease in unrestricted cash was primarily the result of normal operating activities. The net decrease in restricted cash was driven by disbursements to contractors for construction of CSCU solar PV systems and the transfer of the $1.0 million Kresge Loan to a strategic partner.

Capital assets net of depreciation decreased $0.5 million to $80.0 million as of June 30, 2020 from $80.5 million as of June 30, 2019. This decrease was due depreciation expense for the total reporting entity of $3.1 million, partially offset by an increase to capital assets of $2.6 million due to energizing the final CSCU solar PV system. Note 13 Capital Assets provides further details on capital assets by type and reporting unit.

Green Bank liabilities increased by $1.8 million in fiscal year 2020 to $146.9 million as of June 30, 2020 from $145.1 million as of June 30, 2019. Current liabilities, comprised of current maturities of long-term debt, accounts payable and accrued expenses, line of credit and custodial liabilities increased $5.0 million to $21.8 million as of June 30, 2020 compared to $16.8 million as of June 30, 2019. Lines of credit increased by $6.1 million due to draws on the $14.0 million SHREC Warehouse 1 LLC Line of Credit with Webster Bank and Liberty Bank. Custodial liabilities decreased by $1.0 million to $1.7 million as of June 30, 2020 from $2.7 million as of June 30, 2019 due to recognition of deferred payments to contractors for construction of the CSCU solar PV systems.

The Green Bank's allocation of the state of Connecticut State Employee Retirement System unfunded pension liability, as calculated under GASB statement 68 decreased $0.6 million in to $25.2 million as of June 30, 2020 compared to $25.8 million as of June 30, 2019. The related Deferred Outflows of Resources, which represents timing differences in plan earnings, assumptions and Green Bank pension contributions decreased $1.5 million to $6.3 million as of June 30, 2020 compared to $7.8 million as of June 30, 2019. Deferred Inflows of Resources related to the pension liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions increased $1.3 million to $1.4 million as of June 30, 2020 compared to $0.1 million as of June 30, 2019. Note 16 provides further detail regarding the pension plan. The primary government is responsible for this pension obligation.

The Green Bank's allocation of the state of Connecticut State Employee Retirement System unfunded retiree healthcare (OPEB) liability, as calculated under GASB statement 75 increased $4.5 million to $28.5 million as of June 30, 2020 compared to $24.0 million as of June 30, 2019. The related Deferred Outflows of Resources, which represents timing differences in plan earnings, assumptions, and Green Bank OPEB contributions increased $3.5 million to $5.2 million as of June 30, 2020 compared to $1.7 million as of June 30, 2019. Deferred Inflows of Resources related to the OPEB liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions and other actuarial assumptions, increased $0.4 million to $2.3 million as of June 30, 2020 compared to $1.9 million as of June 30, 2019. Note 17 provides further detail regarding the OPEB plan. The primary government is responsible for this OPEB obligation.

Long-term debt decreased $7.6 million to $65.4 million as of June 30, 2020 as compared to $73.0 million as of June 30, 2019. The decrease is due to Green Bank principal payments of $2.2 million against the $38.6 million SHREC Collateralized Notes issued during 2019, transfer of the $1.0 million Kresge loan to a strategic partner, payoff of the Reinvestment Fund and Solar Mosaic notes totaling $1.5 million and principal payments of $0.6 million on the Meriden Hydro and CSCU Clean Renewable Energy Bonds (CREBs). An additional $2.3 million decrease resulted from repayments of principal by CT Solar Lease 2 LLC of funds borrowed under its credit facility with Key Bank and Webster Bank. Note 9 Long-Term Debt provides further detail on long-term debt balances.

As of June 30, 2020, the Green Bank's unfunded contingent grant and loan commitments, which are obligations of the primary government, the majority of which represent Performance Based Incentive (PBI) payments to third-party owners of solar facilities as described in Note 15, totaled $64.2 million. These grant and loan commitments are expected to be funded over the next one to six years from current and future unrestricted cash balances.

The following table summarizes the net position of the reporting entity at June 30, 2020 and 2019:

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Component Units	Eliminating Entries	2019	Primary Government	Discretely Presented Component Units	Eliminating Entries	Increase (Decrease)
Cash and cash equivalents-unrestricted	$ 5,473	$ 2,683	$ -	$ 8,156	$ 17,054	$ 1,893	$ -	$ 18,947	$ (11,581)	$ 790	$ -	$ (10,791)
Cash and cash equivalents-restricted	10,857	4,053	-	14,910	11,925	4,743	-	16,668	(1,068)	(690)	-	(1,758)
Bonds receivable	3,031	-	-	3,031	3,289	-	-	3,289	(258)	-	-	(258)
Solar lease notes	4,948	-	-	4,948	6,303	-	-	6,303	(1,355)	-	-	(1,355)
Promissory notes	2,518	-	-	2,518	3,508	-	-	3,508	(990)	-	-	(990)
Program loans	85,682	-	-	85,682	68,557	-	-	68,557	17,125	-	-	17,125
Capital assets, net	14,169	65,803	-	79,972	12,496	68,027	-	80,523	1,673	(2,224)	-	(551)
Other assets	48,780	44,643	(79,342)	14,081	47,705	45,196	(79,668)	13,233	1,075	(553)	326	848
Total Assets	175,458	117,182	(79,342)	213,298	170,837	119,859	(79,668)	211,028	4,621	(2,677)	326	2,270
Deferred Outflows of Resources												
Deferred amount for pensions	6,266	-	-	6,266	7,756	-	-	7,756	(1,490)	-	-	(1,490)
Deferred amount for OPEB	5,189	-	-	5,189	1,732	-	-	1,732	3,457	-	-	3,457
Deferred amount for asset retirement obligations	-	2,658	-	2,658	-	2,828	-	2,828	-	(170)	-	(170)
Total deferred outflows of resources	11,455	2,658	-	14,113	9,488	2,828	-	12,316	1,967	(170)	-	1,797
Current liabilities	18,204	51,688	(48,078)	21,814	13,598	51,642	(48,404)	16,836	4,606	46	326	4,978
Unearned revenue	-	801	-	801	-	880	-	880	-	(79)	-	(79)
Pension liabilities	25,174	-	-	25,174	25,805	-	-	25,805	(631)	-	-	(631)
OPEB liabilities	28,485	-	-	28,485	24,000	-	-	24,000	4,485	-	-	4,485
Other long term liabilities	-	4,108	-	4,108	-	4,012	-	4,012	-	96	-	96
Fair value of interest rate swap	-	1,164	-	1,164	-	523	-	523	-	641	-	641
Long term debt, less current maturities	44,689	20,716	-	65,405	49,969	23,060	-	73,029	(5,280)	(2,344)	-	(7,624)
Total liabilities	116,552	78,477	(48,078)	146,951	113,372	80,117	(48,404)	145,085	3,180	(1,640)	326	1,866
Deferred Inflows of Resources												
Deferred amount for pensions	1,381	-	-	1,381	81	-	-	81	1,300	-	-	1,300
Deferred amount for OPEB	2,336	-	-	2,336	1,895	-	-	1,895	441	-	-	441
Total deferred outflows of resources	3,717	-	-	3,717	1,976	-	-	1,976	1,741	-	-	1,741
Investment in capital assets	2,894	1,635	-	4,529	2,512	1,282	-	3,794	382	353	-	735
Restricted Net Position:												
Non-expendable	-	64,388	-	64,388	-	66,902	-	66,902	-	(2,514)	-	(2,514)
Restricted - energy programs	10,462	123	-	10,585	11,408	129	-	11,537	(946)	(6)	-	(952)
Unrestricted	53,288	(24,784)	(31,264)	(2,760)	51,057	(25,744)	(31,264)	(5,951)	2,231	960	-	3,191
Total Net Position	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 64,977	$ 42,569	$ (31,264)	$ 76,282	$ 1,667	$ (1,207)	$ -	$ 460

CHANGES IN NET POSITION

Operating revenues increased by $7.7 million to $53.3 million as of June 30, 2020 as compared to $45.6 million as of June 30, 2019. Remittances to the primary government from utility companies representing the one mil per kilowatt hour charge to each end use customer of electric services in the state of Connecticut decreased $1.2 million to $24.9 million for the fiscal year ended June 30, 2020 as compared to $26.1 million for the fiscal year ending June 30, 2019. Interest earned on promissory notes increased by $2.2 million in to $6.1 million as compared to $3.9 million in fiscal 2019 as a result of increased program and CPACE loans originated in the Green Bank's investment portfolio. Interest as a revenue source is expected to continue to increase in future years as the Green Bank expands its investment portfolio. Sales of energy systems increased $1.2 million to $4.0 million in 2020 compared to $2.8 million in 2019. The increase is due to sales of commercial Power Purchase Agreements (PPA) projects to third-party renewable energy companies. Sales of Renewable Energy Credits (RECs) increased $2.8 million to $9.3 million in 2020 compared to $6.5 million in 2019 primarily as a result of the inclusion of sales of RECs for Tranche 3 systems to the two public utility companies in Connecticut. Fiscal year 2019 only included sales of RECs for Tranche 1 and 2 systems. Proceeds received by the primary government from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions increased $2.5 million year over year with proceeds of $4.6 million in fiscal year 2020 compared to proceeds of $2.1 million in fiscal year 2019. The increase in proceeds is due to diversion of $2.3 million in proceeds earmarked for the Green Bank into the state of Connecticut's general fund to meet projected budget shortfalls during fiscal year 2019.

Provision for loan losses increased $2.1 million to $5.0 million in fiscal 2020 from $2.9 million in fiscal 2019. The increase is due to higher reserves being provided for a larger program loan portfolio, as well as reserve increases due to anticipated loan payment deferrals as a result of COVID-19.

Total payments of grants and incentives to commercial, not for profit, municipal and residential owners by the primary government to install either solar PV systems or energy efficiency measures increased $1.7 million to $16.3 million in fiscal year 2020 compared to $14.7 million for the fiscal year 2019. The increase is primarily due to higher PBI and Expected Performance-Based Buydown (EPBB) solar PV payments under the Residential Solar Investment Program. PBI payments comprised the largest component of incentives paid in both these fiscal years.

Program administration expenses decreased $1.0 million to $16.5 million in fiscal 2020 from $17.5 million in fiscal 2019, a 6% decrease. General and administrative costs increased by $1.2 million to $6.9 million in fiscal year 2020 from $5.7 million in fiscal year 2019, a 21% increase. Included in general and administrative costs for 2020 and 2019 is $3.6 million and $2.8 million respectively for the noncash GASB 68 pension expense and GASB 75 OPEB expense allocated to the Green Bank by the state of Connecticut which is not an expense that is controllable by Green Bank management. General and Administrative expense excluding these noncash charges for 2020 and 2019 were $3.3 million and $2.9 million, respectively.

Interest expense increased $1.4 million to $3.4 million from $2.0 million due to interest on the SHREC Collateralized Notes. Debt issuance costs decreased $1.7 million due to delay in issuing the Green Liberty Bonds due to COVID-19, see Note 21. Capital contributions decreased $1.2 million to $0.5 million from $1.7 million due to final true-up contributions for the Solar Lease 3 program occurring in fiscal 2020. During fiscal 2019 a $14.0 million payment was made to the state of Connecticut’s general fund as a result of legislation enacted to meet projected budget shortfalls. No such payment was required to be made in fiscal 2020.

CT Solar Lease 3 received capital contributions of $0.5 million in fiscal year 2020, the last remaining capital contribution required from its members under its Operating Agreement.

The following table summarizes the changes in net position between June 30, 2020 and 2019:

Changes in Net Position
(in thousands)

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Component Units	Eliminating Entries	2019	Primary Government	Discretely Presented Component Units	Eliminating Entries	Increase (Decrease)
Operating Revenues												
Utility remittances	$ 24,854	$ -	$ -	$ 24,854	$ 26,095	$ -	$ -	$ 26,095	$ (1,241)	$ -	$ -	$ (1,241)
Interest income-promissory notes	6,106	-	-	6,106	3,908	2	-	3,910	2,198	(2)	-	2,196
Energy system sales	4,373	-	(367)	4,006	4,834	-	(2,038)	2,796	(461)	-	1,671	1,210
REC sales	7,975	1,281	-	9,256	5,349	1,141	-	6,490	2,626	140	-	2,766
Other revenues	6,268	3,943	(1,109)	9,102	3,651	3,754	(1,062)	6,343	2,617	189	(47)	2,759
Total revenues	49,576	5,224	(1,476)	53,324	43,837	4,897	(3,100)	45,634	5,739	327	1,624	7,690
Operating Expenses												
Cost of goods sold - energy systems	4,371	-	(365)	4,006	4,601	-	(1,724)	2,877	(230)	-	1,359	1,129
Provision for loan loss	4,962	-	-	4,962	2,909	-	-	2,909	2,053	-	-	2,053
Grants and incentive programs	17,314	-	(970)	16,344	15,598	-	(926)	14,672	1,716	-	(44)	1,672
Program administration expenses	12,334	4,129	(2)	16,461	13,586	4,224	(314)	17,496	(1,252)	(95)	312	(1,035)
General and administrative expenses	6,702	374	(139)	6,937	5,485	374	(136)	5,723	1,217	-	(3)	1,214
Total operating expenses	45,683	4,503	(1,476)	48,710	42,179	4,598	(3,100)	43,677	3,504	(95)	1,624	5,033
Operating Income	3,893	721	--	4,614	1,658	299	--	1,957	2,235	422	--	2,657
Non-Operating Revenues (Expenses)												
Interest earned	227	54	(116)	165	465	64	(113)	416	(238)	(10)	(3)	(251)
Interest expense	(2,327)	(1,184)	116	(3,395)	(773)	(1,324)	113	(1,984)	(1,554)	140	3	(1,411)
Investment loss	(107)	(13)	-	(120)	(104)	-	-	(104)	(3)	(13)	-	(16)
Debt issuance costs	(19)	-	-	(19)	(1,739)	-	-	(1,739)	1,720	-	-	1,720
Unrealized gain (loss) on interest rate swap	-	(641)	-	(641)	-	(695)	-	(695)	-	54	-	54
Distribution to member	-	(597)	-	(597)	(1)	(589)	-	(590)	1	(8)	-	(7)
Payments to State of Connecticut		-	-	-	(14,000)	-	-	(14,000)	14,000	-	-	14,000
Net Change before Capital Contributions	1,667	(1,660)	--	7	(14,494)	(2,245)	--	(16,739)	16,161	585	--	16,746
Capital Contribution	-	453	-	453	-	2,855	(1,159)	1,696	-	(2,402)	1,159	(1,243)
Net Position Beginning of Year	64,977	42,569	(31,264)	76,282	79,471	41,959	(30,105)	91,325	(14,494)	610	(1,159)	(15,043)
Net Position at End of Year	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 64,977	$ 42,569	$ (31,264)	$ 76,282	$ 1,667	$ (1,207)	$ -	$ 460

BASIC FINANCIAL STATEMENTS

CONNECTICUT GREEN BANK
STATEMENT OF NET POSITION
JUNE 30, 2021
(with summarized totals for the year ended June 30, 2020)

	Total Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	Discretely Presented Component Units: CEFIA Solar Services, Inc.	Discretely Presented Component Units: CT Solar Lease 3 LLC	Eliminating Entries	2021 Total Reporting Entity	2020 Total Reporting Entity
Assets							
Current Assets							
Cash and cash equivalents	$ 41,325,253	$ 1,042,342	$ 26,318	$ 1,742,281	$ -	$ 44,136,194	$ 8,156,093
Accounts receivable	3,732,390	118,979	950	40,271	-	3,892,590	3,250,768
Utility remittance receivable	2,044,619	-	-	-	-	2,044,619	2,214,775
Other receivables	3,422,263	670,225	10,229	343,229	-	4,445,946	2,298,035
Due from component units	40,214,090	279,000	7,723,311	-	(48,216,401)	-	-
Prepaid expenses and other assets	2,001,825	281,100	-	39,491	(57,601)	2,264,815	1,925,122
Current maturities of prepaid warranty management	-	259,148	-	-	-	259,148	259,148
Current portion of solar lease notes	990,505	-	-	-	-	990,505	967,530
Current portion of SBEA promissory notes	1,185,782	-	-	-	-	1,185,782	1,549,492
Current portion of program loans	9,038,575	-	-	-	-	9,038,575	4,396,615
Total current assets	103,955,302	2,650,794	7,760,808	2,165,272	(48,274,002)	68,258,174	25,017,578
Noncurrent Assets							
Portfolio investments	245,000	-	-	-	-	245,000	1
Bonds receivable	986,792	-	-	-	-	986,792	3,031,134
Prepaid warranty management, less current portion	-	3,466,587	-	-	-	3,466,587	3,725,735
Solar lease notes, less current portion	2,969,206	-	-	-	-	2,969,206	3,979,704
SBEA promissory notes, less current portion	690,752	-	-	-	-	690,752	968,608
Program loans, less current portion	82,898,451	-	-	-	-	82,898,451	81,285,206
Renewable energy credits	348,716	-	-	-	-	348,716	407,360
Investment in component units	100	-	31,264,299	-	(31,264,399)	-	-
Capital assets, net of depreciation and amortization	14,317,215	52,214,726	341,366	10,275,022	-	77,148,329	79,971,996
Restricted assets:							
Cash and cash equivalents	17,121,687	3,420,461	83,000	-	-	20,625,148	14,909,508
Total noncurrent assets	119,577,919	59,101,774	31,688,665	10,275,022	(31,264,399)	189,378,981	188,279,252
Total Assets	223,533,221	61,752,568	39,449,473	12,440,294	(79,538,401)	257,637,155	213,296,830
Deferred Outflows of Resources							
Deferred amount for pensions	4,550,879	-	-	-	-	4,550,879	6,265,821
Deferred amount for OPEB	5,238,343	-	-	-	-	5,238,343	5,189,388
Deferred amount for asset retirement obligations	-	1,972,455	-	515,369	-	2,487,824	2,658,143
Total Deferred Outflows of Resources	9,789,222	1,972,455	-	515,369	-	12,277,046	14,113,352

The accompanying notes are an integral part of the consolidating financial statements

CONNECTICUT GREEN BANK
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021
(with summarized totals for the year ended June 30, 2020)

			Discretely Presented Component Units				
	Total Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2021 Total Reporting Entity	2020 Total Reporting Entity
Liabilities and Net Position							
Liabilities							
Current maturities of long-term debt	$ 4,569,898	$ 1,600,000	$ 94,788	$ -	$ -	$ 6,264,686	$ 4,470,704
Current maturities of warranty management	-	1,358,476	-	-	-	1,358,476	1,669,539
Accounts payable and accrued expenses	9,159,502	491,966	52,572	33,766	(57,601)	9,680,205	7,897,387
Due to component units	279,000	10,571,882	37,361,718	3,801	(48,216,401)	-	-
Line of credit	100,000	-	-	-	-	100,000	6,100,000
Custodial liability	1,626,346	-	-	-	-	1,626,346	1,676,674
Unearned revenue	-	669,887	-	51,414	-	721,301	801,261
Total current liabilities	15,734,746	14,692,211	37,509,078	88,981	(48,274,002)	19,751,014	22,615,565
Asset retirement obligation	-	3,325,209	-	692,802	-	4,018,011	3,919,988
Long-term debt, less current maturities	81,753,350	16,903,841	1,366,562	-	-	100,023,753	65,404,658
Warranty management, less current maturities	-	-	-	-	-	-	187,934
Fair value of interest rate swap	-	699,023	-	-	-	699,023	1,164,356
Pension liability	20,268,725	-	-	-	-	20,268,725	25,174,453
OPEB liability	23,688,513	-	-	-	-	23,688,513	28,484,971
Total noncurrent liabilities	125,710,588	20,928,073	1,366,562	692,802	-	148,698,025	124,336,360
Total Liabilities	141,445,334	35,620,284	38,875,640	781,783	(48,274,002)	168,449,039	146,951,925
Deferred Inflows of Resources							
Deferred amount for pensions	5,071,624	-	-	-	-	5,071,624	1,380,337
Deferred amount for OPEB	7,227,544	-	-	-	-	7,227,544	2,336,216
Total deferred inflows of resources	12,299,168	-	-	-	-	12,299,168	3,716,553
Net Position							
Investment in capital assets	3,688,087	1,270,510	341,366	102,750	-	5,402,713	4,528,927
Restricted net position:							
Nonexpendable	-	47,531,905	-	14,741,113	-	62,273,018	64,388,085
Restricted for energy programs	16,764,107	34,205	83,000	-	-	16,881,312	10,585,153
Unrestricted (deficit)	59,125,747	(20,731,881)	149,467	(2,669,983)	(31,264,399)	4,608,951	(2,760,461)
Total Net Position	$ 79,577,941	$ 28,104,739	$ 573,833	$ 12,173,880	$ (31,264,399)	$ 89,165,994	$ 76,741,704

The accompanying notes are an integral part of the consolidating financial statements

CONNECTICUT GREEN BANK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2021
(with summarized totals for the year ended June 30, 2020)

		Discretely Presented Component Units					
	Total Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminations	2021 Total Reporting Entity	2020 Total Reporting Entity
Operating Revenues							
Utility remittances	$ 25,144,416	$ -	$ -	$ -	$ -	$ 25,144,416	$ 24,854,150
Interest income - promissory notes	6,844,741	-	-	-	-	6,844,741	6,105,613
Grant revenue	13,288	-	-	-	-	13,288	76,402
RGGI auction proceeds	6,452,886	-	-	-	-	6,452,886	4,581,628
Energy system sales	746,515	-	-	-	-	746,515	4,006,395
REC sales	10,844,449	832,687	20,998	491,782	-	12,189,916	9,648,011
Other income	1,207,034	3,241,225	319,149	408,012	(1,050,534)	4,124,886	4,051,399
Total operating revenues	51,253,329	4,073,912	340,147	899,794	(1,050,534)	55,516,648	53,323,598
Operating Expenses							
Cost of goods sold - energy systems	746,515	-	-	-	-	746,515	4,006,394
Provision for loan losses	238,942	-	-	-	-	238,942	4,962,343
Grants and incentive programs	16,787,858	-	-	-	(907,892)	15,879,966	16,343,824
Program administration expenses	13,399,419	3,385,864	227,844	509,709	-	17,522,836	16,460,756
General and administrative expenses	3,752,502	302,205	8,858	83,064	(142,642)	4,003,987	6,936,125
Total operating expenses	34,925,236	3,688,069	236,702	592,773	(1,050,534)	38,392,246	48,709,442
Operating Income (Loss)	16,328,093	385,843	103,445	307,021		17,124,402	4,614,156
Nonoperating Revenue (Expenses)							
Interest income - short-term cash deposits	16,041	1,195	2	1,623	-	18,861	165,570
Interest expense long-term debt	(2,401,598)	(829,897)	(37,620)	-	-	(3,269,115)	(3,395,242)
Interest income - component units	67,792	-	50,567	-	(118,359)	-	-
Interest expense - component units	-	(118,359)	-	-	118,359	-	-
Debt issuance costs	(1,001,139)	-	-	-	-	(1,001,139)	(18,800)
Distributions to member	-	(436,293)	-	(90,461)	-	(526,754)	(597,404)
Realized and unrealized loss on investments	(74,762)	(312,537)	-	-	-	(387,299)	(120,113)
Unrealized gain (loss) on interest rate swap	-	465,334	-	-	-	465,334	(641,133)
Total nonoperating revenue (expenses)	(3,393,666)	(1,230,557)	12,949	(88,838)	-	(4,700,112)	(4,607,122)
Change in Net Position before Capital Contributions	12,934,427	(844,714)	116,394	218,183	-	12,424,290	7,034
Capital Contributions	-	-	-	-	-	-	452,554
Change in Net Position	12,934,427	(844,714)	116,394	218,183	-	12,424,290	459,588
Net Position - Beginning of Year, as restated	66,643,514	28,949,453	457,439	11,955,697	(31,264,399)	76,741,704	76,282,116
Net Position - End of Year	$ 79,577,941	$ 28,104,739	$ 573,833	$ 12,173,880	$ (31,264,399)	$ 89,165,994	$ 76,741,704

The accompanying notes are an integral part of the consolidating financial statements

CONNECTICUT GREEN BANK
STATEMENT OF CASH FLOWS
JUNE 30, 2021
(with summarized totals for the year ended June 30, 2020)

		Discretely Presented Component Units					
	Total Primary Government	**CT Solar Lease 2 LLC**	**CEFIA Solar Services, Inc.**	**CT Solar Lease 3 LLC**	**Eliminating Entries**	**2021 Total Reporting Entity**	**2020 Total Reporting Entity**
Cash Flows from Operating Activities							
Sales of energy systems	$ 746,515	$ -	$ -	$ -	$ -	$ 746,515	$ 4,371,058
Sales of Renewable Energy Credits	10,290,350	754,687	16,998	464,986	-	11,527,021	8,507,810
Utility company remittances	25,314,572	-	-	-	-	25,314,572	24,533,339
Grants disbursed	47,248	-	-	-	-	47,248	59,221
RGGI auction proceeds	5,772,073	-	-	-	-	5,772,073	4,595,579
Other income	1,205,193	1,835,052	315,628	391,709	(1,050,534)	2,697,048	2,995,076
Lease payments received	-	1,309,069	-	-	-	1,309,069	1,307,661
Interest income on promissory notes	5,406,013	-	-	-	-	5,406,013	6,105,612
Program administrative expenses	(12,161,535)	(1,005,759)	(289,176)	(89,951)	-	(13,546,421)	(12,488,138)
Grants, incentives and credit enhancements	(15,965,214)	23,574	-	-	907,892	(15,033,748)	(16,276,750)
Purchases of energy equipment	(746,515)	-	-	-	-	(746,515)	(4,371,059)
General and administrative expenditures	(2,995,841)	(154,512)	(9,109)	(36,600)	142,642	(3,053,420)	(3,093,603)
Net cash provided by (used in) operating activities	16,912,859	2,762,111	34,341	730,144	-	20,439,455	16,245,806
Cash Flows from Noncapital Financing Activities							
Funds disbursed from escrow and custodial accounts	(433,228)	(154,787)	-	(68,231)	-	(656,246)	(460,008)
Advances (repayments) to/from CGB component units	(2,083,881)	44,609	1,056	663	-	(2,037,553)	-
Advances repaid to third-party capital providers	42,019	-	-	-	-	42,019	501,616
Net cash provided by (used in) noncapital financing activities	(2,475,090)	(110,178)	1,056	(67,568)	-	(2,651,780)	41,608
Cash Flows from Capital and Related Financing Activities							
Purchase of capital assets	(707,296)	-	-	-	-	(707,296)	(3,439,173)
Disposals of capital assets	-	94,953	-	-	-	94,953	16,412
Proceeds from short-term debt	-	-	-	-	-	-	11,000,000
Repayment of short-term debt	(6,000,000)	-	-	-	-	(6,000,000)	(4,900,000)
Proceeds from long-term debt	41,629,000	-	-	-	-	41,629,000	-
Repayment of long-term debt	(2,775,916)	(2,350,399)	(94,791)	-	-	(5,221,106)	(7,756,733)
Debt issuance costs	(988,427)	-	-	-	-	(988,427)	(18,800)
Interest expense	(2,282,507)	(858,942)	(37,817)	-	-	(3,179,266)	(3,467,580)
Capital contributions from Firstar Development, LLC	-	-	-	-	-	-	452,554
Return of capital to Firstar Development, LLC	-	(436,293)	-	(90,462)	-	(526,755)	(595,147)
Net cash provided by (used in) capital and related financing activities	28,874,854	(3,550,681)	(132,608)	(90,462)	-	25,101,103	(8,708,467)
Cash Flows from Investing Activities							
Gains and losses on investments	(190,100)	-	-	-	-	(190,100)	(13,156)
Loan losses	-	-	-	-	-	-	(31,412)
Return of principal on WC & program loans	17,753,754	-	-	-	-	17,753,754	6,877,267
Interest on short-term investments, cash, solar lease notes and loans, net	16,038	1,193	2	1,622	-	18,855	(427,949)
Purchase of SBEA loan portfolios	(8,834,212)	-	-	-	-	(8,834,212)	(1,011,807)
CPACE program loan disbursements	(2,726,721)	-	-	-	-	(2,726,721)	(5,525,600)
Grid Tied program loan disbursements	(618,660)	-	-	-	-	(618,660)	-
Commercial Solar Loan program disbursements	(4,699,700)	-	-	-	-	(4,699,700)	(4,688,408)
Residential Solar Loan program disbursements	-	-	-	-	-	-	(15,307,292)
Other program loan disbursements	(1,896,253)	-	-	-	-	(1,896,253)	-
Net cash provided by (used in) investing activities	(1,195,854)	1,193	2	1,622	-	(1,193,037)	(20,128,357)
Net Increase (Decrease) in Cash and Cash Equivalents	42,116,769	(897,555)	(97,209)	573,736	-	41,695,741	(12,549,410)
Cash and Cash Equivalents - Beginning of Year	16,330,171	5,360,358	206,527	1,168,545	-	23,065,601	35,615,011
Cash and Cash Equivalents - End of Year	$ 58,446,940	$ 4,462,803	$ 109,318	$ 1,742,281	$ -	$ 64,761,342	$ 23,065,601
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating income (loss)	$ 16,328,093	$ 385,843	$ 103,445	$ 307,021	$ -	$ 17,124,402	$ 4,614,156
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	555,965	2,220,165	12,156	421,689	-	3,209,975	3,178,078
Accretion	-	81,103	-	16,920	-	98,023	95,633
Provision for loan losses	238,942	-	-	-	-	238,942	-
Deferred lease revenue	-	(52,676)	-	(27,284)	-	(79,960)	(78,251)
Pension expense adjustment	500,501	-	-	-	-	500,501	2,158,952
OPEB expense adjustment	45,915	-	-	-	-	45,915	1,467,899
Changes in operating assets and liabilities:							
(Increase) decrease in operating assets	(2,409,811)	413,520	(7,520)	5,876	-	(1,997,935)	4,390,873
(Decrease) increase in operating liabilities	1,653,254	(285,844)	(73,740)	5,922	-	1,299,592	418,466
Net Cash Provided by (Used in) Operating Activities	$ 16,912,859	$ 2,762,111	$ 34,341	$ 730,144	$ -	$ 20,439,455	$ 16,245,806

The accompanying notes are an integral part of the consolidating financial statements

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Connecticut Green Bank (the Green Bank) was established in July 2011 under Title 16, Sec. 16-245n of the General Statutes of the state of Connecticut as the successor entity of the Connecticut Clean Energy Fund. The Green Bank, a component unit of the state of Connecticut, was created to promote energy efficiency and investment in renewable energy sources in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of renewable energy sources and related enterprises and stimulate demand for renewable energy and deployment of renewable energy sources which serve end-use customers in the state. The Green Bank constitutes the successor agency to Connecticut Innovations Incorporated (CI), a quasi-public agency of the state of Connecticut, for the purposes of administering the Clean Energy Fund in accordance with Section 4-38d of the Connecticut General Statutes and therefore the net position of such fund was transferred to the newly created Green Bank as of July 1, 2011.

On June 6, 2014, Public Act 14-94 of the state of Connecticut changed the name of the Clean Energy Finance and Investment Authority to Connecticut Green Bank.

Prior Period Summarized Financial Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Green Bank's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Principal Revenue Sources

The Public Utility Regulatory Authority (PURA) assesses a charge per kilowatt-hour to each end-use customer of electric services provided by utility companies (excluding municipally owned entities) in the state, which is paid to the Green Bank and is the principal source of the Green Bank's revenue. The Green Bank may deploy the funds for loans, direct or equity investments, contracts, grants or other actions that support energy efficiency projects and research, development, manufacture, commercialization, deployment and installation of renewable energy technologies.

The Green Bank also receives a portion, currently 23%, of proceeds the state of Connecticut receives from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions. These proceeds finance Class I renewable energy projects through the Green Bank's CPACE program or other Green Bank Programs. The Green Bank also earns both interest income and revenue from the sale of Solar Renewable Energy Credits (SREC's) generated by facilities it has financed.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The Green Bank, as the primary government, follows the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 61 (*The Financial Reporting Entity Omnibus - an Amendment of GASB Statements No. 14 and No. 34*) (the Statement) regarding presentation of component units. The Statement modifies certain requirements for including component units in the reporting entity, either by blending (recording their amounts as part of the primary government), or discretely presenting them (showing their amounts separately in the reporting entity's financial statements). To qualify as a blended component unit, the unit must meet one of the following criteria: 1) have substantively the same governing body as that of the primary government, and either (A) a financial benefit or burden relationship exists between the unit and the primary government, or (B) management of the primary government (below the level of the governing body) has operational responsibility of the unit; 2) the unit provides services or benefits exclusively or almost exclusively to the primary government; or 3) the unit's total debt outstanding, including leases, is expected to be repaid by resources of the primary government. A unit which fails to meet the substantively the same governing requirement may still be included as a discretely presented component unit, if the primary government has appointed the voting majority of the component unit's governance or met other criteria specified in the statement such as whether or not it would be misleading were the entity to be excluded.

The Green Bank, as of June 30, 2021, has established nine legally separate for-profit entities whose collective purpose is to administer the Green Bank's clean energy programs. The Green Bank believes to exclude any of the entities from these financial statements would be misleading. Each entity is listed below, along with whether it is included as a blended component unit (blended) or qualifies as a discretely presented component unit (discrete) within these financial statements based on the criteria previously described.

CEFIA Holdings LLC (blended)

A Connecticut limited liability company (LLC), wholly owned by the Green Bank, established to acquire and develop a portfolio of commercial and residential solar facilities and, through its CT Solar Lease 2 and CT Solar Lease 3 programs, to enable investment in solar photovoltaic equipment for the benefit of Connecticut homeowners, businesses, not-for-profits and municipalities (the End Users). CEFIA Holdings LLC acquired the initial title to the solar assets and contracts with independent solar installers to complete the installation of the solar assets and arrange for the leasing of the solar assets (or sale of energy under power purchase agreements) to the End Users. CEFIA Holdings LLC is also responsible for procuring insurance for the solar assets, operation and maintenance services as well as warranty management services for the ultimate owner of the solar assets, CT Solar Lease 2 LLC or CT Solar Lease 3 LLC, to which CEFIA Holdings LLC sells the residential and commercial projects before the projects are placed in service. As noted below, CT Solar Lease 2 completed its acquisition of residential and commercial solar projects on June 30, 2017, and CT Solar Lease 3 completed its acquisition on December 17, 2019. Subsequent to these dates, CEFIA Holdings has entered into investments as program loans for development of various solar projects.

The Green Bank's Board of Directors acts as the governing authority of CEFIA Holdings LLC. The Green Bank appoints its employees to manage the operations of CEFIA Holdings LLC. The Green Bank is also financially responsible (benefit/burden) for CEFIA Holdings LLC's activities.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CT Solar Loan I LLC (blended)

A limited liability company, wholly owned by CEFIA Holdings LLC, CT Solar Loan I LLC was established to make loans to residential property owners for the purpose of purchasing and installing solar photovoltaic equipment. The Green Bank's Board of Directors acts as the governing authority of CT Solar Loan I LLC. The Green Bank appoints its employees to manage the operations of CT Solar Loan I LLC. The Green Bank is also financially responsible (benefit/burden) for CT Solar Loan I LLC's activities.

CEFIA Solar Services, Inc. (discrete)

A Connecticut corporation, 100% owned by CEFIA Holdings LLC, established to share in the ownership risks and benefits derived from the leasing of solar photovoltaic and the sale of energy under power purchase agreements as managing member of CT Solar Lease 2 LLC and CT Solar Lease 3 LLC. CEFIA Solar Services, Inc. (Solar Services) has a 1% ownership interest in CT Solar Lease 2 LLC and CT Solar Lease 3 LLC and is its managing member. Solar Services is responsible for performing all management and operational functions pursuant to the Operating Agreement of CT Solar Lease 2 LLC and of CT Solar Lease 3 LLC. The Green Bank through CEFIA Holdings LLC directly appoints the Board of Directors of Solar Services. The Board of Directors is comprised exclusively of Green Bank employees. The primary government's intent for owning a controlling interest in Solar Services is to enhance its ability to offer financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. The Green Bank believes that to exclude Solar Services from these financial statements would be misleading.

CT Solar Lease 2 LLC (discrete)

A Connecticut limited liability company, CT Solar Lease 2 LLC acquires title to the residential and commercial solar projects from the developer, CEFIA Holdings LLC, using capital from its members along with non-recourse funding from participating banks. Repayment to participating banks is predicated upon the property owners' payment to CT Solar Lease 2 LLC of their obligations under leases and power purchase agreements, as well as revenue earned from production-based incentives. CT Solar Lease 2 LLC is owned ninety-nine percent (99%) by Firstar Development, LLC, a Delaware limited liability company, as the Investor Member and one percent (1%) by CEFIA Solar Services, Inc., as the Managing Member. The primary government's intent to provide management services through Solar Services is to directly enhance its ability to provide financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Although the Green Bank has a minority membership interest in CT Solar Lease 2 LLC, the Green Bank believes that to exclude it from these financial statements would be misleading.

As of June 30, 2017, CT Solar Lease 2 LLC has completed its acquisition of residential and commercial solar projects from the developer. All projects have been placed in service and are generating revenue. CT Solar Lease 2 LLC has also received all capital contributions required under its Operating Agreement from its members.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CT Solar Lease 3 LLC (discrete)

A Connecticut limited liability company, CT Solar Lease 3 LLC acquires title to commercial solar projects from the developer, CEFIA Holdings LLC, using capital from its members. CT Solar Lease 3 LLC's primary sources of revenue are from the sale of electricity generated by its solar PV facilities to property owners through power purchase agreements and the sale of RECs generated from facility electrical production to third parties. CT Solar Lease 3 LLC is owned ninety-nine percent (99%) by Firstar Development, LLC, a Delaware limited liability company, as the Investor Member and one percent (1%) by CEFIA Solar Services Inc., as the Managing Member. The primary government's intent to provide management services through Solar Services is to directly enhance its ability to provide financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Although the Green Bank has a minority membership interest in CT Solar Lease 3 LLC, the Green Bank believes that to exclude it from these financial statements would be misleading.

As of December 17, 2019, CT Solar Lease 3 LLC has completed its acquisition of commercial solar projects from the developer. All projects have been placed in service and are generating revenue. CT Solar Lease 3 LLC has also received all capital contributions required under its Operating Agreement from its members.

CGB Meriden Hydro LLC (blended)

On August 31, 2017, the Green Bank, through its wholly owned component unit, CGB Meriden Hydro LLC (CGB Meriden), purchased a 195kW hydroelectric facility located in Meriden, Connecticut, from the facility's developer, Hanover Pond Hydro LLC (Hanover Pond), pursuant to a sale and leaseback agreement dated January 1, 2017 for $3,911,706. The Green Bank utilized the proceeds of the Clean Energy Renewable Bond (CREB), $2,957,971 issued in fiscal year 2017, to finance a portion of the total purchase price.

Hanover Pond remits to CGB Meriden a monthly lease payment equal to the monthly payment made by the City of Meriden to Hanover Pond for the purchase of electricity generated by the hydroelectric facility under a power purchase agreement dated August 14, 2014, as amended. This lease commenced on the date commercial operations began and terminates on the 30th anniversary of said date. Commercial operations began on March 7, 2017. In addition to revenues earned through its lease with Hanover Pond, CGB Meriden also receives revenues from the sale of renewable energy credits generated by the facility and sold to the local utility company under a sale and purchase contract dated July 31, 2014 which was assigned to CGB Meriden on September 18, 2017.

CGB KFC LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on November 7, 2017 to hold the loan liability resulting from draws made on a $3,000,000 loan facility provided by the Kresge Foundation. On December 14, 2018 CGB KCF LLC received a disbursement of $1,000,000 which was held by Connecticut Green Bank in a restricted cash account until January 23, 2020, when it was transferred to Inclusive Prosperity Capital, Inc. (IPC) with the agreement of the Kresge Foundation. IPC has assumed full responsibility for the loan and reporting to Kresge as of January 21, 2020. IPC is a not-for-profit strategic partner of Connecticut Green Bank focused on increasing access to capital to low-to-moderate income communities, nonprofits, faith-based organizations, housing authorities, schools and smaller businesses. As of the end of fiscal year 2021 and 2020, Connecticut Green Bank has no interest in this loan.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SHREC ABS 1 (blended)

A Delaware corporation, single member LLC 100% owned by Connecticut Green Bank, established on February 19, 2019 as issuer of $38,600,000 of SHREC Collateralized Notes, Series 2019-1 ($36,800,000 Class A notes and $1,800,000 Class B notes) with Bank of New York Mellon acting as trustee. The SHREC notes were sold to a single investor on April 2, 2019. The proceeds were used to retire Green Bank short-term debt, as well as to support Green Bank investment and operational activities. Quarterly payments of scheduled principal and interest for a period of 14 years are funded by billings to two Connecticut utilities for SHREC revenues generated by approximately 14,000 solar PV systems on residential rooftops. Advances between the Green Bank and SHREC ABS 1 LLC were involved in the establishment of the note, retirement of Green Bank short-term debt, as well as to pay certain organizational costs. Advances were eliminated in preparing the combining and reporting entity financial statements.

SHREC Warehouse 1 LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on April 23, 2019 to collect payments due from Connecticut Light & Power (CL&P) and United Illuminating (UI) pursuant to the Master Purchase Agreement dated July 30, 2018 as amended for the purchase and sale of Solar Home Renewable Energy Credits (SHRECs). SHREC Warehouse 1 LLC acts as the sole borrower under a revolving loan facility provided by Liberty Bank and Webster Bank. Payments due from CL&P and UI are pledged as security for the loans. Loans drawn by SHREC Warehouse 1 LLC are advanced to Connecticut Green Bank to be used for investment and operational activities. Advances were eliminated in preparing the combining and reporting entity financial statements.

CT Solar Lease 1 LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on April 23, 2019 to hold collateral that supports a $3,500,000 guaranty on a line of credit with Amalgamated Bank. On May 21, 2019, the Green Bank assigned its solar lease promissory note portfolio to CT Solar Lease 1 LLC. Solar Lease 1 LLC receives note payments and maintains a loan loss reserve for the portfolio. Advances between the Green Bank and Solar Lease 1 LLC were involved in the transfer of assets and loan loss reserves. Advances were eliminated in preparing the combining and reporting entity financial statements.

Advances between the primary government (the Green Bank) and its component units, or between the component units themselves, involved establishment of funds to provide for loan loss reserves as well as pay certain organizational costs. Advances were eliminated in preparing the combining and reporting entity financial statements.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Condensed combining information for the primary government (The Green Bank) and its six blended component units (CGB Meriden Hydro LLC, SHREC ABS 1 LLC, SHREC Warehouse 1 LLC, CT Solar Lease I LLC, CT Solar Loan I LLC and CEFIA Holdings LLC) is presented as of June 30, 2021 as follows:

Condensed, Combining Information - Statement of Net Position

	CGB	CGB Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Assets									
Current Assets									
Cash and cash equivalents	$ 38,074,568	$ 44,701	$ 1,255,278	$ 248,346	$ -	$ 1,074,827	$ 627,533	$ -	$ 41,325,253
Accounts receivable	2,958,578	-	-	-	-	-	773,812	-	3,732,390
Utility remittance receivable	2,044,619	-	-	-	-	-	-	-	2,044,619
Other receivables	177,917	-	-	-	80,807	300	3,163,239	-	3,422,263
Due from component units	54,002,107	-	35,794,178	1,096,785	-	-	6,659,126	(57,338,106)	40,214,090
Prepaid expenses and other assets	1,492,073	132,239	41,667	-	-	7,557	328,289	-	2,001,825
Current maturities of prepaid warranty management	-	-	-	-	-	-	-	-	-
Current portion of solar lease notes	-	-	-	-	990,505	-	-	-	990,505
Current portion of SBEA promissory notes	-	-	-	-	-	-	1,185,782	-	1,185,782
Current portion of program loans	8,502,569	-	-	-	-	134,909	401,097	-	9,038,575
Total current assets	107,252,431	176,940	37,091,123	1,345,131	1,071,312	1,217,593	13,138,878	(57,338,106)	103,955,302
Noncurrent Assets									
Portfolio investments	245,000	-	-	-	-	-	-	-	245,000
Bonds receivable	986,792	-	-	-	-	-	-	-	986,792
Prepaid warranty management, less current portion	-	-	-	-	-	-	-	-	-
Solar lease notes, less current portion	-	-	-	-	2,969,206	-	-	-	2,969,206
SBEA promissory notes, less current portion	-	-	-	-	-	-	690,752	-	690,752
Program loans, less current portion	75,696,892	-	-	-	-	1,192,392	6,009,167	-	82,898,451
Renewable energy credits	348,716	-	-	-	-	-	-	-	348,716
Investment in component units	100,100	-	-	-	-	-	100	(100,100)	100
Capital assets, net of depreciation and amortization	10,351,518	3,965,697	-	-	-	-	-	-	14,317,215
Restricted assets:									
Cash and cash equivalents	12,903,982	-	1,136,357	2,771,359	-	301,819	8,170	-	17,121,687
Total noncurrent assets	100,633,000	3,965,697	1,136,357	2,771,359	2,969,206	1,494,211	6,708,189	(100,100)	119,577,919
Total Assets	207,885,431	4,142,637	38,227,480	4,116,490	4,040,518	2,711,804	19,847,067	(57,438,206)	223,533,221
Deferred Outflows of Resources									
Deferred amount for pensions	4,550,879	-	-	-	-	-	-	-	4,550,879
Deferred amount for OPEB	5,238,343	-	-	-	-	-	-	-	5,238,343
Deferred amount for asset retirement obligations	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	9,789,222	-	-	-	-	-	-	-	9,789,222

	CGB	CGB Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Liabilities and Net Position									
Liabilities									
Current maturities of long-term debt	$ 2,306,898	$ -	$ 2,263,000	$ -	$ -	$ -	$ -	$ -	$ 4,569,898
Current maturities of warranty management	-	-	-	-	-	-	-	-	-
Accounts payable and accrued expenses	9,019,685	10,054	73,668	4,167	-	14,490	37,438	-	9,159,502
Due to component units	37,169,963	5,456,401	-	-	4,271,290	2,432,500	8,286,952	(57,338,106)	279,000
Line of credit	100,000	-	-	-	-	-	-	-	100,000
Custodial liability	357,581	-	-	-	-	-	1,268,765	-	1,626,346
Unearned revenue	-	-	-	-	-	-	-	-	-
Total current liabilities	48,954,127	5,466,455	2,336,668	4,167	4,271,290	2,446,990	9,593,155	(57,338,106)	15,734,746
Asset retirement obligation	-	-	-	-	-	-	-	-	-
Long-term debt, less current maturities	49,951,230	-	31,802,120	-	-	-	-	-	81,753,350
Warranty management, less current maturities	-	-	-	-	-	-	-	-	-
Fair value of interest rate swap	-	-	-	-	-	-	-	-	-
Pension liability	20,268,725	-	-	-	-	-	-	-	20,268,725
OPEB liability	23,688,513	-	-	-	-	-	-	-	23,688,513
Total noncurrent liabilities	93,908,468	-	31,802,120	-	-	-	-	-	125,710,588
Total Liabilities	142,862,595	5,466,455	34,138,788	4,167	4,271,290	2,446,990	9,593,155	(57,338,106)	141,445,334
Deferred Inflows of Resources									
Deferred amount for pensions	5,071,624	-	-	-	-	-	-	-	5,071,624
Deferred amount for OPEB	7,227,544	-	-	-	-	-	-	-	7,227,544
Total deferred inflows of resources	12,299,168	-	-	-	-	-	-	-	12,299,168
Net Position									
Investment in capital assets	2,287,962	1,400,125	-	-	-	-	-	-	3,688,087
Restricted net position:									
Nonexpendable	-	-	-	-	-	-	-	-	-
Restricted for energy programs	12,546,402	-	1,136,357	2,771,359	-	301,819	8,170	-	16,764,107
Unrestricted (deficit)	47,678,526	(2,723,943)	2,952,335	1,340,964	(230,772)	(37,005)	10,245,742	(100,100)	59,125,747
Total Net Position	$ 62,512,890	$ (1,323,818)	$ 4,088,692	$ 4,112,323	$ (230,772)	$ 264,814	$ 10,253,912	$ (100,100)	$ 79,577,941

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Condensed, Combining Information - Statement of Revenues, Expenses and Changes in Net Position

	CGB	CGB Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease 1 LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Operating Revenues									
Utility remittances	$ 25,144,416	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,144,416
Interest income - promissory notes	6,091,133	-	-	-	247,561	111,141	394,906	-	6,844,741
Grant revenue	13,288	-	-	-	-	-	-	-	13,288
RGGI auction proceeds	6,452,886	-	-	-	-	-	-	-	6,452,886
Energy system sales	-	-	-	-	-	-	746,515	-	746,515
REC sales	2,818,108	-	5,025,007	2,672,984	-	-	328,350	-	10,844,449
Other income	1,188,482	-	-	-	-	286	18,266	-	1,207,034
Total operating revenues	41,708,313	-	5,025,007	2,672,984	247,561	111,427	1,488,037	-	51,253,329
Operating Expenses									
Cost of goods sold - energy systems	-	-	-	-	-	-	746,515	-	746,515
Provision for loan losses	153,702	-	-	-	-	-	85,240	-	238,942
Grants and incentive programs	16,787,858	-	-	-	-	-	-	-	16,787,858
Program administration expenses	12,376,698	369,611	76,000	120,694	161,051	47,821	247,544	-	13,399,419
General and administrative expenses	3,691,043	5,574	3,597	30,282	-	6,855	15,151	-	3,752,502
Total operating expenses	33,009,301	375,185	79,597	150,976	161,051	54,676	1,094,450	-	34,925,236
Operating Income (Loss)	8,699,012	(375,185)	4,945,410	2,522,008	86,510	56,751	393,587	-	16,328,093
Nonoperating Revenue (Expenses)									
Interest income - short-term cash deposits	14,204	-	703	75	-	24	1,035	-	16,041
Interest expense long-term debt	(527,042)	-	(1,833,935)	(40,621)	-	-	-	-	(2,401,598)
Interest income - component units	67,792	-	-	-	-	-	-	-	67,792
Interest expense - component units	-	-	-	-	-	-	-	-	-
Debt issuance costs	(1,001,139)	-	-	-	-	-	-	-	(1,001,139)
Distributions to member	-	-	-	-	-	-	-	-	-
Realized and unrealized loss on investments	(74,762)	-	-	-	-	-	-	-	(74,762)
Unrealized gain (loss) on interest rate swap	-	-	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	(1,520,947)	-	(1,833,232)	(40,546)	-	24	1,035	-	(3,393,666)
Change in Net Position before Capital Contributions	7,178,065	(375,185)	3,112,178	2,481,462	86,510	56,775	394,622	-	12,934,427
Capital Contributions	-	-	-	-	-	-	-	-	-
Change in Net Position	7,178,065	(375,185)	3,112,178	2,481,462	86,510	56,775	394,622	-	12,934,427
Net Position - Beginning of Year, as restated	55,334,825	(948,633)	976,514	1,630,861	(317,282)	208,039	9,859,290	(100,100)	66,643,514
Net Position - End of Year	$ 62,512,890	$ (1,323,818)	$ 4,088,692	$ 4,112,323	$ (230,772)	$ 264,814	$ 10,253,912	$ (100,100)	$ 79,577,941

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Condensed, Combining Information - Statement of Cash Flows

	CGB	CGB Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease 1 LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Cash Flows from Operating Activities									
Sales of energy systems	$ -	$ -	$ -	$ -	$ -	$ -	$ 746,515	$ -	$ 746,515
Sales of Renewable Energy Credits	2,592,358	-	5,025,008	2,672,984	-	-	-	-	10,290,350
Utility company remittances	25,314,572	-	-	-	-	-	-	-	25,314,572
Grants disbursed	47,248	-	-	-	-	-	-	-	47,248
RGGI auction proceeds	5,772,073	-	-	-	-	-	-	-	5,772,073
Other income	1,186,641	-	-	-	-	286	18,266	-	1,205,193
Lease payments received	-	-	-	-	-	-	-	-	-
Interest income on promissory notes	4,736,753	-	-	-	247,561	116,581	305,118	-	5,406,013
Program administrative expenses	(11,351,242)	(242,196)	(76,000)	(120,694)	(164,014)	(54,507)	(152,882)	-	(12,161,535)
Grants, incentives and credit enhancements	(15,965,214)	-	-	-	-	-	-	-	(15,965,214)
Purchases of energy equipment	-	-	-	-	-	-	(746,515)	-	(746,515)
General and administrative expenditures	(2,935,087)	(625)	(3,598)	(30,282)	-	(6,855)	(19,394)	-	(2,995,841)
Net cash provided by (used in) operating activities	9,398,102	(242,821)	4,945,410	2,522,008	83,547	55,505	151,108	-	16,912,859
Cash Flows from Noncapital Financing Activities									
Funds disbursed from escrow and custodial accounts	(96,995)	-	-	-	-	-	(336,233)	-	(433,228)
Advances (repayments) to/from CGB component units	(6,670,017)	275,000	(49,700)	4,200,000	(1,078,478)	-	1,239,314	-	(2,083,881)
Advances repaid to third-party capital providers	42,019	-	-	-	-	-	-	-	42,019
Net cash provided by (used in) noncapital financing activities	(6,724,993)	275,000	(49,700)	4,200,000	(1,078,478)	-	903,081	-	(2,475,090)
Cash Flows from Capital and Related Financing Activities									
Purchase of capital assets	(707,296)	-	-	-	-	-	-	-	(707,296)
Disposals of capital assets	-	-	-	-	-	-	-	-	-
Proceeds from short-term debt	-	-	-	-	-	-	-	-	-
Repayment of short-term debt	-	-	-	(6,000,000)	-	-	-	-	(6,000,000)
Proceeds from long-term debt	41,629,000	-	-	-	-	-	-	-	41,629,000
Repayment of long-term debt	(645,916)	-	(2,130,000)	-	-	-	-	-	(2,775,916)
Debt issuance costs	(988,427)	-	-	-	-	-	-	-	(988,427)
Interest expense	(434,437)	-	(1,833,352)	(41,931)	27,213	-	-	-	(2,282,507)
Capital contributions from Firstar Development, LLC	-	-	-	-	-	-	-	-	-
Return of capital to Firstar Development, LLC	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	38,852,924	-	(3,963,352)	(6,041,931)	27,213	-	-	-	28,874,854
Cash Flows from Investing Activities									
Gains and losses on investments	(190,100)	-	-	-	-	-	-	-	(190,100)
Loan losses	-	-	-	-	-	-	-	-	-
Return of principal on WC & program loans	14,354,297	-	-	-	967,718	570,548	1,861,191	-	17,753,754
Interest on short-term investments, cash, solar lease notes and loans, net	14,203	-	703	75	-	24	1,033	-	16,038
Purchase of SBEA loan portfolios	(7,994,286)	-	-	-	-	-	(839,926)	-	(8,834,212)
CPACE program loan disbursements	(2,726,721)	-	-	-	-	-	-	-	(2,726,721)
Grid Tied program loan disbursements	(618,660)	-	-	-	-	-	-	-	(618,660)
Commercial Solar Loan program disbursements	(3,000,000)	-	-	-	-	-	(1,699,700)	-	(4,699,700)
Residential Solar Loan program disbursements	-	-	-	-	-	-	-	-	-
Other program loan disbursements	(1,161,301)	-	-	-	-	-	(734,952)	-	(1,896,253)
Net cash provided by (used in) investing activities	(1,322,568)	-	703	75	967,718	570,572	(1,412,354)	-	(1,195,854)
Net Increase (Decrease) in Cash and Cash Equivalents	40,203,465	32,179	933,061	680,152		626,077	(358,165)	-	42,116,769
Cash and Cash Equivalents - Beginning of Year	10,775,085	12,522	1,458,574	2,339,553	-	750,569	993,868	-	16,330,171
Cash and Cash Equivalents - End of Year	$ 50,978,550	$ 44,701	$ 2,391,635	$ 3,019,705	$ -	$ 1,376,646	$ 635,703	$ -	$ 58,446,940
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating income (loss)	$ 8,699,012	$ (375,185)	$ 4,945,410	$ 2,522,008	$ 86,510	$ 56,751	$ 393,587	$	$ 16,328,093
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	403,925	152,040	-	-	-	-	-	-	555,965
Accretion	-	-	-	-	-	-	-	-	-
Provision for loan losses	153,702	-	-	-	-	-	85,240	-	238,942
Deferred lease revenue	-	-	-	-	-	-	-	-	-
Pension expense adjustment	500,501	-	-	-	-	-	-	-	500,501
OPEB expense adjustment	45,915	-	-	-	-	-	-	-	45,915
Changes in operating assets and liabilities:									
(Increase) decrease in operating assets	(2,064,589)	(29,730)	-	-	(2,963)	5,441	(317,970)	-	(2,409,811)
(Decrease) increase in operating liabilities	1,659,636	10,054	-	-	-	(6,687)	(9,749)	-	1,653,254
Net Cash Provided by (Used in) Operating Activities	$ 9,398,102	$ (242,821)	$ 4,945,410	$ 2,522,008	$ 83,547	$ 55,505	$ 151,108	$ -	$ 16,912,859

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

All entities are enterprise funds. Enterprise funds are used to account for governmental activities that are similar to those found in the private sector in which the determination of net income is necessary or useful to sound financial administration.

Basis of Presentation

These financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred, regardless of the timing of the related cash flows.

Revenue Recognition

The Green Bank, in addition to utility assessments and RGGI auction income, recognizes revenue from grants as expenses are incurred, as well as interest income from C-PACE and program loans as earned.

CT Solar Loan I LLC derives revenue from interest earned on residential solar loan products.

CEFIA Holdings LLC derives revenue from interest income from program loans as earned and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CEFIA Solar Services, Inc., revenue consists of an administrative fee from CT Solar Lease 2 LLC. This amount was eliminated to arrive at the total reporting entity revenue.

CT Solar Lease 2 LLC derives revenue from the following sources: operating leases, energy generation, performance-based incentives (PBIs) and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CT Solar Lease 3 LLC derives revenue from the following sources: energy generation and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CGB Meriden Hydro derives revenue from the following sources: energy generation and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CGB KCF LLC will have no revenue. All interest in the Kresge loan facility has been transferred to Inclusive Prosperity Capital.

SHREC ABS 1 LLC derives revenue from interest income and the sale of Solar Home Renewable Energy Certificates (SHRECs) to two Connecticut utilities for two tranches of approximately 14,000 rooftop PV systems. Proceeds are directed to trustee accounts and are used for quarterly bond payments on the SHREC ABS collateralized note.

CT Solar Lease 1 LLC derives revenue from interest income from residential solar lease promissory notes secured by specific PV equipment leases (Note 6 - Solar Lease Notes Receivable).

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SHREC Warehouse 1 LLC derives revenue from interest income and the sale of SHRECs to two Connecticut utilities for a tranche of approximately 4,800 rooftop PV systems. Proceeds are retained in a restricted bank account by Webster Bank as security for the loan facility for which the revenues have been pledged.

Rental income from operating leases for residential and certain commercial scale solar facilities is recognized on a straight-line basis over the term of each underlying lease.

Energy generation revenue will be recognized as electricity is generated, based on actual output and contractual prices set forth in long-term PPAs associated with certain commercial scale facilities.

Revenue from the sale of SRECs and SHRECs to third parties is recognized upon the transfer of title and delivery of the SRECs to third parties and is derived from contractual prices set forth in SREC sale agreements associated with commercial scale facilities.

Operating vs. Nonoperating Revenue (Expense)

All entities distinguish operating revenues and expenses from nonoperating items. Operating revenues consist of utility customer assessments, grants for operating activities, and other revenue generated in connection with investments in clean energy programs. Operating expenses consist of operating costs, including depreciation on capital assets and grants and programs. Nonoperating revenue (expense) consists of investment earnings, and other items not considered operational by management.

Use of Accounting 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Use of Restricted vs. Nonrestricted Resources

When both restricted and unrestricted amounts are available for use, the policy is to use restricted resources for their intended purposes first and then unrestricted resources.

Cash and Cash Equivalents

Cash equivalents consist of cash and highly liquid short-term investments with an original term of 90 days when purchased and are recorded at cost, which approximates fair value.

Capital Assets

Capital asset acquisitions exceeding $1,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using straight-line methods over the estimated useful lives of the assets, which range from two to thirty years. Leasehold improvements are amortized over the shorter of their useful life or the lease term.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives of capital assets are as follows:

Asset	Years
Solar lease equipment	30 years
Hydroelectric equipment	30 years
Furniture and equipment	5 years
Leasehold improvements	5 years
Computer hardware and software	2-3 years

For capital assets sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any related gain or loss is reflected in income for the period.

All solar facilities are owned by CT Solar Lease 2 LLC and CT Solar Lease 3 LLC and are stated at cost and include all amounts necessary to construct them. Systems are placed in service when they are ready for use and all necessary approvals have been received from local utility companies. Additions, renewals, and betterments that significantly extend the life of an asset are capitalized. Expenditures for warranty maintenance and repairs to solar facilities are charged to expense as incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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. The Green Bank reports deferred outflows related to pension and OPEB in the statement of net position which result from differences between expected and actual experience, changes in assumptions or other inputs, and contributions 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 Green Bank also reports deferred amounts related to asset retirement obligations in the statement of net position, which results from a known future liability to retire certain assets.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, 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 Green Bank reports deferred inflows of resources related to pensions and OPEB in the consolidated statement of net position which result from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension 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.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

CT Solar Lease 2 LLC (CT SL2) and CT Solar Lease 3 LLC (CT SL3) review their solar facilities for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by an asset is less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized by CT SL2 or CT SL3 during the fiscal year ending June 30, 2021.

Asset Retirement Obligations

CT SL2 and CT SL3 are required to recognize their liability related to asset retirement obligations when they have the legal obligation to retire long-lived assets. Upon the expiration of operating leases or a Power Purchase Agreement's (PPA's) initial or extended terms, customers generally have the option to purchase the solar facilities at fair market value or require CT SL2 or CT SL3 to remove the solar facilities at their expense.

Asset retirement obligations are recorded in the period in which they are incurred and reasonably estimable, including those obligations for which the timing method of settlement are conditional on a future event that may or may not be in the control of CT SL2 or CT SL3. Retirement of assets may involve efforts to remove the solar facilities depending on the nature and location of the assets. In identifying asset retirement obligations, CT SL2 and CT SL3 consider identification of legally enforceable obligations, changes in existing law, estimates of potential settlement dates, and the calculation of an appropriate discount rate to be used in calculating the fair value of the obligations. For those assets where a range of potential settlement dates may be reasonably estimated, obligations are recorded. CT SL2 and CT SL3 routinely review and reassess their estimates to determine if an adjustment to the value of asset retirement obligations is required.

Estimates and assumptions used to measure the asset retirement obligations include:

Inflation	2.25%
Discount rate	2.50%
Estimated useful life	30 years
Length of lease/PPA	20 years
Estimated removal cost	Residential: $2,000 Commercial: varying estimates based on size and design of system ranging from 0.03 to 0.15 removal cost per watt of the system

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The aggregate carrying amount of asset retirement obligations recognized by CT SL2 and CT SL3 was $4,018,011 and $3,919,988 at June 30, 2021 and 2020, respectively. The following table shows changes in the aggregate carrying amount of CT SL2 and CT SL3's asset retirement obligation for the year ended June 30, 2021:

Balance - June 30, 2020	$	3,919,988
Accretion expense		98,023
Balance - June 30, 2021	$	4,018,011

The solar facilities have estimated remaining useful lives ranging from 23 to 28 years as of June 30, 2021. The Company will pay for these obligations with future revenues. At June 30, 2021, there are no assets specifically restricted for payment of the asset retirement obligations.

The Green Bank also records a deferred outflow of resources related to this asset retirement obligation. The outflow is being recognized in a systematic and rational manner over the estimated useful life of the tangible capital assets for which the asset retirement obligation relates. A portion of the deferred outflow is recognized each year as an outflow (expense) based upon actual costs incurred that year. The total remaining deferred outflow at June 30, 2021 is $2,487,824 in the statement of net position.

Pension Accounting

The Green Bank's proportionate share of the net pension liability and expense associated with the Green Bank's requirement to contribute to the Connecticut State Employees Retirement System (SERS) have been determined on the same basis as they are reported by SERS. Contributions made to SERS after the measurement date and prior to the Green Bank's fiscal year are reported as deferred outflows of resources. Investments are reported at fair value.

OPEB Accounting

The Green Bank's proportionate share of the net OPEB liability and expense associated with the Green Bank's requirement to contribute to the state of Connecticut Other Post-Employment Benefits Program have been determined on the same basis as they are reported by state of Connecticut Other Post-Employment Benefits Program. Contributions made to the state of Connecticut Other Post-Employment Benefits Program after the measurement date and prior to the Green Bank's fiscal year are reported as deferred outflows of resources. Investments are reported at fair value.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Portfolio Investments

The Green Bank carries all investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer liability by in an orderly transaction between market participants at the measurement date (See Notes 2 and 4). Fair value is determined using United States Private Equity Valuation Guidelines promulgated by the Private Equity Investment Guidelines Group. In the absence of readily determinable market values, consideration is given to pertinent information about the companies comprising these investments, including, but not limited to, recent sales prices of the issuer's securities, sales growth, progress toward business goals and other operating data. Procedures have been applied in arriving at the estimate of the value of such securities that it believes are reasonable and appropriate. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the amounts ultimately realized from the investments, and the differences could be material. The Green Bank reports gains as realized and unrealized consistent with the practice of venture capital firms. The calculation of realized gains and losses is independent of the calculation of the net change in investment value.

All of the Green Bank's portfolio investments are uninsured against loss and unregistered, and debt investments are held in CI's name since the investments were made when the Green Bank's predecessor, the Connecticut Clean Energy Fund, was administered by CI.

Net Position

Net position is presented in the following three categories:

- *Investment in Capital Assets* represent capital assets, net of accumulated depreciation and amortization that are attributable to those particular assets.
- *Restricted Net Position* represent assets whose use is restricted through external restrictions imposed by creditors, grantors, contributors and the like, or through restrictions imposed by laws or through constitutional provisions or enabling legislature, and includes equity interest within the Green Bank's component units by outside entities.
- *Unrestricted Net Position* represents assets which do not meet the definition of the two preceding categories.

Grants and Programs

Expenditures for grants and programs are recorded upon the submission of invoices and other supporting documentation and approval by management. Salaries, benefits, and overhead expenses are allocated to program expenses based on job functions.

Subsequent Events

The Green Bank has performed a review of events subsequent to the statement of net position date through October 31, 2021, the date of the financial statements were available to be issued. No additional events requiring recording or disclosure in the financial statements were identified.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2020 summarized information have been reclassified to conform to the 2021 presentation.

2. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). In determining fair value, the Green Bank utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Green Bank also considers nonperformance risk in the overall assessment of fair value.

Investments are measured at fair value utilizing valuation techniques based on observable and/or unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect market assumptions. These inputs are classified into the following hierarchy:

Level 1
Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2
Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liability (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observed market data by correlation or other means

Level 3
Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

2. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Green Bank's fair value measurements at June 30, 2021:

	Investment Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Portfolio Investments	$ -	$ -	$ 245,000	$ 245,000
Interest Rate Swaps	$ -	$ 699,023	$ -	$ -

The following table sets forth by level, within the fair value hierarchy, the Green Bank's fair value measurements at June 30, 2020:

	Investment Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Portfolio Investments	$ -	$ -	$ 1	$ 1
Interest Rate Swaps	$ -	$ 1,164,356	$ -	$ -

There were no transfers between levels during the years ended June 30, 2021 and 2020.

3. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents for the reporting entity at June 30:

	2021	2020
Checking	$ 11,481,524	$ 5,744,016
Money market	1,505,724	1,828,063
State Treasurer's Short-Term Investment Fund	31,148,946	584,014
Unrestricted cash and cash equivalents	44,136,194	8,156,093
Checking - restricted	4,003,050	3,801,285
Money market - restricted	11,872,284	6,413,985
State Treasurer's Short-Term Investment Fund - restricted	4,749,814	4,694,238
Total Cash and Cash Equivalents	$ 64,761,342	$ 23,065,601

3. CASH AND CASH EQUIVALENTS (CONTINUED)

	Cash and Cash Equivalents as of June 30, 2021				
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Total
Checking	$ 10,028,251	$ 1,042,113	$ 21,161	$ 389,999	$ 11,481,524
Money market	148,056	229	5,157	1,352,282	1,505,724
State Treasurer's Short-Term Investment Fund	31,148,946	-	-	-	31,148,946
Unrestricted cash and cash equivalents	41,325,253	1,042,342	26,318	1,742,281	44,136,194
Restricted cash:					
Checking	2,780,050	1,140,000	83,000	-	4,003,050
Money market	9,591,823	2,280,461	-	-	11,872,284
State Treasurer's Short-Term Investment Fund	4,749,814	-	-	-	4,749,814
Restricted cash and cash equivalents	17,121,687	3,420,461	83,000	-	20,625,148
Total	$ 58,446,940	$ 4,462,803	$ 109,318	$ 1,742,281	$ 64,761,342

	Cash and Cash Equivalents as of June 30, 2020				
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Total
Checking	$ 4,292,294	$ 930,464	$ 103,372	$ 417,886	$ 5,744,016
Money market	597,022	460,227	20,155	750,659	1,828,063
State Treasurer's Short-Term Investment Fund	584,014	-	-	-	584,014
Unrestricted cash and cash equivalents	5,473,330	1,390,691	123,527	1,168,545	8,156,093
Restricted cash:					
Checking	2,578,285	1,140,000	83,000	-	3,801,285
Money market	3,584,318	2,829,667	-	-	6,413,985
State Treasurer's Short-Term Investment Fund	4,694,238	-	-	-	4,694,238
Restricted cash and cash equivalents	10,856,841	3,969,667	83,000	-	14,909,508
Total	$ 16,330,171	$ 5,360,358	$ 206,527	$ 1,168,545	$ 23,065,601

State Treasurer's Short-Term Investment Fund

The state Treasurer's Short-Term Investment Fund is a Standard & Poor's AAAm investment pool of high-quality, short-term money market instruments managed by the Cash Management Division of the state Treasurer's Office and operates in a manner similar to money market mutual funds. It is the investment vehicle for the operating cash of the state of Connecticut Treasury, state agencies and authorities, municipalities, and other political subdivisions of the state. The value of the Green Bank's position in the pool is the same as the value of pool shares. Regulatory oversight is provided by an investment advisory council and the state Treasurer's Cash Management Board.

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Investment Maturities

The state Treasurer's Short-Term Investment Fund itself has no maturity date and is available for withdrawal on demand.

Interest Rate Risk

The Green Bank manages its exposure to declines in fair value by limiting the average maturity of its cash and cash equivalents to no more than one year. The Green Bank does not have a formal policy relating to a specific investment related risk.

Credit Risk

Connecticut General Statutes authorize the Green Bank to invest in obligations of the U.S. Treasury including its agencies and instrumentalities, commercial paper, banker's acceptance, repurchase agreements and the state Treasurer's Short-Term Investment Fund.

Investment ratings for the Fund's investment are as follows:

	Standard & Poor's
State Treasurer's Short-Term Investment Fund	AAAm

Concentration of Credit Risk

The Green Bank's investment policy does not limit the investment in any one investment vehicle. The state Treasurer's Short-Term Investment Fund is not subject to this disclosure.

Custodial Credit Risk - Deposits

In the case of deposits, this represents the risk that, in the event of a bank failure, the Green Bank's deposits may not be returned to it. The Green Bank does not have a deposit policy for custodial credit risk. As of June 30, 2021 and 2020, $20,149,401 and $14,005,899 respectively, of the Green Bank's bank balances were exposed to custodial credit risk. Primary government consisted of $14,790,438 and $8,366,995 as of June 30, 2021 and 2020, respectively. CT Solar Lease 2 LLC consisted of $3,852,821 and $4,720,359 as of June 30, 2021 and 2020, respectively. CEFIA Solar Services, Inc., consisted of $-0- as of June 30, 2021 and 2020. CT Solar Lease 3 LLC consisted of $1,506,142 and $918,545 as of June 30, 2021 and 2020, respectively. Funds held by banks on behalf of the Green Bank, CT Solar Lease 2 LLC and CEFIA Solar Services included contractual requirements to maintain $16,569,629 in deposits with financial institutions participating in various lease and loan programs, representing loan loss and lease maintenance reserves and guaranty pledge accounts.

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk - Investments

For an investment, this represents the risk that, in the event of the failure of the counterparty, the Green Bank will not be able to recover the value of the investment. The Green Bank does not have a policy relating to the credit risk of investments. As of June 30, 2021 and 2020, the Green Bank had no reportable custodial credit risk.

4. PORTFOLIO INVESTMENTS

The former Connecticut Clean Energy Fund (CCEF) invested in emerging technology companies as equity and debt investments in Operational Demonstration projects. Based on a memorandum of understanding between the Green Bank and CI, CI manages these investments on behalf of the Green Bank. In the year ended June 30, 2021, the Green Bank received proceeds of $225,122 as a liquidation of the only equity investment held, which was previously valued at $1. The realized gain on this liquidation is included in realized and unrealized gain on investments on the Statement of Revenues, Expenses and Changes in Net Position. At June 30, 2021, CI only manages debt investments in Operational Demonstration projects.

In February 2021, the Green Bank entered into a new equity investment included in portfolio investments on the Statement of Net Position. The Green Bank was issued a stock warrant from an entity that was subsequently exercised at a valuation of $245,000 (see Note 2 for further information on fair value measurements).

5. BONDS RECEIVABLE

Subordinate Series 2014B-1 and 2014C-1

This Series represents two $800,000 bonds received in connection with the Green Bank's May 2014 sale of C-PACE loans to Clean Fund Holdings, LLC (CFH). CFH paid the Green Bank approximately $6.4 million in cash along with two bonds issued to the Green Bank through Public Finance Authority. The 2014 Series bonds carry interest of 5.30% per annum with a maturity date of September 10, 2034. The bonds are secured by the C-PACE loans sold to CFH. The Green Bank received principal repayments of $38,075 and $8,858 for each bond as a result of C-PACE loan payoffs in 2020 and 2016, respectively.

In March 2021, the 2014 Series Bonds were fully redeemed in the amount of $1,381,558, with the remaining principal balance being written off to realized loss on investments in the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021. In conjunction with the redemption, the Green Bank repurchased the eight C-PACE loans which secured the Bond cashflows. These investments are reported in Program Loans as of June 30, 2021.

5. BONDS RECEIVABLE (CONTINUED)

Subordinate Series 2015B-1 and 2015C-1

This Series represents two $955,000 bonds received in connection with the Green Bank's August 2015 sale of C-PACE Loans to Clean Fund Holdings, LLC (CFH). CFH paid the Green Bank approximately $7.7 million in cash along with two bonds issued to the Green Bank through Public Finance Authority. The 2015 Series bonds carry interest of 5.52% per annum with a maturity date of August 13, 2035. The bonds are secured by the C-PACE loans sold to CFH. The Green Bank received principal repayments of $37,207, $19,938 and $81,877 for each bond as a result of C-PACE loan payoffs in 2020, 2019 and 2017, respectively.

Each bond required semi-annual interest-only payments to the Green Bank starting September 10, 2015 and continuing to August 13, 2032. Starting September 10, 2032 and every six months thereafter, principal payments, along with the required interest is to be paid to the Green Bank.

In March 2021, a partial redemption in the amount of $656,262 led to the issuance of new certificates for each of the 2015 Series bonds effective March 10, 2021. The face value of each bond was $493,396. The repayment terms include semi-annual interest-only payments to the Green Bank until March 10, 2033. Beginning March 20, 2033, and every six months thereafter, principal payments, along with the required interest is to be paid to the Green Bank continuing to August 13, 2035. In conjunction with the redemption, the Green Bank repurchased one of the C-PACE loans which secured the Bond cashflows. This investment is reported in Program Loans as of June 30, 2021.

Principal maturities of these bonds are as follows:

Year Ending June 30,	2015B-1	2015B-1	Total
2022	$ -	$ -	$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027 - 2031	-	-	-
2032 - 2036	493,396	493,396	986,792
	$ 493,396	$ 493,396	$ 986,792

6. SOLAR LEASE NOTES RECEIVABLE

In June of 2008, the predecessor of the Green Bank, the Connecticut Clean Energy Fund (CCEF) entered into a Master Lease Program Agreement with CT Solar Leasing LLC, a third-party leasing company, AFC First Financial Corporation, a third-party servicer and Firstar Development LLC, the tax equity investor, to develop a residential solar PV leasing program in Connecticut. CCEF purchased a total of $13,248,685 of promissory notes issued by CT Solar Leasing LLC during the period commencing in April of 2009 and ending in February of 2012 to fund the program. Each nonrecourse promissory note is secured by the payments under a specific PV equipment lease, with a rate of interest of 5% and a term of 15 years. Future principal repayments under the program and the current loss reserve are as follows:

Future Principal Repayments		
2022	$	990,505
2023		1,031,221
2024		1,039,766
2025		811,312
2026		374,738
Thereafter		94,640
		4,342,182
Less reserve for losses		(382,471)
	$	3,959,711
Current portion	$	990,505
Noncurrent portion		2,969,206
	$	3,959,711

7. PROGRAM LOANS RECEIVABLE

Outstanding principal balances by program for the years ended June 30, 2021 and 2020, are as follows:

	2021	2020
Loans in repayment for completed projects:		
Connecticut Green Bank		
C-PACE Program benefit assessments - in repayment	$ 44,850,273	$ 33,956,989
C-PACE Lending Facility	-	2,000,000
Grid-Tied Program term loans	9,702,181	10,684,289
Multifamily/Affordable housing program loans	24,807,923	26,175,211
Alpha/Operational Demonstration program loans	650,000	650,000
Other program loans	2,542,419	1,428,080
CT Solar Loan I LLC		
Residential Solar PV Program loans-in repayment	1,376,215	1,941,793
CEFIA Holdings LLC		
Other program loans	6,724,492	4,579,752
	90,653,503	81,416,114
Reserve for loan losses	(13,349,104)	(13,110,162)
Total loans in repayment for completed projects, net	77,304,399	68,305,952
Loan advances for projects under construction:		
Connecticut Green Bank		
C-PACE Program benefit assessments - under construction	10,140,390	13,144,102
Grid-Tied Program term loans - under construction	4,492,237	4,231,767
Total loans advances for projects under construction	14,632,627	17,375,869
Total	$ 91,937,026	$ 85,681,821
Current portion	$ 9,038,575	$ 4,396,615
Noncurrent portion	82,898,451	81,285,206
	$ 91,937,026	$ 85,681,821

7. PROGRAM LOANS RECEIVABLE (CONTINUED)

Scheduled repayments of principal under these loans in repayment as of June 30, 2021 is as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
Connecticut Green Bank							
C-PACE Program benefit assessments- in repayment	$ 4,336,833	$ 2,482,344	$ 2,596,570	$ 2,664,430	$ 2,798,849	$ 29,971,247	$ 44,850,273
C-PACE Lending Facility	-	-	-	-	-	-	-
Grid-Tied Program term loans	1,054,218	1,132,578	1,217,350	1,310,262	1,221,711	3,766,062	9,702,181
Multifamily/Affordable housing term loans	3,371,407	15,229,845	1,372,452	1,198,629	786,242	2,849,348	24,807,923
Alpha/Operational Demonstration program loans	-	650,000	-	-	-	-	650,000
Other program loans	96,599	568,580	685,701	82,504	60,957	1,048,078	2,542,419
CT Solar Loan I LLC							
Residential Solar PV Program loans - in repayment	134,909	146,786	153,763	161,314	167,313	612,130	1,376,215
CEFIA Holdings LLC							
Other program loans	401,097	417,928	522,170	446,899	462,232	4,474,166	6,724,492
	9,395,063	20,628,061	6,548,006	5,864,038	5,497,304	42,721,031	90,653,503
Reserve for loan losses	(356,488)	(2,312,743)	(54,560)		(451,027)	(10,174,286)	(13,349,104)
	$ 9,038,575	$ 18,315,318	$ 6,493,446	$ 5,864,038	$ 5,046,277	$ 32,546,745	$ 77,304,399

CPACE Program Benefit Assessments

Benefit assessments under the C-PACE program finance energy efficiency upgrades and the installation of renewable energy equipment on non-residential property. These assessments carry interest rates ranging from 3.99% to 6.5% with terms ranging from 10 to 26 years. In addition to normal construction activity, the C-PACE portfolio has also grown over the last three years due to repurchases of benefit assessments from third-party capital providers. On January 28, 2021 the Green Bank repurchased 8 benefit assessments in conjunction with retirement of the Subordinate Series 2014B-1 and 2014C-1 Bonds. On March 2, 2021 the Green Bank repurchased a benefit assessment from a third-party capital provider, the cash flows of which supported the Subordinate Series 2015B-1 and 2015C-1 Bonds (see note 5).

CPACE Lending Facility

In 2020 the Green Bank advanced $2,000,000 of a $5,000,000 CPACE lending facility to a third-party capital provider to finance projects in their CPACE lending program. The loan is interest only paid semi-annually in arrears at a rate of 6.1% beginning December 31, 2020. The facility matures on June 20, 2025 with the option of one five-year extension. In 2021 the Green Bank advanced the remaining $3,000,000 on the facility, which was later repaid in full on April 12, 2021 due to a change in ownership of the third-party capital provider and resulted in collection of a $150,000 early termination fee.

7. PROGRAM LOANS RECEIVABLE (CONTINUED)

Grid-Tied Program Loans

Grid-tied term loans represent the financing of three projects. The first project is the 15-megawatt Bridgeport Fuel Cell Park from Project 150. The primary term loan carries an interest rate of 8% with interest and principal repaid on a monthly basis for a term of 7 years. There is a secondary $1,800,000 term loan where interest is paid monthly on the outstanding principal balance at a rate of 8%, with principal payments beginning in 2026. The second project is a 5 mega-watt wind turbine facility in Colebrook, Connecticut. The primary term loan carries an interest rate of 10% with interest and principal repaid on a quarterly basis for a term of 15 years. There is a secondary revolving working capital line of credit, currently at a zero balance, for which interest is paid quarterly at prime plus 3%. The third project is an anaerobic digestion facility located in Southington, Connecticut. The term loan carries an interest rate of 2% and interest and principal are repaid on a quarterly basis. Commencing on May 1, 2018 the borrower is required to make annual payments against principal equal to 50% of excess project cash flow as defined in the loan agreement.

Multifamily/Affordable Housing Loans

Affordable Housing initiatives include providing term loans to two third-party capital providers to finance solar PV installations and energy efficiency measures for low to moderate income households.

Under the first initiative through June 30, 2021, the Green Bank has advanced all funds under a $15,000,000 term financing facility with an interest rate of 7.5% payable monthly. The maturity date of all advances under this facility is January 29, 2023. Under another agreement with the same capital provider, the Green Bank has entered into a $5,000,000 revolving financing facility secured by Performance Based Incentive earnings of the capital provider. Five advances totaling $5,157,523 have been disbursed. The total of the advances exceeds the facility limit due to its revolving feature which allows repaid funds to be redrawn provided that the outstanding facility balance does not exceed $5,000,000 at any point in time. Each facility advance repays principal and interest monthly, with a rate of 7.5% and a term of six years. Maturity dates range from December 2024 to April 2026.

Under the second initiative, on March 18, 2020 the Green Bank closed a $6,500,000 facility with a third-party capital provider and moved the existing loan balances of $3,006,336 under the facility. All notes carry an interest rate of 3% payable along with principal on a monthly basis. The notes have terms of 20 years with maturities ranging from December 2025 to March 2040. As of June 30, 2021, the facility balance is $4,126,654. On December 24, 2019 the Green Bank closed an additional $4,500,000 facility with the same capital provider to house, administer, originate and underwrite loans under the Energy Efficiency Loan Program funded by Eversource. Upon closing the outstanding short-term loan of $1,500,000 was moved under the facility. As of June 30, 2021, the facility balance is $2,556,000. The loan has a maturity date of December 24, 2022 and a variable interest rate of the higher of prime plus 0.50% or 3.5%.

The Green Bank also originates Multifamily pre-development loans which are advances to developers and owners of multifamily residences to provide funding for project feasibility and site development work. Loans mature in two years and carry no interest. As of June 30, 2021 and June 30, 2020, $291,276 and $316,067 has been advanced under this program, respectively.

7. PROGRAM LOANS RECEIVABLE (CONTINUED)

Alpha/Operational Demonstration Program Loans

Operational demonstration program loans are residual transactions of the programs of the Connecticut Clean Energy Fund. The loans finance the development of emerging clean energy technologies. Repayment of each loan is based upon the commercial success of the technology and carries an interest rate of 6%. If commercial success is not achieved after ten years from the date of the loan agreement, the loan converts to a grant. Connecticut Innovations assists in overseeing these loans.

Other Program Loans

Other program loans includes loans to third parties to finance solar facilities. The Green Bank and CEFIA Holdings LLC each originated a portion of loans to a third party for projects developed by the Green Bank. These loans carry an interest rate of 5.25% payable along with principal on a quarterly basis for a term of 15 years. As of June 30, 2021 and June 30, 2020 the loan balances were $1,721,312 and $1,825,759, respectively. CEFIA Holdings LLC also originated loans from a $7,000,000 facility to finance tranches of solar projects which were developed by either the Green Bank or the third party. These loans carry an interest rate of 5.5% payable along with principal on a quarterly basis for a term of 15 years. As of June 30, 2021 and June 30, 2020 the facility balances were $5,165,684 and $3,697,376, respectively.

Other program loans also includes the financing of feasibility studies for various renewable energy projects or energy efficiency upgrades, as well as an energy savings agreement. As of June 30, 2021 and June 30, 2020, the loan balances for these were $427,000 and $265,698, respectively.

Other program loans also includes a working capital loan to a partner who administers programs on behalf of the Green Bank. As of June 30, 2021 and June 30, 2020, the loan balances were $1,000,000 and $-0-, respectively.

Other program loans also includes various loans related to energy efficiency upgrades, energy savings agreements, and solar development and management. As of June 30, 2021, and June 30, 2020, the loan balances for these were $952,915 and $219,000, respectively.

Residential Solar PV Loans

The residential solar PV loan program administered by CT Solar Loan I LLC makes loans to residential property owners for solar PV installations. Loans carry an interest rate ranging from 6.49% to 6.75% with a term of 15 years.

8. SBEA PROMISSORY NOTES RECEIVABLE

In December of 2018 the Green Bank and Amalgamated Bank entered into a Master Purchase and Servicing Agreement with The Connecticut Light and Power Company dba Eversource Energy to purchase Small Business Energy Advantage (SBEA) loans. The loans are noninterest bearing for a term of up to 48 months. Eversource sells loans in tranches with the purchase price being determined by discounting each loan. A 4.4% discount, or the initial discount rate, was used for the initial purchase plus all purchases in the first year. For loans purchased after the first anniversary of the initial purchase date, the discount is equal to 30-Day LIBOR plus 2.25%, or the ensuing discount rate. Amalgamated Bank purchases 90% of the loan portfolio and the Green Bank purchases 10%. Eversource collects monthly payments on customer utility bills and remits to the Green Bank and Amalgamated Bank. Amalgamated Bank receives 90% of the scheduled loan payments, with the Green Bank's payment being adjusted for any shortfall or overage. In the event of default, the loans are fully backed by the Energy Conservation and Load Management Fund a/k/a Connecticut Energy Efficiency Fund (CEEF) that will reimburse the Green Bank. Accordingly, no loan loss reserves were recorded until June of 2020, when CEFIA Holdings LLC decided to record a $366,200 loan loss reserve as a result of COVID-19. The reserve is meant to absorb the potential short-term cash shortfall that will be incurred by CEFIA Holdings LLC if customers are unable to pay their loans. It was CEFIA Holdings LLC's expectation that a portion of the portfolio may be default, and as a result, the reserve was established to cover the periods prior to reimbursement from CEEF.

On October 21, 2019 the Green Bank and CEFIA Holdings LLC entered into an Assignment and Assumption Agreement with Amalgamated Bank and The Connecticut Light and Power Company whereby the Green Bank assigned its interests in the Master Purchase and Servicing Agreement to CEFIA Holdings LLC. All qualifying loans that were purchased by the Green Bank under the Master Agreement prior to October 2019 were transferred to CEFIA Holdings LLC along with all the duties and obligations required of the Green Bank under the original Master Purchase Agreement.

During 2021 CEFIA Holdings LLC purchased three tranches of loans: (1) 137 loans valued at $224,619 for $215,185, (2) 131 loans valued at $319,477 for $304,658 and (3) 170 loans valued at $333,704 for $320,083. During 2020 the Green Bank purchased three tranches of loans: (1) 289 loans valued at $508,229 for $469,235, (2) 182 loans valued at $332,057 for $306,561 and (3) 146 loans valued at $251,001 for $236,011.

8. SBEA PROMISSORY NOTES RECEIVABLE (CONTINUED)

Future principal repayments under the program are as follows:

	Loan Portfolio	Discount	Balance
2022	$ 1,253,101	$ (67,319)	$ 1,185,782
2023	720,069	(40,373)	679,696
2024	285,161	(12,928)	272,233
2025	90,978	(3,504)	87,474
2025	7,986	(320)	7,666
Thereafter	10,299	(416)	9,883
Reserve for Loan Losses	(366,200)		(366,200)
	$ 2,001,394	$ (124,860)	$ 1,876,534
Current portion	$ 1,253,101	$ (67,319)	$ 1,185,782
Noncurrent portion	748,293	(57,541)	690,752
	$ 2,001,394	$ (124,860)	$ 1,876,534

9. LONG-TERM DEBT

Legal Entity	Description	Balance July 1, 2020	Additions	Payments	Balance June 30, 2021	Amount Due in One Year
Connecticut Green Bank	Bonds Payable - CREBs 2017 - Meriden Hydro	$ 2,689,290	$ -	$ (123,718)	$ 2,565,572	$ 134,348
Connecticut Green Bank	Bonds Payable - CREBs 2017 - CSCU	8,585,753	-	(522,197)	8,063,556	528,550
Connecticut Green Bank	Bonds Payable - Green Liberty Bonds 2020-1	-	16,795,000	-	16,795,000	1,145,000
Connecticut Green Bank	Bonds Payable - Green Liberty Bonds 2021-1	-	24,834,000	-	24,834,000	499,000
Total Connecticut Green Bank		11,275,043	41,629,000	(645,915)	52,258,128	2,306,898
SHREC ABS 1 LLC	Bonds Payable - SHREC ABS	36,256,000	-	(2,130,000)	34,126,000	2,263,000
SHREC ABS 1 LLC	Bonds Payable - SHREC ABS - Discount	(66,062)	-	5,182	(60,880)	
Total SHREC ABS 1 LLC		36,189,938	-	(2,124,818)	34,065,120	2,263,000
Total Bonds		47,464,981	41,629,000	(2,770,733)	86,323,248	4,569,898
CT Solar Lease 2 LLC	Note Payable - Key Bank / Webster Bank	20,854,240	-	(2,350,399)	18,503,841	1,600,000
CEFIA Solar Services Inc.	Note Payable - CHFA	1,556,141	-	(94,791)	1,461,350	94,788
Total Notes Payable		22,410,381	-	(2,445,190)	19,965,191	1,694,788
Connecticut Green Bank	Pension Liability	25,174,453	-	(4,905,728)	20,268,725	-
Connecticut Green Bank	OPEB Liability	28,484,971	-	(4,796,458)	23,688,513	-
Total		$ 123,534,786	$ 41,629,000	$ (14,918,109)	$ 150,245,677	$ 6,264,686

10. FINANCING ACTIVITIES

Short-Term Debt - Primary Government

SHREC Warehouse 1 LLC Line of Credit

On July 19, 2019 SHREC Warehouse 1 LLC executed a $14,000,000 line of credit (LOC) with Webster Bank N.A. and Liberty Bank, with Webster Bank as the administrative agent. The LOC is broken down evenly by lender.

Funds must be advanced during an availability period which ends on July 31, 2020. All advances must be made in a principal amount of $250,000 or in additional whole multiples of $50,000. Each loan advance will be shared by the participating lenders in accordance with their pro-rata share of the of the total facility commitment. All principal on advances made under the LOC are due at maturity which is (1) the initial maturity date of July 31, 2020 or (2) the extended maturity date which extends the maturity for one or more additional one-year periods. Advances can be prepaid without penalty. Through the availability period the amount by which the aggregate commitment exceeds aggregate advances is subject to a 0.5% unused commitment fee. At the time of closing SHREC Warehouse 1 LLC paid the lenders a commitment fee of $85,000. As of June 30, 2020 $6,000,000 had been advanced under the LOC, which has been fully repaid in the year ended June 30, 2021.

The LOC was initially collateralized with revenues generated from Tranche 3 solar facilities under the Master Purchase Agreement (MPA) the Green Bank entered into with Connecticut's two investor-owned public utilities. Under the MPA each utility must purchase Solar Home Energy Credits (SHRECs) generated by solar PV facilities located in its service area from the Green Bank. See Note 21 for further detail on the SHREC program.

On July 28, 2020, the line of credit agreement was amended to decrease the facility from $14,000,000 to $10,000,000, with a $4,000,000 uncommitted accordion feature, that the 0.5% unused commitment fees are not calculated on but allows SHREC Warehouse 1 LLC to increase the total commitment up to $14,000,000 if requested. Additionally, the amendment releases the collateralization of revenues generated from the Tranche 3 solar facilities and replaces them with revenues generated from the Tranche 4 solar facilities and extends the initial maturity date through July 31, 2021. The LOC has no outstanding balance as of June 30, 2021.

In connection with the LOC, SHREC Warehouse 1 LLC is required to establish and maintain a collections account with Webster Bank into which all proceeds from the sale of SHRECs are to be deposited and an interest reserve account with each lender. As of June 30, 2021 and June 30, 2020, the collections account balance was $2,672,697 and $1,889,973, respectively, and the cumulative balance in the interest reserve accounts was $98,662 and $99,534, respectively.

10. FINANCING ACTIVITIES (CONTINUED)

Interest to be paid on each advance commences on the date the advance is disbursed and ends one month thereafter. Interest is calculated based on the one-month LIBOR rate plus the applicable margin of 240 basis points. For the year ended June 30, 2021 and 2020, $40,621 and $125,962 in interest was paid to the lenders, respectively.

Connecticut Green Bank Line of Credit - Amalgamated Bank

On May 22, 2019 the Green Bank executed a $5,000,000 line of credit (LOC) with Amalgamated Bank which was amended on June 30, 2020 to extend the maturity date to May 21, 2021, modify the interest rate, increase the collateral and apply a quarterly commitment reduction to the maximum LOC balance outstanding. The facility was amended again effective May 21, 2021 to extend the maturity date to May 20, 2022 and to decrease the LOC to $3,500,000.

The facility is revolving, and funds can be advanced and repaid in increments of $50,000 or more until the availability period ends 15 days before maturity or May 5, 2022. All principal for advances made under the LOC are due at maturity on May 20, 2022. Advances can be prepaid without penalty. Through the availability period the amount by which the aggregate commitment exceeds aggregate advances is subject to a 0.2% unused commitment fee. At the time of the original closing the Green Bank paid the lender a commitment fee of $20,000. Upon the LOC renewal on June 30, 2020, the Green Bank paid a $20,000 renewal fee, and upon the renewal on May 21, 2021, the Green Bank paid a $14,000 renewal fee. As of both June 30, 2021 and 2020, the outstanding balance was $100,000.

The LOC is guaranteed by a security interest in all present and future personal property and the proceeds thereof, of CT Solar Lease 1 LLC (CTSL1) and CT Solar Loan I LLC (CTSLNI). CTSL1 manages a portfolio of residential solar lease promissory notes. As of June 30, 2021 and 2020, the promissory note balances, net of reserves were $3,959,711 and $5,276,408, respectively. CTSLNI manages a portfolio of residential solar loans. As of June 30, 2021 and 2020, the loan balances, net of reserves were $1,327,301 and $1,892,879, respectively.

Interest to be paid on each advance commences on the date the advance is disbursed and ends one month thereafter. Interest is calculated based as the greater of (1) the Prime Rate as published in the Wall Street Journal minus 0.80% or (2) 2.45%. For the years ended June 30, 2021 and 2020, $5,636 and $64,250 respectively, have been paid as interest to the lender.

Long-Term Debt - Primary Government

SHREC ABS 1 LLC Collateralized Note

On March 29, 2019 the Board of Directors authorized the Green Bank to offer for sale, and to sell two classes of Series 2019-1 Notes as follows: (1) $36,800,000 of Class A Notes and (2) $1,800,000 of Class B Notes that were issued by SHREC ABS 1 LLC, a special purpose Delaware limited liability company that is a wholly owned subsidiary of the Green Bank. The Class A Notes carry an interest rate of 5.09% while the Class B Notes carry an interest rate of 7.04%. Both classes of notes are for a term of 14 years, maturing on March 15, 2033.

10. FINANCING ACTIVITIES (CONTINUED)

The note is collateralized by revenue from quarterly sales of Solar Home Renewable Energy Credits (SHRECs) for two tranches of approximately 14,000 residential solar PV systems to two Connecticut utilities. Collections from these billings and disbursements of funds to the bondholder and the Green Bank are managed by the trustee, Bank of New York Mellon. Interest and principal payments are quarterly per the bond schedule which anticipates the fluctuations in SHREC revenue due to seasonal solar PV generation.

On April 2, 2019 both notes were sold to a single investor as a private placement. The proceeds were used to pay off a short-term loan facility, for further Green Bank investments and to support the sweep payment of $14,000,000 to the state of Connecticut.

Future maturities on borrowings under the SHREC ABS are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 2,263,000	$ 1,720,887	$ 3,983,887
2023	2,382,000	1,601,258	3,983,258
2024	2,477,000	1,475,724	3,952,724
2025	2,566,000	1,345,747	3,911,747
2026	2,745,000	1,209,397	3,954,397
2027-2031	16,157,000	3,709,291	19,866,291
2032-2033	5,536,000	260,297	5,796,297
	$ 34,126,000	$ 11,322,601	$ 45,448,601

Connecticut Green Bank New Clean Renewable Energy Bonds

On February 26, 2016 the Board of Directors of the Green Bank authorized the issuance of a New Clean Energy Renewable Energy Bond (CREB) in an amount not to exceed $3,000,000 to finance a portion of the acquisition cost of a 193kW Hydroelectric Facility located in Meriden, Connecticut by CGB Meriden Hydro LLC, a subsidiary of the Green Bank. On February 2, 2017 the Green Bank issued a CREB in the amount of $2,957,971 with an annual interest rate of 4.19%, maturing on November 15, 2036. Interest and principal payments are to be paid annually on November 15th. Proceeds from the sale of the CREB were deposited with the bond trustee and were disbursed upon acquisition of the hydroelectric facility from its developer on August 31, 2017. Proceeds from the sale of electricity generated by the facility to the City of Meriden along with revenue from the associated renewable energy credits will fund the payment of principal and interest on the CREB. The CREB qualified for a tax credit from the U.S. Treasury under Section 54C of the Internal Revenue Code. The tax credit will be paid in the form of a subsidy to the Green Bank. The project also qualified to receive an interest rate subsidy from the local electricity utility through a program approved by the Connecticut Public Utility Regulatory Authority (PURA). This subsidy will be paid directly to the purchaser of the CREB. Both subsidies will reduce the borrowing costs of the Green Bank.

10. FINANCING ACTIVITIES (CONTINUED)

Future maturities on borrowings under the CREB is as follows:

Years Ending June 30,	Principal	Interest	U.S. Treasury Tax Subsidy	CT PURA Interest Subsidy	Total
2022	$ 134,348	$ 103,997	$ (73,353)	$ (18,013)	$ 146,979
2023	158,669	97,734	(68,935)	(18,013)	169,455
2024	163,905	91,040	(64,214)	(18,013)	172,718
2025	169,247	83,851	(59,143)	(18,013)	175,942
2026	173,429	76,742	(54,129)	(18,013)	178,029
2027-2031	859,825	275,821	(194,548)	(18,013)	923,085
2032-2036	748,043	107,575	(75,877)	-	779,741
2037	158,106	2,498	(1,762)	-	158,842
	$ 2,565,572	$ 839,258	$ (591,961)	$ (108,078)	$ 2,704,791

On September 28, 2017, the Board of Directors of the Green Bank authorized the issuance of a New Clean Energy Renewable Energy Bond (CREB) in an amount not to exceed $9,350,000 to finance the installation of various solar projects for the benefit of the Connecticut State College and University System (CSCUS). To that end on December 29, 2017 the Green Bank entered into an equipment lease/purchase agreement financed by the issuance of a $9,101,729 CREB with an annual interest rate of 4.90%, maturing on November 15, 2037 to construct and lease these solar facilities to CSCUS. Interest and principal payments are paid annually on November 15th. Proceeds from the sale of the CREB were deposited with an escrow agent and $9,079,618 has been disbursed to construct the eight solar facilities now in service. The remaining $22,111 in escrow funds was used for the November 15, 2020 bond payment. Proceeds from the sale of electricity generated by the facilities to CSCUS along with revenue from the associated renewable energy credits will fund the payment of principal and interest on the CREB. The CREB qualified for a tax credit from the U.S. Treasury under Section 54C of the Internal Revenue Code. The tax credit will be paid in the form of a subsidy to the Green Bank. The project also qualified to receive an interest rate subsidy from the local electricity utility through a program approved by the Connecticut Public Utility Regulatory Authority (PURA). This subsidy will be paid directly to the purchaser of the CREB. Both subsidies will reduce the borrowing costs of the Green Bank.

10. FINANCING ACTIVITIES (CONTINUED)

Future maturities on borrowings under the CREB is as follows:

Years Ending June 30,	Principal	Interest	U.S. Treasury Tax Subsidy	CT PURA Interest Subsidy	Total
2022	$ 528,550	$ 379,007	$ (201,415)	$ (56,417)	$ 649,725
2023	535,036	352,911	(187,547)	(56,417)	643,983
2024	541,657	326,819	(173,681)	(56,417)	638,378
2025	548,416	299,418	(159,119)	(56,417)	632,298
2026	555,316	272,662	(144,900)	(56,417)	626,661
2027-2031	2,885,153	944,836	(502,113)	(112,834)	3,215,042
2032-2036	1,959,584	301,735	(160,351)	-	2,100,968
2037-2038	509,844	21,952	(11,666)	-	520,130
	$ 8,063,556	$ 2,899,340	$ (1,540,792)	$ (394,919)	$ 9,027,185

Green Liberty Bonds - Series 2020

On July 29, 2020 the Green Bank issued its inaugural offering of $16,795,000 of Series 2020 Green Liberty Bonds. The Green Liberty Bonds were created in honor of the 50th anniversary of Earth Day - a type of green bond whose proceeds are used to invest in projects that confront climate change in Connecticut. Modeled after the Series-E War Bonds of the 1940s, the bonds were designed to be purchased by everyday citizens through lower-dollar denominations of no more than $1,000, enabling them to invest in green projects in Connecticut. The bonds are Climate Bond Certified and carry an S&P rating of A. Interest rates vary based on maturity date from 0.95% to 2.90%.

Future maturities on borrowings on the Series 2020-1 Green Liberty Bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 1,145,000	$ 345,695	$ 1,490,695
2023	1,148,000	334,057	1,482,057
2024	1,147,000	320,689	1,467,689
2025	1,146,000	305,212	1,451,212
2026	1,145,000	287,743	1,432,743
2027-2031	5,710,000	1,099,138	6,809,138
2032-2036	5,354,000	698,697	6,052,697
	$ 16,795,000	$ 3,391,231	$ 20,186,231

The bonds are collateralized by revenue from quarterly sales of Tranche 3 Solar Home Renewable Energy Credits (SHRECs) for approximately 4,800 residential solar PV systems to two Connecticut public utilities. Collections from these billings and disbursements of funds to the bondholders are managed by the trustee, Bank of New York Mellon. Interest payments are semi-annual on May 15th and November 15th. The term series bonds are subject to redemption prior to their stated maturity date.

10. FINANCING ACTIVITIES (CONTINUED)

The Green Bank received net proceeds of $14,704,810 after funding the state supported Special Capital Reserve Fund of $1,496,133, the cost of issuance fund of $370,000 and paying bond issuance costs of $224,057. The proceeds will be used to invest in green energy projects and to refinance expenditures related to the Residential Solar Investment Program.

Green Liberty Bonds - Series 2021

On May 11, 2021 the Green Bank issued its offering of $24,834,000 of Series 2021 Green Liberty Bonds. The bonds are Climate Bond Certified and carry an S&P rating of A. Interest rates vary based on maturity date from 0.23% to 2.95%.

Future maturities on borrowings on the Series 2021-1 Green Liberty Bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 499,000	$ 466,816	$ 965,816
2023	1,674,000	458,176	2,132,176
2024	1,663,000	450,673	2,113,673
2025	1,654,000	439,071	2,093,071
2026	1,647,000	422,159	2,069,159
2027-2031	8,228,000	1,698,332	9,926,332
2032-2036	8,208,000	732,557	8,940,557
2037	1,261,000	18,600	1,279,600
	$ 24,834,000	$ 4,686,384	$ 29,520,384

The bonds are collateralized by revenue from quarterly sales of Tranche 4 Solar Home Renewable Energy Credits (SHRECs) for approximately 6,900 residential solar PV systems to two Connecticut public utilities. Collections from these billings and disbursements of funds to the bondholders are managed by the trustee, Bank of New York Mellon. Interest payments are semi-annual on May 15th and November 15th. The term series bonds are subject to redemption prior to their stated maturity date.

The Green Bank received net proceeds of $22,073,890 after funding the state supported Special Capital Reserve Fund of $2,135,106, the cost of issuance fund of $360,000 and paying bond issuance costs of $265,004. The proceeds will be used to invest in green energy projects and to refinance expenditures related to the Residential Solar Investment Program.

10. FINANCING ACTIVITIES (CONTINUED)

Long-Term Debt - Discretely Presented Component Units

CEFIA Solar Services Inc. Term Note

On October 18, 2016 CEFIA Solar Services Inc. executed a term note with the Connecticut Housing Finance Authority (CHFA) in the amount of $1,895,807 with an interest rate of 2.5% with a 20-year term maturing on November 1, 2036. Principal and interest are payable monthly. CEFIA Solar Services, in its role as managing member of CT Solar Lease 2 LLC (CT SL2) lent these funds to CT SL2 through the execution of a subordinated promissory note of same date. CT SL2 used these funds to finance the acquisition of renewable energy equipment and installation of energy efficiency measures by eleven housing developments owned by municipalities throughout Connecticut.

Future maturities on borrowings under CHFA is as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 94,788	$ 35,448	$ 130,236
2023	94,788	33,078	127,866
2024	94,788	30,708	125,496
2025	94,788	28,338	123,126
2026	94,788	25,969	120,757
2027-2031	473,953	94,297	568,250
2032-2036	473,953	35,152	509,105
2037	39,504	247	39,751
	$ 1,461,350	$ 283,237	$ 1,744,587

Line of Credit - CT Solar Lease 2 LLC

CT Solar Lease 2 LLC has a $27,600,000 line of credit agreement (Additional LOC) with Key Bank as the Administrative Agent and Lender along with an additional participating lender. The additional LOC is broken down by lender as follows:

Key Bank	$ 17,250,000
Webster Bank, National Association	10,350,000
	$ 27,600,000

Funds may be drawn down in no more than ten total advances by March 31, 2017. With the exception of the final advance, each advance must be in the principal amount of $2,760,000 or a whole multiple of $100,000 in excess of $2,760,000. Each loan funding will be shared by all participating lenders in accordance with their pro-rata share of the total facility commitment. As of June 30, 2017, $27,500,633 had been advanced under the additional LOC through March 31, 2017 the advance termination date. Principal repayments for the year ended June 30, 2021 and 2020, were $2,350,399 and $2,129,679, respectively.

10. FINANCING ACTIVITIES (CONTINUED)

Each advance will be amortized separately. CT Solar Lease 2 LLC has the option with each advance of selecting between the LIBOR rate or the base rate which is defined as the highest of (a) the Federal Funds Effective Rate plus one-half of 1%, (b) Key Bank's prime rate, and (c) the LIBOR rate plus 1%. CT Solar Lease 2 LLC may also elect to convert an advance from one rate to the other by following the process outlined in the credit agreement.

Payments of interest with respect to any LIBOR rate advances are due on the 15th day of the month following each calendar quarter end. Payments of interest with respect to any base rate advances are due monthly. Payments of principal with respect to all advances are due on the 15th day of the month following each calendar quarter end. Principal payments on each advance will be based on a modified 15-year amortization schedule and are calculated as the lessor of 2.1675% of the initial principal amount of each advance or the net operating income with respect to the projects purchased with each advance as defined in the credit agreement.

Within one month of each advance, CT Solar Lease 2 LLC is required to enter into an interest rate swap contract with respect to a minimum amount of 75% of such advance. If one of the participating lenders is the counterparty to the swap contract, such contract will be secured by the collateral of the credit agreement; otherwise, the swap contract will be unsecured. See Note 11.

Certain obligations of CT Solar Lease 2 LLC under the credit agreement are guaranteed by the Green Bank. This credit agreement is secured by all assets of CT Solar Lease 2 LLC as well as CEFIA Solar Services (the Managing Member) interest in CT Solar Lease 2 LLC. There are no prepayment penalties. There are certain debt service coverage ratios CT Solar Lease 2 LLC must maintain related to each separate advance and which require the separate measurement of the net operating income with respect to the projects purchased with each advance.

As of June 30, 2021 and 2020, the balances on the line of credit were $18,503,841 and $20,854,240, respectively.

11. INTEREST RATE SWAP AGREEMENT

CT Solar Lease 2 LLC entered into a multi-year interest rate swap agreement with Key Bank (the KeyBank Agreement) in September 2014 in anticipation of making its first draw down on the credit agreement with KeyBank. Payments made and received were based on a notional amount of $10,346,025 and $12,091,575 as of June 30, 2021 and 2020, respectively. The KeyBank Agreement provides for CT Solar Lease 2 LLC to receive payments based on the one-month USD-LIBOR-BBA (0.07288% and 0.19388% at June 15, 2021 and 2020, respectively, the dates of the last reset) and to make payments based on fixed interest rates ranging from 1.96% to 2.78%. The KeyBank Agreement matures on December 15, 2025. The fair value of the KeyBank Agreement as of June 30, 2021 and 2020 was reported as a liability of $663,186 and $1,093,780, respectively, which is represented as the fair value of the interest rate swap on the accompanying 2021 and 2020 statement of net position.

11. INTEREST RATE SWAP AGREEMENT (CONTINUED)

CT Solar Lease 2 LLC entered into an interest rate swap agreement with Webster Bank (the Webster Agreement) in June of 2017 to meet certain requirements under its credit agreement with KeyBank in which Webster Bank also participates. Payments made and received were based on a notional amount of $1,306,400 and $1,479,800 as of June 30, 2021 and 2020, respectively. The Webster Agreement provides for CT Solar Lease 2 LLC to receive payments based on the one-month USD-LIBOR-BBA (0.07288% at June 30, 2021 and 0.18475% at June 30, 2020, the date the Webster Agreement became effective) and to make payments based on a fixed rate of 2.10%. The Webster Agreement matures on June 15, 2027. The fair value of the Webster Agreement as of June 30, 2021 and 2020 was reported as a liability of $35,837 and $70,576, respectively, which is a component of the fair value of interest rate swap on the accompanying 2021 and 2020 statement of net position.

CT Solar Lease 2 LLC uses the dollar-offset method for evaluating effectiveness of the interest rate swap agreements. The fair value may be sensitive to changes in interest rates.

12. RELATED PARTY TRANSACTIONS AND OPERATING LEASES

Due to Outside Agency

The Green Bank utilizes the services of CI when needed for certain operating expenses. CI provides these services at cost and the Green Bank reimburses CI. Payments to CI include reimbursements for state sponsored training and the Employee Assistance Program benefit costs. Expenses billed to the Green Bank by CI totaled $2,643 and $5,021 for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and 2020, no amounts were due to CI.

Priority Return

The Investor Member is the Tax-Equity Investor and is entitled to substantially all of the tax benefits of both CT Solar Lease 2 LLC and CT Solar Lease 3 LLC until January 1 of the year which is five years after the date the last project is installed, which is anticipated to be January 1, 2023 for CT Solar Lease 2 LLC and January 1, 2024 for CT Solar Lease 3 LLC, the Flip Date.

The Investor Member of CT Solar Lease 2 LLC shall be due a cumulative, quarterly distribution, payable by CT Solar Lease 2 LLC, equal to 0.5% of its paid-in capital contributions in respect of projects beginning at the end of the first quarter after the first project acquisition capital contribution is made and continuing until the Flip Date. To the extent the priority return is not paid in a quarter until the Flip Date, unpaid amounts will accrue interest at the lower of 24% per annum or the highest rate permitted by law.

In accordance with the Operating Agreement, all amounts and accrued interest due on the priority return are to be paid from net cash flow prior to certain required payments due under the Credit Agreement. The Investor Member was paid priority returns of $436,293 and $511,540 for the years ended June 30, 2021 and 2020, respectively.

The Investor Member of CT Solar Lease 3 LLC shall be due a cumulative, quarterly distribution, payable by CEFIA Solar Services, Inc, its managing member, equal to 0.5% of its paid-in capital contributions in respect of projects beginning at the end of the first quarter after the first project acquisition capital contribution is made and continuing until the Flip Date. To the extent the priority return is not paid in a quarter until the Flip Date, unpaid amounts will accrue interest at the lower of 24% per annum or the highest rate permitted by law.

12. RELATED PARTY TRANSACTIONS AND OPERATING LEASES (CONTINUED)

In accordance with the Operating Agreement, all amounts and accrued interest due on the priority return are to be paid from net cash flow prior to certain required payments due under the Credit Agreement. The Investor Member was paid priority returns of $90,461 and $86,494 for the years ended June 30, 2021 and 2020, respectively.

Administrative Services Fee

The Managing Member of CT Solar Lease 2 LLC, CEFIA Solar Services, Inc., provides administrative and management services and earns a quarterly fee initially equal to $30,000 per quarter beginning July 1, 2013. The amount of the fee increases 2.5% each July 1st beginning July 1, 2014. The administrative services fee totaled $142,642 and $139,163 for the years ended June 30, 2021 and 2020, respectively, and is included in accounts payable and accrued expenses on the accompanying statement of net position.

Payroll Taxes and Fringe Benefit Charges

Pursuant to state statute, the Green Bank is subject to fringe benefit charges for pension plan and medical plan contributions which are paid at the state level. The Green Bank's employer payroll taxes are also paid at the state level. The Green Bank reimburses the state for these payments. The reimbursement for 2021 and 2020 was $3,830,087 and $3,231,128, respectively, comprising 85.57% and 82.23% respectively, of gross salaries.

Operating Leases

During 2014, the Green Bank entered into a noncancelable operating lease with an unrelated entity for its main office space. The lease called for monthly escalating payments beginning at $12,567 through December 31, 2020. This lease was extended to April 30, 2021, with rent expense for the years ended June 30, 2021 and 2020 of $159,105 and $183,047, respectively.

In October of 2020, the Green Bank signed a new noncancelable operating lease with an unrelated entity for its main office space. The lease calls for initial monthly payments of $14,709, with escalating payments through October 2031. Rent expense related to this lease was $38,529 for the year ended June 30, 2021.

In addition, the Green Bank had a noncancelable operating lease for an additional office space from an unaffiliated entity which calls for initial monthly payments of $7,333, with escalating payments through December 2020. Rent expense related to this lease for the years ended June 30, 2021 and 2020 was $56,500 and $97,723, respectively.

In August of 2020, the Green Bank signed a new noncancelable lease for this additional office space from an unaffiliated entity which calls for initial monthly payments of $10,488, with escalating payments through April 2026. Rent expense related to this lease was $78,930 for the year ended June 30, 2021.

In addition, the Green Bank leases office equipment on a month-to-month basis. Rent expense related to the office equipment for the years ended June 30, 2021 and 2020, was $10,985 and $1,314, respectively.

12. RELATED PARTY TRANSACTIONS AND OPERATING LEASES (CONTINUED)

Future minimum lease payments for office rentals are as follows:

Years Ending June 30,		
2022	$	239,808
2023		292,429
2024		294,223
2025		301,002
2026		280,025
Thereafter		1,061,890
	$	2,469,377

13. CAPITAL ASSETS

Capital asset activity for reporting entity for the years ended June 30, 2021 and 2020, are as follows:

Primary Government:

2021	Balance, July 1, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets being depreciated:				
Solar lease equipment	$ 10,458,582	$ -	$ -	$ 10,458,582
Furniture and equipment	4,733,640	350,354	(131,744)	4,952,250
Computer hardware and software	208,510	33,666	-	242,176
Leasehold improvements	192,027	323,275	(192,027)	323,275
	15,592,759	707,295	(323,771)	15,976,283
Less accumulated depreciation and amortization:				
Solar lease equipment	435,500	348,619	-	784,119
Furniture and equipment	614,039	170,233	(130,706)	653,566
Computer hardware and software	189,629	15,590	-	205,219
Leasehold improvements	184,994	21,521	(190,351)	16,164
	1,424,162	555,963	(321,057)	1,659,068
Capital Assets, Net	$ 14,168,597	$ 151,332	$ (2,714)	$ 14,317,215

13. CAPITAL ASSETS (CONTINUED)

2020		Balance, July 1, 2019		Additions		Deletions		Balance, June 30, 2020
Capital assets being depreciated:								
Solar lease equipment	$	8,282,230	$	2,176,352	$	-	$	10,458,582
Furniture and equipment		4,733,640		-		-		4,733,640
Computer hardware and software		201,134		8,873		(1,497)		208,510
Leasehold improvements		192,027		-		-		192,027
		13,409,031		2,185,225		(1,497)		15,592,759
Less accumulated depreciation and amortization:								
Solar lease equipment		105,017		330,483		-		435,500
Furniture and equipment		459,632		154,407		-		614,039
Computer hardware and software		170,590		20,536		(1,497)		189,629
Leasehold improvements		177,320		7,674		-		184,994
		912,559		513,100		(1,497)		1,424,162
Capital Assets, Net	$	12,496,472	$	1,672,125	$	-	$	14,168,597

Discretely presented component units:

2021		Balance, July 1, 2020		Additions		Deletions		Balance, June 30, 2021
Capital assets being depreciated:								
Solar lease equipment	$	76,982,287	$	-	$	(498,890)	$	76,483,397
Less accumulated depreciation and amortization:								
Solar lease equipment		11,178,888		2,564,870		(91,475)		13,652,283
Capital Assets, Net	$	65,803,399	$	(2,564,870)	$	(407,415)	$	62,831,114

2020		Balance, July 1, 2019		Additions		Deletions		Balance, June 30, 2020
Capital assets being depreciated:								
Solar lease equipment	$	76,637,064	$	364,663	$	(19,440)	$	76,982,287
Less accumulated depreciation and amortization:								
Solar lease equipment		8,610,496		2,571,794		(3,402)		11,178,888
Capital Assets, Net	$	68,026,568	$	(2,207,131)	$	(16,038)	$	65,803,399

13. CAPITAL ASSETS (CONTINUED)

Total Reporting Entity:

2021	Balance, July 1, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets being depreciated:				
Solar lease equipment	$ 87,440,869	$ -	$ (498,890)	$ 86,941,979
Furniture and equipment	4,733,640	350,354	(131,744)	4,952,250
Computer hardware and software	208,510	33,666	-	242,176
Leasehold improvements	192,027	323,275	(192,027)	323,275
	92,575,046	707,295	(822,661)	92,459,680
Less accumulated depreciation and amortization:				
Solar lease equipment	11,614,388	2,913,489	(91,475)	14,436,402
Furniture and equipment	614,039	170,233	(130,706)	653,566
Computer hardware and software	189,629	15,590	-	205,219
Leasehold improvements	184,994	21,521	(190,351)	16,164
	12,603,050	3,120,833	(412,532)	15,311,351
Capital Assets, Net	$ 79,971,996	$ (2,413,538)	$ (410,129)	$ 77,148,329

2020	Balance, July 1, 2019	Additions	Deletions	Balance, June 30, 2020
Capital assets being depreciated:				
Solar lease equipment	$ 84,919,294	$ 2,541,015	$ (19,440)	$ 87,440,869
Furniture and equipment	4,733,640	-	-	4,733,640
Computer hardware and software	201,134	8,873	(1,497)	208,510
Leasehold improvements	192,027	-	-	192,027
	90,046,095	2,549,888	(20,937)	92,575,046
Less accumulated depreciation and amortization:				
Solar lease equipment	8,715,513	2,902,277	(3,402)	11,614,388
Furniture and equipment	459,632	154,407	-	614,039
Computer hardware and software	170,590	20,536	(1,497)	189,629
Leasehold improvements	177,320	7,674	-	184,994
	9,523,055	3,084,894	(4,899)	12,603,050
Capital Assets, Net	$ 80,523,040	$ (535,006)	$ (16,038)	$ 79,971,996

14. FEDERAL GRANT PROGRAMS

The Green Bank, the primary government, recognizes grant revenue based on expenditures or fulfillment of program requirements. For the years ended June 30, 2021 and 2020, the Green Bank recognized related grant revenue of $13,288 and $76,402, respectively, under Department of Energy programs.

15. COMMITMENTS AND LOAN GUARANTEES

Commitments

As of June 30, 2021 and 2020, the Board of Directors designated a portion of the Green Bank's unrestricted net position to fund financial incentives for specific commercial and residential projects in the following areas:

	Type	June 30, 2021	June 30, 2020
Primary Government			
Connecticut Green Bank			
Solar PV	Incentive	$ 40,644,385	$ 48,652,459
Fuel Cells	Loan	5,000,000	2,000,000
Multifamily/LMI Solar PV & Energy Efficiency	Loan	3,509,732	3,933,632
CPACE	Loan	687,434	3,084,628
Hydropower	Loan	329,843	329,843
Anaerobic Digester	Loan	169,730	791,910
CPACE Lending	Loan	-	3,000,000
Other Technologies	Loan	-	161,302
		50,341,124	61,953,774
CEFIA Holdings LLC			
Solar PPA	Loan	12,441,940	1,376,592
Small Business Energy Advantage	Loan	4,071,060	1,168,212
		16,513,000	2,544,804
Total Commitments		66,854,124	64,498,578
Solar PV commitments payable to CT Solar Lease 2 LLC		(279,000)	(302,574)
Total Reporting Entity		$ 66,575,124	$ 64,196,004

These commitments are expected to be funded over the next one to six fiscal years and are contingent upon the completion of performance milestones by the recipient. All commitments are those of the primary government.

15. COMMITMENTS AND LOAN GUARANTEES (CONTINUED)

Loan Guarantees

As of June 30, 2021 and 2020, the following financial guarantees, approved by the Board of Directors, were outstanding. As of June 30, 2021, CGB has not recognized a liability or made any payments pursuant to these guarantees. Should payments be made in the future, the Green Bank will utilize standard collection efforts to recover payments made on behalf of issuers to those entitled to receive payments pursuant to the obligation guaranteed. All guarantees are those of the primary government.

Guarantor	Issuer	Beneficiary	Relationship of Guarantor to Issuer	Type of Obligation Guaranteed	Outstanding agreement term date	Maximum Amount of Guaranty	Guaranty Obligation as of 6/30/2021	Guaranty Obligation as of 6/30/2020
CGB	Owners of multifamily dwellings in Connecticut	Housing Development Fund	Issuers participate in program administered by CGB and the Housing Development Fund to install energy upgrades in multifamily dwellings.	Commercial and consumer loan products with various terms	To Be Determined - Based on final projection completion	$ 5,000,000	$ 3,709,185	$ 4,138,968
CGB	CT Energy Efficiency Finance Company	Webster Bank	Issuer provides loans for the installation of energy efficiency measures in single family homes to credit challenged households to meet the goals outlined in CGB's Comprehensive Plan.	Guarantee limited to $600,000 on revolving credit note of $6,000,000	N/A	600,000	-	600,000
CGB	New England Hydropower Company	Webster Bank	Issuer is the developer of hydropower project in Connecticut approved by the CGB Board of Directors.	Line of credit	8/2/2022	300,000	300,000	300,000
CEFIA Holdings LLC	CEFIA Solar Services Inc.	CHFA	Holdings is the sole shareholder of Services and an affiliate of CGB	Promissory Note for funds received from CHFA upon their issuance of Qualified Energy Conservation Bonds (QECBs) for State Sponsored Housing Projects (SSHP)	11/1/2036	1,895,807	1,461,350	1,556,141
CGB	Canton Hydro, LLC	Provident Bank	Issuer is the developer of hydropower project in Connecticut approved by the CGB Board of Directors.	Unfunded guaranty not to exceed $500,000	To Be Determined - Based on project completion	500,000	500,000	500,000
CT Solar Lease 1 LLC / CT Solar Loan 1 LLC	CT Green Bank	Amalgamated Bank	Issuer is holder of Solar Lease notes used as collateral and a wholly owned subsidiary of CGB.	Guarantee payment of a $3,500,000 revolving line of credit with Amalgamated Bank.	5/20/2022	3,500,000	100,000	100,000
CGB	PosiGen Inc.	Enhanced Capital	Issuer is the owner of residential solar projects in Connecticut approved by the CGB Board of Directors	Guarantee payment of a $2,500,000 secured working capital line of credit with Enhanced Capital	N/A	2,500,000	-	2,500,000
						$ 14,295,807	$ 6,070,535	$ 9,695,109

The CT Energy Efficiency Finance Company and the PosiGen Inc. obligations were each separately refinanced during fiscal year 2021 with the Green Bank's obligation to guaranty repayment on each being terminated upon each refinance.

All commitments and guaranty obligations will be funded from current and future unrestricted cash balances.

16. STATE EMPLOYEES' RETIREMENT SYSTEM

All employees of the Green Bank participate in the State Employees' Retirement System (SERS), which is administered by the State Employees' Retirement Commission. The latest actuarial study was performed on the plan as a whole, as of June 30, 2020, and does not separate information for employees of the Green Bank. Therefore, certain pension disclosures pertinent to the Green Bank otherwise required pursuant to accounting principles generally accepted in the United States of America are omitted. Based upon the 2020 valuation, the Plan, as a whole, utilized the project unit credit cost method to develop employer contributions, and included the following actuarial assumptions: 1) investment return of 6.9%; 2) price inflation of 2.5% for cost of living adjustments; 3) projected salary increases of 3.5% to 19.50%, Social Security wage base increases of 3.50% per annum; 4) payroll growth of 3.5% per annum; and 5) the RP-2014 White Collar Mortality Table. Information on the total plan funding status and progress, contribution required and trend information can be found in the state of Connecticut's Comprehensive Annual Financial Report available from the Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Plan Description

SERS is a single-employer defined benefit public employee retirement system (PERS) established in 1939 and governed by Sections 5-152 and 5-192 of the Connecticut General Statutes. Employees are covered under one of five tiers, Tier I, Tier II, Tier IIA, Tier III, and Tier IV all of which are contributory plans.

Members who joined the retirement system prior to July 1, 1984 are enrolled in Tier I. Tier I employees who retire at or after age 65 with 10 years of credited service, at or after age 55 with 25 years of service, or at age 55 with 10 years of credited service with reduced benefits are entitled to an annual retirement benefit payable monthly for life, in an amount of 2% of the annual average earnings (which are based on the three highest earning years of service) over $4,800 plus 1% of $4,800 for each year of credited service.

Employees hired on and after July 2, 1984 are covered under the Tier II plan. Tier II requires employee contributions of 1.5% of salary. Tier II employees who retire at or after age 60 with 25 years of service, or at age 62 with 10 years of service, or at age 65 with 5 years of service, are entitled to 1-1⅓% of the average annual earnings plus one-half of 1% of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. Tier II employees between the ages of 55 and 62 with 10 years but less than 25 years of service may retire with reduced benefits. In addition, Tier II and Tier IIA members with at least five but less than 10 years of actual state service who terminate their state employment July 2, 1997 or later and prior to attaining age 62 will be in deferred vested status and may commence receipt of normal retirement benefits on the first of the month on or following their sixty-fifth (65) birthday.

Employees hired on and after July 1, 1997 are covered under the Tier IIA plan. Tier IIA plan is essentially the existing Tier II plan with the exception that employee contributions of 3.5% of salary are required. Tier I members are vested after 10 years of service, while Tier II and Tier IIA members may be vested after five years of service under certain conditions, and all three plans provide for death and disability benefits.

16. STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

Employees hired on or after July 1, 2011 are covered under the Tier III plan. Tier III requires employee contributions of 2% of salary up to a $285,000 limit after which no additional contributions will be taken on earnings above this limit. The normal retirement date will be the first of any month on or after age 63 if the employee has at least 25 years of vested service or age 65 if the employee has at least 10 but less than 25 years of vested service. Tier III members who have at least 10 years of vested service can receive early reduced retirement benefits if they retire on the first of any month on or following their 58th birthday. Tier III normal retirement benefits include annual retirement benefits for life, in the amount of 1⅓% of the five-year average annual earnings plus one-half of 1% of the five-year average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service plus one and five-eighths of the five-year annual average salary times years of credited service over 35 years.

Employees hired on or after July 1, 2017 are covered under the Tier IV plan. Tier IV employees are eligible for a Hybrid Plan structure that includes a combination of a defined benefit and defined contribution plan. Tier IV requires employee contributions to the defined benefit portion of the Hybrid Plan of 5% of salary up to $285,000 limit after which no additional contributions will be taken on earnings above this limit. Tier IV also requires employee contributions of 1% of salary up to $285,000 to the defined contribution portion of the Hybrid Plan. The normal retirement date will be the first of any month on or after age 63 if the employee has at least 25 years of vested service or age 65 if the employee has at least 10 but less than 25 years of vested service. Tier IV members who have at least 10 years of vested service can receive early reduced retirement benefits if they retire on the first of any month on or following their 58th birthday. Tier IV normal retirement benefits include annual retirement benefits for life, in the amount of 1⅓% of the five-year average annual earnings times years of credited service with no breakpoint.

The total payroll for employees of the Green Bank covered by SERS for the years ended June 30, 2021 and 2020, was $4,303,205 and $3,849,111, respectively.

Contributions Made

Green Bank's contribution is determined by applying a state mandated percentage to eligible salaries and wages as follows for the years ended June 30:

	2021	2020	2019
Contributions made:			
By employees	$ 191,720	$ 162,611	$ 162,555
Percent of current year covered payroll	4.5%	4.2%	3.4%
Percent of required contributions	100.0%	100.0%	100.0%
By Green Bank	$ 1,787,707	$ 1,381,046	$ 1,743,395
Percent of current year covered payroll	41.5%	35.9%	39.6%
Percent of required contributions	100.0%	100.0%	100.0%

The Green Bank has contributed the required amount for each of the past three years.

16. STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

The Green Bank recognizes a net pension liability for the difference between the present value of the projected benefits for the past service known as the Total Pension Liability (TPL) and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position (FNP). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the FNP of SERS and additions to/deductions from SERS FNP have been determined on the same basis as they are reported by SERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

At June 30, 2021 and 2020, the Green Bank reported a liability of $20,268,725 and $25,174,453, respectively, for its proportionate share of the net pension liability. The net pension liability as of June 30, 2021 was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date based on actuarial experience studies. The Green Bank's allocation of the net pension liability was based on the 2021 covered payroll multiplied by the SERS 2021 contribution rate of 65.64%. As of June 30, 2021 and 2020, the Green Bank's proportion was 0.08544% and 0.11036%, respectively.

For the years ended June 30, 2021 and 2020, the Green Bank recognized pension expense of $2,288,205 and $3,538,363, respectively. Pension expense is reported in the Green Bank's financial statements as part of general and administration expense. At June 30, 2021 and 2020, the Green Bank reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

As of June 30, 2021:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,093,940	$ -
Net difference between projected and actual earnings on pension plan investments	341,638	-
Change of assumptions	539,891	-
Change in proportion and differences between employer contributions and proportionate share of contributions	787,703	5,071,624
Green Bank contributions subsequent to the measurement date	1,787,707	-
	$ 4,550,879	$ 5,071,624

As of June 30, 2020:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,710,397	$ -
Net difference between projected and actual earnings on pension plan investments	-	59,901
Change of assumptions	1,652,492	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,521,886	1,320,436
Green Bank contributions subsequent to the measurement date	1,381,046	-
	$ 6,265,821	$ 1,380,337

16. STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

The contributions subsequent to the measurement date of the net pension liability but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period. The amount recognized as deferred inflows and outflows of resources, representing the net differences between expected and actual experience and changes in assumptions or other inputs, is amortized over a five-year closed period beginning in the year in which the difference occurs and will be recognized in expense as follows:

Year 1 (2021)	$ 262,057
Year 2 (2022)	(570,241)
Year 3 (2023)	(747,904)
Year 4 (2024)	(819,700)
Year 5 (2025)	(432,664)
	$ (2,308,452)

Actuarial Methods and Assumption

The total pension liability in the June 30, 2020 actuarial valuation was determined based on the results of standard actuarial rollforward techniques. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increase	3.50% -19.50% including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Cost of living adjustment	1.95%-3.25% for certain tiers

Mortality rates were based on 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.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2020 was the long-term expected rate of return, 6.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that employer contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2140.

Expected Rate of Return on Investments

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 weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

16. STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

The target asset allocation and best estimate 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%
	100.0%	

Sensitivity of Green Bank Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following presents the Green Bank's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as the proportionate share of the net pension liability using a 1.00% increase or decrease from the current discount rate.

	1% Decrease	Discount Rate	1% Increase
Green Bank's proportionate share of the net pension liability	$ 24,080,764	$ 20,268,725	$ 17,082,873

17. POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 16, the state single-employer plan provides postemployment health care and life insurance benefits in accordance with state statutes, Sections 5-257(d) and 5-259(a), to all eligible employees who retire from the state, including employees of Connecticut Green Bank.

17. POST EMPLOYMENT BENEFITS (CONTINUED)

Plan Description

Currently, four employees meet those eligibility requirements. When employees retire, the state pays up to 100% of their health care insurance premium cost (including dependent's coverage) depending upon the plan. The state currently pays up to 20% of the cost for retiree dental insurance (including dependent’s coverage) depending upon 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 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. The state finances the cost of post-employment health care and life insurance benefits on a pay-as-you-go basis through an appropriation in the General Fund.

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the state of Connecticut and the SEBAC, all employees shall pay the 3% retiree health care insurance contribution for a period of ten (10) years or retirement, whichever is sooner. In addition, participants of Tier III shall be required to have fifteen (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 seventy-five (75), which is the combination of age and actual state service equaling seventy-five (75) in order to begin receiving retiree health insurance based on applicable SEBAC agreement.

Contributions Made

Green Bank’s contribution is determined by applying a state mandated percentage to eligible salaries and wages as follows for the years ended June 30:

	2021	2020	2019
Contributions made:			
By employees	$ 98,503	$ 109,644	$ 125,622
Percent of current year covered payroll	2.3%	2.8%	2.9%
Percent of required contributions	100.0%	100.0%	100.0%
By Green Bank	$ 1,023,772	$ 982,304	$ 1,164,217
Percent of current year covered payroll	23.8%	25.5%	26.4%
Percent of required contributions	100.0%	100.0%	100.0%

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

The Green Bank recognizes a net OPEB liability for the difference between the present value of the projected benefits for the past service known as the Total OPEB Liability (TOL) and the restricted resources held in trust for the payment of OPEB benefits, known as the Fiduciary Net Position (FNP).

17. POST EMPLOYMENT BENEFITS (CONTINUED)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the FNP and additions to/deductions from FNP have been determined on the same basis as they are reported by SERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

At June 30, 2021 and 2020, the Green Bank reported a liability of $23,688,515 and $28,484,971, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability as of June 30, 2021 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of that date based on actuarial experience studies. The Green Bank's allocation of the net OPEB liability was based on the 2020 covered payroll multiplied by the OPEB 2020 contribution rate of 33.49%. As of June 30, 2021 and 2020, the Green Bank's proportion was 0.100627% and 0.137726%, respectively.

For the years ended June 30, 2021 and June 30, 2020, the Green Bank recognized OPEB expense of $960,044 and $2,322,184, respectively. OPEB expense is reported in the Green Bank's financial statements as part of salaries and benefits. At June 30, 2021 and June 30, 2020, the Green Bank reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

As of June 30, 2021:	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 46,711	$ -
Change of assumptions	3,932,054	460,012
Change in proportion and differences between employer contributions and proportionate share of contributions	235,806	6,220,743
Difference between expected and actual experience in the total OPEB liability	-	546,789
Green Bank contributions subsequent to the measurement date	1,023,772	-
	$ 5,238,343	$ 7,227,544

As of June 30, 2020:	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 6,180
Change of assumptions	3,805,216	943,409
Change in proportion and differences between employer contributions and proportionate share of contributions	401,868	667,817
Difference between expected and actual experience in the total OPEB liability	-	718,810
Green Bank contributions subsequent to the measurement date	982,304	-
	$ 5,189,388	$ 2,336,216

17. POST EMPLOYMENT BENEFITS (CONTINUED)

The contributions subsequent to the measurement date of the net pension liability but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period. The amount recognized as deferred outflows of resources, representing change in proportion and differences between employer contributions and proportionate share of contributions, deferred inflows of resources, representing the net difference between projected and actual earnings, and changes in plan assumptions, is amortized over a five-year closed period beginning in the year in which the difference occurs and will be recognized in expense as follows:

Year 1 (2022)	$	(669,855)
Year 2 (2023)		(706,226)
Year 3 (2024)		(579,065)
Year 4 (2025)		(845,488)
Year 5 (2026)		(212,339)
	$	(3,012,973)

Actuarial Methods and Assumption

The total OPEB liability in the June 30, 2020 actuarial valuation was determined based on standard actuarial rollforward techniques. The key actuarial assumptions are summarized below:

Inflation	2.50%
Payroll growth rate	3.50%
Salary increase	3.25% to 4.50% varying by years of service and retirement system
Discount rate	2.38 % as of June 30, 2020 and 3.58% as of June 30, 2019
Health care cost trend rates	
Medical and prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative Expense	3.00%

Mortality rates were based on 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.

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets (6.9% as of June 30, 2020 and 2019) and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher (2.21% as of June 30, 2020 and 3.50% as of June 30, 2019). The final discount rate used to measure to total OPEB liability was 2.38% as of June 30, 2020 and 3.58% as of June 30, 2019. The blending is based on the sufficiency of projected assets to make projected benefit payments.

17. POST EMPLOYMENT BENEFITS (CONTINUED)

Expected Rate of Return on Investments

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 weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate 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 International Stock Fund	11.0%	6.0%
Emerging Markets International Stock Fund	9.0%	7.9%
Core Fixed Income	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%
	100.0%	

Sensitivity of Green Bank Proportionate Share of the Net OPEB Liability to Changes in the Discount Rates

The following presents the Green Bank's proportionate share of the net OPEB liability calculated using the discount rate of 2.38%, as well as the proportionate share of the net OPEB liability using a 1.00% increase or decrease from the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$ 27,864,563	$ 23,688,513	$ 20,331,464

17. POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Green Bank's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Green Bank's proportionate share of the net OPEB liability, as well as what the Green Bank's share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 19,858,711	$ 23,688,513	$ 28,613,574

18. RESTRICTED NET POSITION

Restricted net position at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Primary Government		
Energy Programs:		
Connecticut Green Bank:		
Assets restricted for maintaining loan loss and interest rate buydown reserves	$ 3,918,298	$ 3,895,333
Assets restricted by contractual obligations under Clean Renewable Energy Bond	2,180,737	1,855,061
Assets restricted by contractual obligations for maintaining pledge accounts for loan guarantees	1,211,738	1,209,924
Assets restricted by contractual obligations for health and safety revolving loan fund	20,000	20,000
Assets restricted by contractual obligations under Green Liberty Bonds	5,215,629	-
SHREC ABS 1 LLC:		
Assets restricted by contractual obligations for maintaining liquidity and trustee reserves	1,136,357	1,190,835
SHREC Warehouse 1 LLC:		
Assets restricted by contractual obligations for maintaining loan loss reserve	2,771,359	1,989,508
CT Solar Loan I LLC:		
Assets restricted by contractual obligations for maintaining loan loss reserve	301,819	301,795
CEFIA Holdings LLC:		
Assets restricted by contractual obligations for maintaining debt service reserve	8,170	-
	16,764,107	10,462,456
Discretely Presented Component Units		
CT Solar Lease 2 LLC:		
Nonexpendable:		
Firstar Development Corporation equity interest	13,166,621	14,310,055
Firstar Development Corporation invested in capital assets net of related debt	30,979,027	31,199,058
Firstar Development Corporation assets restricted for maintaining loan loss reserve	2,396,257	2,939,970
Firstar Development Corporation assets restricted for operating and maintenance reserve	990,000	990,000
	47,531,905	49,439,083
Energy Programs:		
Assets restricted for maintaining loan loss reserve	24,205	29,697
Assets restricted for operating and maintenance reserve	10,000	10,000
	34,205	39,697
CEFIA Solar Services:		
Energy Programs:		
Assets restricted for maintaining loan loss reserve	83,000	83,000
CT Solar Lease 3 LLC:		
Nonexpendable:		
Firstar Development Corporation equity interest	4,568,841	4,390,414
Firstar Development Corporation invested in capital assets net of related debt	10,172,272	10,558,588
	14,741,113	14,949,002
	$ 79,154,330	$ 74,973,238

19. RISK MANAGEMENT

The Green Bank 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 have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

20. RENEWABLE ENERGY CREDITS

The Green Bank owns Class 1 Renewable Energy Credits (RECs) that are generated by certain commercial renewable energy facilities for which the Green Bank provided the initial funding. The Green Bank also owns residential RECs through its Residential Solar Investment Program (RSIP) which was created by the Connecticut state legislature in July 2011 to deploy solar PV systems that in the aggregate generate 350 megawatts of electricity. Through the RSIP, the Green Bank owns the rights to RECs generated by facilities installed on residential properties placed in service prior to January 1, 2015. Additionally, the Green Bank owns rights to RECs generated by facilities installed after the completion of the RSIP. The Board of Directors has approved 32 megawatts for this post-RSIP deployment.

The Green Bank has entered into contracts with various third parties to sell RECs generated through vintage year 2024. For the years ended June 30, 2021 and 2020 the Green Bank generated and sold its contractual obligations of 41,000 RECs for vintage year 2020 and 40,000 RECs for vintage year 2019, respectively. Revenues generated from REC sales for the years ending June 30, 2021 and 2020 were $917,850 and $1,017,610, respectively.

As of June 30, 2021, the Green Bank has contractual obligations to sell RECs by vintage year as follows:

Vintage	Quantity
2021	40,000
2022	36,000
2023	34,000
2024	32,000
	142,000

Based on historical performance, management believes that the RECs it will receive from these commercial and residential facilities will exceed its contractual obligations.

RECs trade on the New England Power Pool (NEPOOL) market. The market price of Connecticut Class 1 RECs as of June 30, 2021 ranged from $35.50 to $40.00. The Green Bank's inventory of RECs generated by commercial facilities as of June 30, 2021 and 2020, was $30,435 and $31,826, respectively. The Green Bank recorded its inventory as of June 30, 2021 at cost, which is below market price.

20. RENEWABLE ENERGY CREDITS (CONTINUED)

Solar Home Renewable Energy Credits

Public Act No.15-194 (the Act) enacted on October 1, 2015 and as amended by Public Act 16-212 created a Solar Home Renewable Energy Credit (SHREC) associated with energy generated from qualifying residential solar PV systems that have received incentives under the Green Bank's RSIP. Each SHREC represents one megawatt hour of electrical generation. Under the Act, the Green Bank owns the SHRECs. The Act requires SHRECs to be purchased by the state's two investor-owned public utilities through a Master Purchase Agreement (MPA) which was executed on February 7, 2017. The MPA commences on January 1, 2015 and terminates the earlier of the year ending December 31, 2022 or with the deployment of solar PV systems that in the aggregate generate 350 megawatts of electricity. During each year of the MPA's term, solar PV facilities that commence operation will be aggregated into a tranche agreement between the Green Bank and the utility companies which will be approved by the State's Public Utility Regulatory Authority (PURA) prior to its execution. Each tranche will state the price set by the Green Bank for the purchase of a SHREC generated by the PV systems within that tranche for a period of 15 years. As of June 30, 2021, the following tranche agreements have been entered into with the public utilities:

	Date	REC Price	Megawatts
Tranche 1	7/1/2017	$ 50.00	47.176
Tranche 2	7/15/2018	49.00	59.836
Tranche 3	6/28/2019	48.00	39.275
Tranche 4	7/15/2020	47.00	59.4
			205.687

SHRECs are created and certificated in the New England Power Pool Generation System (NEPOOL GIS). SHRECs are certificated by NEPOOL GIS during the fifth month subsequent to the end of the quarter in which the electricity was generated. Once certificated ownership of the SHRECs is transferred to each public utility, payment is received by the Green Bank 30 days later. The Green Bank recognizes income upon the delivery of the SHRECs to each public utility. The Green Bank is not committed to deliver a specific amount of SHRECs to each utility during the term of the MPA.

The SHRECs for tranches 1 and 2 are assigned to SHREC ABS 1 LLC and provide the revenue stream for the SHREC ABS 1 LLC collateralized note payments. The SHREC revenues for tranche 3 are assigned to the Green Bank and provide the revenue stream for the Green Liberty Bond - Series 2020 bond payments. Before securitization the tranche 3 revenues were assigned to SHREC Warehouse 1 LLC as collateral for the SHREC Warehouse LOC and were held in a restricted cash account. The SHREC revenues for tranche 4 are assigned to the Green Bank and provide the revenue stream for the Green Liberty Bond - Series 2021 bond payments. Before securitization the tranche 4 revenues were assigned to SHREC Warehouse 1 LLC as collateral for the SHREC Warehouse LOC and were held in a restricted cash account.

20. RENEWABLE ENERGY CREDITS (CONTINUED)

For the years ending June 30, 2021 and 2020 the following SHREC sales were recognized:

	Fiscal Year Ended June 30, 2021			
	CGB	SHREC ABS 1	SHREC Warehouse 1	Total
Tranche 1	-	2,237,250	-	2,237,250
Tranche 2	-	2,787,757	-	2,787,757
Tranche 3	1,862,928	-	-	1,862,928
Tranche 4	-	-	2,672,984	2,672,984
	1,862,928	5,025,007	2,672,984	9,560,919

	Fiscal Year Ended June 30, 2020			
	CGB	SHREC ABS 1	SHREC Warehouse 1	Total
Tranche 1	-	2,324,550	-	2,324,550
Tranche 2	-	2,855,426	-	2,855,426
Tranche 3	-	-	1,890,384	1,890,384
Tranche 4	-	-	-	-
	-	5,179,976	1,890,384	7,070,360

Low and Zero Emissions Renewable Energy Credits

The Green Bank and its discretely presented component units receive LREC/ZREC revenue, under CT PURA's Low and Zero Emissions Renewable Energy Credit program from the state's two investor-owned public utilities. These RECs are secured when a solar project is registered and energized with a public utility and revenue is earned quarterly based on generation of the project. LREC/ZREC revenue totaled $1,711,148 and 1,567,142 for the years ended June 30, 2021 and 2020, respectively.

21. RESTATEMENT

The discretely presented component units CT Solar Lease 2 LLC and CT Solar Lease 3 LLC have been restated to reduce the carrying value of the capital assets by the intercompany profit incurred on the acquisition of the assets from CEFIA Holdings LLC (a blended component unit of Connecticut Green Bank). Governmental Account Standards Board Statement 48 requires that when accounting for the transfer of capital and financial assets and future revenues within the same financial reporting entity, the transferee should recognize the assets or future revenues received at the carrying value of the transferor (CEFIA Holdings LLC). The amount of the restatement affects the asset carrying value of CT Solar Lease 2 LLC and CT Solar Lease 3 LLC. The 2020 total reporting entity net position was not restated as the intercompany profit was previously removed in the elimination column.

	CT Solar Lease 2 LLC	CT Solar Lease 3 LLC	Eliminations
Net position as previously reported at July 1, 2020	$ 36,905,748	$ 12,976,058	$ (40,241,055)
Adjustment:			
Intercompany capital asset profit elimination	(7,956,295)	(1,020,361)	8,976,656
Restated net position at July 1, 2020	$ 28,949,453	$ 11,955,697	$ (31,264,399)