Connecticut Green Bank

Statement of Net Position
June 30, 2022

(With Summarized Totals as of June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Liabilities							
Current liabilities:							
Accounts payable	$ 898,136	$ -	$ 26,244	$ -	$ -	$ 924,380	$ 1,854,763
Accrued payroll and related liabilities	1,296,862	-	-	-	-	1,296,862	1,139,857
Accrued expenses	7,819,560	370,488	27,904	32,061	-	8,250,013	6,627,759
Short-term notes payable	304,735	-	-	-	-	304,735	-
Warranty management	-	-	-	-	-	-	1,358,476
Line of credit	-	-	-	-	-	-	100,000
Long-term debt	15,450,938	2,422,088	94,788	-	-	17,967,814	6,416,721
Performance bonds	1,132,393	-	6,383	-	-	1,138,776	1,626,346
Unearned revenue	-	-	-	24,130	-	24,130	51,414
Total current liabilities	26,902,624	2,792,576	155,319	56,191	-	29,906,710	19,175,336
Noncurrent liabilities:							
Due to component units	120,225	15,576,608	38,535,067	-	(54,231,900)	-	-
Advances from component units	-	1,366,560	-	-	(1,366,560)	-	-
Asset retirement obligation	-	3,408,428	-	709,908	-	4,118,336	4,018,011
Long-term debt	68,643,067	9,381,681	1,271,772	-	-	79,296,520	102,551,139
Fair value of interest rate swap	-	-	-	-	-	-	699,023
Net pension liability	21,273,373	-	-	-	-	21,273,373	20,268,725
Net OPEB liability	20,516,564	-	-	-	-	20,516,564	23,688,513
Total noncurrent liabilities	110,553,229	29,733,277	39,806,839	709,908	(55,598,460)	125,204,793	151,225,411
Total liabilities	137,455,853	32,525,853	39,962,158	766,099	(55,598,460)	155,111,503	170,400,747
Deferred Inflows of Resources							
Pension related	5,424,891	-	-	-	-	5,424,891	5,071,624
OPEB related	9,694,281	-	-	-	-	9,694,281	7,227,544
Lease related	-	16,987,116	68,819	-	-	17,055,935	18,372,780
Total deferred inflows of resources	15,119,172	16,987,116	68,819	-	-	32,175,107	30,671,948
Net Position							
Net investment in capital assets	3,534,455	1,478,978	403,648	98,848	-	5,515,929	5,327,187
Restricted net position:							
Nonexpendable	-	44,186,949	-	13,542,708	-	57,729,657	62,673,746
Energy programs	16,747,999	34,216	83,000	-	-	16,865,215	16,881,312
Unrestricted	81,065,946	(17,582,341)	111,995	(1,303,733)	(31,264,399)	31,027,468	4,613,000
Total net position	$ 101,348,400	$ 28,117,802	$ 598,643	$ 12,337,823	$ (31,264,399)	$ 111,138,269	$ 89,495,245

(Concluded)

The notes to the financial statements are an integral part of this statement.

Exhibit B

Connecticut Green Bank

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	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	2022 Total Reporting Entity	2021 Total Reporting Entity
Operating revenues:							
Utility remittances	$ 25,279,305	$ -	$ -	$ -	$ -	$ 25,279,305	$ 25,144,416
Interest income - promissory notes	6,142,849	-	-	-	-	6,142,849	6,844,741
RGGI auction proceeds	11,568,905	-	-	-	-	11,568,905	6,452,886
Energy system sales	451,092	-	-	-	-	451,092	746,515
Renewable energy credits/certificate sales	12,013,272	649,060	15,397	388,148	-	13,065,877	12,189,916
Leases	-	1,934,519	-	-	-	1,934,519	1,916,347
Other	794,196	1,280,194	420,039	415,983	(637,582)	2,272,830	2,626,604
Total operating revenues	56,249,619	3,863,773	435,436	804,131	(637,582)	60,715,377	55,921,425
Operating expenses:							
Cost of goods sold - energy systems	451,092	-	-	-	-	451,092	746,515
Provision for loan losses	(3,560,588)	-	-	-	-	(3,560,588)	238,942
Grants and incentive programs	16,488,395	-	-	-	(491,374)	15,997,021	15,879,966
Program administration	15,578,628	3,191,357	422,207	525,282	-	19,717,474	17,569,299
General and administrative	3,005,772	323,080	5,003	26,775	(146,208)	3,214,422	3,953,481
Total operating expenses	31,963,299	3,514,437	427,210	552,057	(637,582)	35,819,421	38,388,203
Operating income (loss)	24,286,320	349,336	8,226	252,074	-	24,895,956	17,533,222
Nonoperating revenues (expenses):							
Interest income - deposits	138,506	1,112	1	2,331	-	141,950	18,861
Interest income - component units	69,475	-	51,833	-	(121,308)	-	-
Interest expense	(2,739,598)	(750,898)	(35,250)	-	-	(3,525,746)	(3,348,684)
Interest expense - component units	-	(121,308)	-	-	121,308	-	-
Debt issuance costs	(13,500)	-	-	-	-	(13,500)	(1,001,139)
Distributions to member	-	(510,142)	-	(90,462)	-	(600,604)	(526,754)
Net change in fair value of investments	104,782	(151,944)	-	-	-	(47,162)	(387,299)
Unrealized gain (loss) on interest rate swap	-	792,130	-	-	-	792,130	465,334
Net nonoperating revenues (expenses)	(2,440,335)	(741,050)	16,584	(88,131)	-	(3,252,932)	(4,779,681)
Change in net position	21,845,985	(391,714)	24,810	163,943	-	21,643,024	12,753,541
Total net position - July 1 (as restated)	79,502,415	28,509,516	573,833	12,173,880	(31,264,399)	89,495,245	76,741,704
Total net position - June 30	$ 101,348,400	$ 28,117,802	$ 598,643	$ 12,337,823	$ (31,264,399)	$ 111,138,269	$ 89,495,245

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Cash Flows
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	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	2022 Total Reporting Entity	2021 Total Reporting Entity
Cash flows from (used in) operating activities:							
Sales of energy systems	$ 451,092	$ -	$ -	$ -	$ -	$ 451,092	$ 746,515
Sales of renewable energy credits/certificates	13,317,482	671,435	14,414	406,992	-	14,410,323	11,527,020
Utility company remittances	25,282,138	-	-	-	-	25,282,138	25,314,572
RGGI auction proceeds	10,283,837	-	-	-	-	10,283,837	5,772,073
Other	817,305	1,378,679	418,832	392,860	(637,582)	2,370,094	2,744,296
Lease payments received	-	1,327,281	-	-	-	1,327,281	1,309,068
Interest income on promissory notes	5,831,860	-	-	-	-	5,831,860	5,406,013
Program administrative expenses	(16,076,288)	(1,705,374)	(401,639)	(80,772)	-	(18,264,073)	(13,819,420)
Grants, incentives and credit enhancements	(15,607,125)	159,000	-	-	491,374	(14,956,751)	(15,080,761)
Purchases of energy equipment	(451,092)	-	-	-	-	(451,092)	(746,515)
General and administrative expenditures	(3,018,647)	(772,462)	(5,000)	(32,525)	146,208	(3,682,426)	(3,053,420)
Net cash from (used in) operating activities	20,830,562	1,058,559	26,607	686,555	-	22,602,283	20,119,441
Cash flows from (used in) noncapital financing activities:							
Advances to component units	(7,571,037)	(212,142)	(3,564)	(10,726)	7,797,469	-	-
Advances for development of solar projects	(1,737,970)	-	(741,495)	-	-	(2,479,465)	(2,313,058)
Payments from component units	126,432	6,462,120	1,202,217	6,700	(7,797,469)	-	-
Net cash from (used in) noncapital financing activities	(9,182,575)	6,249,978	457,158	(4,026)	-	(2,479,465)	(2,313,058)
Cash flows from (used in) capital and related financing activities:							
Purchase of capital assets	(80,450)	-	-	-	-	(80,450)	(707,296)
Sale of capital assets	-	64,023	-	-	-	64,023	94,953
Proceeds from short-term debt	304,735	-	-	-	-	304,735	-
Repayment of short-term debt	(100,000)	-	-	-	-	(100,000)	(6,000,000)
Proceeds from long-term debt	-	-	-	-	-	-	41,629,000
Repayment of long-term debt	(4,761,810)	(6,700,072)	(94,790)	-	-	(11,556,672)	(5,221,106)
Reoayment of right to use leases	(152,035)	-	-	-	-	(152,035)	-
Debt issuance costs	(26,211)	-	-	-	-	(26,211)	(988,427)
Interest expense	(2,753,815)	(818,578)	(35,449)	-	-	(3,607,842)	(3,179,266)
Return of capital to developer	-	(510,142)	-	(90,463)	-	(600,605)	(526,755)
Net cash from (used in) capital and related financing activities	(7,569,586)	(7,964,769)	(130,239)	(90,463)	-	(15,755,057)	25,101,103

(Continued)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Cash Flows
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Cash flows from (used in) investing activities:							
Gains and losses on investments	$ 164,626	$ -	$ -	$ -	$ 1,932	$ 166,558	$ (190,100)
Return of principal on working capital and program loans	26,560,592	-	-	-	(8,801)	26,551,791	17,735,048
Interest on short-term investments, cash, solar lease notes and loans	160,025	70,587	2	2,331	6,869	239,814	18,855
Purchase of SBEA loan portfolios	(8,553,837)	-	-	-	-	(8,553,837)	(8,834,212)
CPACE program loan disbursements	(3,871,465)	-	-	-	-	(3,871,465)	(2,726,721)
Grid tied program loan disbursements	-	-	-	-	-	-	(618,660)
Commercial solar loan program disbursements	(757,856)	-	-	-	-	(757,856)	(4,699,700)
Residential solar loan program disbursements	(8,981,493)	-	-	-	-	(8,981,493)	-
Other program loan disbursements	-	-	-	-	-	-	(1,896,255)
Net cash from (used in) investing activities	4,720,592	70,587	2	2,331	-	4,793,512	(1,211,745)
Net increase (decrease) in cash	8,798,993	(585,645)	353,528	594,397	-	9,161,273	41,695,741
Cash and cash equivalents (including restricted cash) - July 1	58,446,938	4,462,804	109,318	1,742,282	-	64,761,342	23,065,601
Cash - and cash equivalents (including restricted cash) - June 30	$ 67,245,931	$ 3,877,159	$ 462,846	$ 2,336,679	$ -	$ 73,922,615	$ 64,761,342
Reconciliation of operating income (loss) to net cash from (used in) operating activities:							
Operating income (loss)	$ 24,286,320	$ 349,336	$ 8,226	$ 252,074	$ -	$ 24,895,956	$ 17,533,222
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:							
Depreciation and amortization	915,664	2,150,382	12,413	390,220	-	3,468,679	3,650,904
Accretion	-	138,994	-	48,532	-	187,526	-
Provision for loan losses	(3,589,800)	-	-	-	-	(3,589,800)	238,942
Deferred lease revenue	-	-	-	(27,285)	-	(27,285)	(79,960)
Pension expense	(1,170,424)	-	-	-	-	(1,170,424)	546,416
Changes in operating assets and liabilities:							
(Increase) decrease in operating assets	4,004	1,204,042	(76,885)	24,719	(216,601)	939,279	(2,950,198)
(Decrease) increase in operating liabilities	384,798	(2,784,195)	82,853	(1,705)	216,601	(2,101,648)	1,180,115
Net cash from (used in) operating activities	$ 20,830,562	$ 1,058,559	$ 26,607	$ 686,555	$ -	$ 22,602,283	$ 20,119,441

Schedule of non-cash capital and related financing activities:

A lease asset and lease liability were recorded for $2,652,294.

(Concluded)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies

Connecticut Green Bank (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. 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. 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.

On July 6, 2021, Public Act No. 21-115 extended Green Bank model beyond clean energy and increased the scope of 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).

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 Green Bank's financial statements for the year ended June 30, 2021, 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 Green Bank and is the principal source of Green Bank's revenue. 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.

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 Green Bank's CPACE program. Green Bank also earns both interest income and revenue from the sale of Renewable Energy Credits (RECs) and Solar Home Renewable Energy Credits (SHREC's) generated by facilities it has financed. See Note II.G for more information on RECs and SHRECs.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Reporting entity

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.

Green Bank has established 11 legally separate for-profit entities whose collective purpose is to administer Green Bank's clean energy programs. 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 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 sold 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.

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

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

CEFIA Solar Services, Inc. (discrete – major component unit)

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 one percent ownership interest in CT Solar Lease 2 LLC and CT Solar Lease 3 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. Additionally, Solar Services has entered into transactions related to development of various clean energy projects.

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. Green Bank believes that to exclude Solar Services from these financial statements would be misleading.

CT Solar Lease 2 LLC (discrete – major component unit)

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 Green Bank has a minority membership interest in CT Solar Lease 2 LLC, 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. CT Solar Lease 2 issues separate financial statements.

I. Nature of operations and significant accounting policies (continued)

CT Solar Lease 3 LLC (discrete – nonmajor component unit)

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 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 Green Bank has a minority membership interest in CT Solar Lease 3 LLC, 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. CT Solar Lease 3 issues separate financial statements.

CGB Meriden Hydro LLC (blended)

On August 31, 2017, Green Bank, through its wholly owned component unit, CGB Meriden Hydro LLC (CGB Meriden), purchased a 195 kW hydroelectric facility located in Meriden, Connecticut, from the facility's developer, pursuant to an agreement dated January 1, 2017. Green Bank utilized the proceeds of the Clean Energy Renewable Bond (CREB to finance a portion of the total purchase price.

The developer remits to CGB Meriden a monthly payment equal to the monthly payment made by the City of Meriden to the developer 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 the developer, 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. These revenues are recorded directly by Green Bank.

SHREC ABS 1 LLC (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. 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 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.

I. Nature of operations and significant accounting policies (continued)

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 Eversource 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 local banks. Payments due from Eversource and UI are pledged as security for the loans. Loans drawn by SHREC Warehouse 1 LLC are advanced to CGB to be used for investment and operational activities. Advances are 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 Green Bank, established on April 23, 2019 to hold collateral that supports a $3,500,000 guaranty on a line of credit. On May 21, 2019 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 Green Bank and Solar Lease 1 LLC were involved in the transfer of assets and loan loss reserves. Advances are eliminated in preparing the combining and reporting entity financial statements.

CGB C-PACE LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on August 7, 2017. The entity did not have activity until it started to originate and warehouse new C-PACE projects under construction beginning October 2021. Advances between Green Bank and CGB C-PACE LLC were involved to help fund disbursements made for development of new C-PACE construction projects. Advances are eliminated in preparing the combining and reporting entity financial statements.

CGB Green Liberty Notes LLC (blended)

A Connecticut corporation, 100% owned by CEFIA Holdings LLC, established on October 15, 2021. The entity was formed to offer low and moderate income investors greater access to green investment by issuing “Green Liberty Notes”, and to support the repayment of those notes with revenues from small business, municipal, and state energy efficiency loans in Connecticut through one of Green Bank's partner programs. The notes are issued to eligible investors in reliance of the exemption under Section 4(a)(6) of the Securities Act of 1933. The exemption limits the amount of securities issued during the 12-month period preceding the date of such offer or sale, including the securities offered in such transaction, to $5,000,000. Advances between Green Bank and CGB Green Liberty Notes LLC were involved to help fund the participation in the small business, municipal, and state energy efficiency loan program. Advances are eliminated in preparing the combining and reporting entity financial statements. CGB Green Liberty Notes LLC issues separate financial statements.

Advances between the primary government (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 are eliminated in preparing the combining and reporting entity financial statements.

Condensed combining information for the primary government (Green Bank) and its 8 blended component units described above is presented on the following pages:

Exhibit D

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of net position

Assets	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Current assets:											
Cash and cash equivalents	$ 43,664,058	$ 88,438	$ 1,577,523	$ 276,176	$ -	$ 1,620,256	$ 608,892	$ 955,913	$ 320,226	$ -	$ 49,111,482
Receivables:											
Accounts	4,036,085	-	-	-	-	-	14,576	-	21,989	-	4,072,650
Program loans	8,867,528	-	-	-	-	106,614	519,200	-	54,483	-	9,547,825
Utility remittance	2,041,786	-	-	-	-	-	-	-	-	-	2,041,786
Solar lease notes	-	-	-	-	1,016,267	-	-	-	-	-	1,016,267
SBEA promissory notes	-	-	-	-	-	-	50,934	1,078,966	-	-	1,129,900
Interest	1,162,737	-	-	-	-	-	-	-	-	-	1,162,737
Other	166,949	-	-	-	82,364	-	-	26,872	-	-	276,185
Prepaid expenses and other assets	261,752	103,129	43,333	-	-	4,663	759,499	-	-	-	1,172,376
Total current assets	60,200,895	191,567	1,620,856	276,176	1,098,631	1,731,533	1,953,101	2,061,751	396,698	-	69,531,208
Noncurrent assets:											
Restricted cash and cash equivalents	13,705,808	-	1,079,262	1,889,479	-	301,834	1,158,066	-	-	-	18,134,449
Investments	912,217	-	-	-	-	-	-	-	-	-	912,217
Receivables (net):											
Program loans	72,616,703	-	-	-	-	715,495	7,520,923	-	1,434,311	-	82,287,432
Solar lease notes	-	-	-	-	1,987,394	-	-	-	-	-	1,987,394
Renewable energy credits	229,019	-	-	-	-	-	-	-	-	-	229,019
SBEA promissory notes	-	-	-	-	-	-	918	1,274,569	-	-	1,275,487
Other	-	-	-	-	-	-	4,122,609	-	-	-	4,122,609
Due from component units	66,490,039	-	35,635,945	3,784,455	-	-	7,759,126	-	-	(65,866,474)	47,803,091
Contribution to subsidiaries	100,100	-	-	-	-	-	100	-	-	(100,100)	100
Capital assets, net	12,214,413	3,813,657	-	-	-	-	-	-	-	-	16,028,070
Total noncurrent assets	166,268,299	3,813,657	36,715,207	5,673,934	1,987,394	1,017,329	20,561,742	1,274,569	1,434,311	(65,966,574)	172,779,868
Total assets	226,469,194	4,005,224	38,336,063	5,950,110	3,086,025	2,748,862	22,514,843	3,336,320	1,831,009	(65,966,574)	242,311,076
Deferred Outflows of Resources											
Pension related	6,439,478	-	-	-	-	-	-	-	-	-	6,439,478
OPEB related	5,172,871	-	-	-	-	-	-	-	-	-	5,172,871
Total deferred outflows of resources	11,612,349	-	-	-	-	-	-	-	-	-	11,612,349

Exhibit D

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of net position

	CGB	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Liabilities											
Current liabilities:											
Accounts payable	$ 861,530	$ 31,059	$ -	$ 4,167	$ -	$ 1,380	$ -	$ -	$ -	$ -	$ 898,136
Accrued payroll and related liabilities	1,296,862	-	-	-	-	-	-	-	-	-	1,296,862
Accrued expenses	7,697,856	-	68,376	-	-	-	52,216	1,112	-	-	7,819,560
Short-term notes payable	-	-	-	-	-	-	-	304,735	-	-	304,735
Long-term debt	3,729,849	-	11,721,089	-	-	-	-	-	-	-	15,450,938
Performance bonds	-	-	-	-	-	-	1,132,393	-	-	-	1,132,393
Total current liabilities	13,586,097	31,059	11,789,465	4,167	-	1,380	1,184,609	305,847	-	-	26,902,624
Noncurrent liabilities:											
Due to component units	39,540,625	5,709,180	-	-	3,208,385	2,432,500	10,336,952	3,024,057	1,735,000	(65,866,474)	120,225
Long-term debt	48,748,766	-	19,894,301	-	-	-	-	-	-	-	68,643,067
Net pension liability	21,273,373	-	-	-	-	-	-	-	-	-	21,273,373
Net OPEB liability	20,516,564	-	-	-	-	-	-	-	-	-	20,516,564
Total noncurrent liabilities	130,079,328	5,709,180	19,894,301	-	3,208,385	2,432,500	10,336,952	3,024,057	1,735,000	(65,866,474)	110,553,229
Total liabilities	143,665,425	5,740,239	31,683,766	4,167	3,208,385	2,433,880	11,521,561	3,329,904	1,735,000	(65,866,474)	137,455,853
Deferred Inflows of Resources											
Pension related	5,424,891	-	-	-	-	-	-	-	-	-	5,424,891
OPEB related	9,694,281	-	-	-	-	-	-	-	-	-	9,694,281
Total deferred inflows of resources	15,119,172	-	-	-	-	-	-	-	-	-	15,119,172
Net Position											
Net investment in capital assets	2,152,022	1,382,433	-	-	-	-	-	-	-	-	3,534,455
Restricted net position:											
Restricted for energy programs	13,451,751	-	1,079,262	1,889,479	-	301,834	25,673	-	-	-	16,747,999
Unrestricted	63,693,173	(3,117,448)	5,573,035	4,056,464	(122,360)	13,148	10,967,609	6,416	96,009	(100,100)	81,065,946
Total net position	$ 79,296,946	$ (1,735,015)	$ 6,652,297	$ 5,945,943	$ (122,360)	$ 314,982	$ 10,993,282	$ 6,416	$ 96,009	$ (100,100)	$ 101,348,400

Exhibit D

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of revenues, expenses and changes in net position

	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Operating revenues:											
Utility remittances	$ 25,279,305	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,279,305
Interest income - promissory notes	5,307,219	-	-	-	215,814	66,261	486,413	32,594	34,548	-	6,142,849
RGGI auction proceeds	11,568,905	-	-	-	-	-	-	-	-	-	11,568,905
Energy system sales	-	-	-	-	-	-	451,092	-	-	-	451,092
Renewable energy certificate sales	5,407,099	-	4,359,558	1,980,055	-	-	266,560	-	-	-	12,013,272
Other	676,260	-	-	-	-	254	55,351	-	62,331	-	794,196
Total operating revenues	48,238,788	-	4,359,558	1,980,055	215,814	66,515	1,259,416	32,594	96,879	-	56,249,619
Operating expenses:											
Cost of goods sold - energy systems	-	-	-	-	-	-	451,092	-	-	-	451,092
Provision for loan losses	(3,211,513)	-	-	-	(40,141)	(5,645)	(303,289)	-	-	-	(3,560,588)
Grants and incentive programs	16,488,395	-	-	-	-	-	-	-	-	-	16,488,395
Programs administration	14,435,450	406,247	76,634	125,694	147,543	15,373	365,116	6,571	-	-	15,578,628
General and administrative	2,946,692	4,950	2,625	20,791	-	6,635	7,214	15,995	870	-	3,005,772
Total operating expenses	30,659,024	411,197	79,259	146,485	107,402	16,363	520,133	22,566	870	-	31,963,299
Operating income (loss)	17,579,764	(411,197)	4,280,299	1,833,570	108,412	50,152	739,283	10,028	96,009	-	24,286,320
Nonoperating revenues (expenses):											
Interest income - deposits	133,839	-	4,514	50	-	16	87	-	-	-	138,506
Interest income - component units	69,475	-	-	-	-	-	-	-	-	-	69,475
Interest expense	(1,017,278)	-	(1,721,208)	-	-	-	-	(1,112)	-	-	(2,739,598)
Debt issuance costs	(11,000)	-	-	-	-	-	-	(2,500)	-	-	(13,500)
Net change in fair value of investments	104,782	-	-	-	-	-	-	-	-	-	104,782
Net nonoperating revenues (expenses)	(720,182)	-	(1,716,694)	50	-	16	87	(3,612)	-	-	(2,440,335)
Change in net position	16,859,582	(411,197)	2,563,605	1,833,620	108,412	50,168	739,370	6,416	96,009	-	21,845,985
Total net position - July 1, 2021 (as restated)	62,437,364	(1,323,818)	4,088,692	4,112,323	(230,772)	264,814	10,253,912	-	-	(100,100)	79,502,415
Total net position - June 30, 2022	$ 79,296,946	$ (1,735,015)	$ 6,652,297	$ 5,945,943	$ (122,360)	$ 314,982	$ 10,993,282	$ 6,416	$ 96,009	$ (100,100)	$ 101,348,400

Exhibit D

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of cash flows

	CGB	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Cash flows from (used in) operating activities:											
Sales of energy systems	$ -	$ -	$ -	$ -	$ -	$ -	$ 451,092	$ -	$ -	$ -	$ 451,092
Sales of renewable energy credits	5,996,599	-	4,359,558	1,980,055	-	-	981,270	-	-	-	13,317,482
Utility company remittances	25,282,138	-	-	-	-	-	-	-	-	-	25,282,138
RGGI auction proceeds	10,283,837	-	-	-	-	-	-	-	-	-	10,283,837
Other	721,357	-	-	-	-	254	55,351	1	40,342	-	817,305
Lease payments received	-	-	-	-	-	-	-	-	-	-	-
Interest income on promissory notes	5,114,652	-	-	-	215,814	69,455	431,939	-	-	-	5,831,860
Program administrative expenses	(15,226,543)	(204,092)	(78,300)	(125,694)	(150,744)	(28,480)	(255,864)	(6,571)	-	-	(16,076,288)
Grants, incentives and credit enhancements	(15,607,125)	-	-	-	-	-	-	-	-	-	(15,607,125)
Purchases of energy equipment	-	-	-	-	-	-	(451,092)	-	-	-	(451,092)
General and administrative expenditures	(2,959,211)	(4,950)	(2,625)	(20,791)	-	(6,634)	(7,572)	(15,995)	(869)	-	(3,018,647)
Net cash from (used in) operating activities	13,605,704	(209,042)	4,278,633	1,833,570	65,070	34,595	1,205,124	(22,565)	39,473	-	20,830,562
Cash flows from (used in) noncapital financing activities:											
Advances to component units	(13,743,106)	-	(52,000)	(2,687,670)	(1,062,904)	-	(1,100,000)	-	-	11,074,643	(7,571,037)
Advances for development of solar projects	-	-	-	-	-	-	(1,737,970)	-	-	-	(1,737,970)
Payments from component units	3,929,006	252,779	210,233	-	-	-	2,050,000	3,024,057	1,735,000	(11,074,643)	126,432
Net cash from (used in) noncapital financing activities	(9,814,100)	252,779	158,233	(2,687,670)	(1,062,904)	-	(787,970)	3,024,057	1,735,000	-	(9,182,575)
Cash flows from (used in) capital and related financing activities:											
Purchase of capital assets	(80,450)	-	-	-	-	-	-	-	-	-	(80,450)
Proceeds from short-term debt	-	-	-	-	-	-	-	304,735	-	-	304,735
Repayment of short-term debt	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)
Repayment of long-term debt	(2,306,900)	-	(2,454,910)	-	-	-	-	-	-	-	(4,761,810)
Repayment of right to use leases	(152,035)	-	-	-	-	-	-	-	-	-	(152,035)
Debt issuance costs	(23,711)	-	-	-	-	-	-	(2,500)	-	-	(26,211)
Interest expense	(1,032,496)	-	(1,721,319)	-	-	-	-	-	-	-	(2,753,815)
Net cash from (used in) capital and related financing activities	(3,695,592)	-	(4,176,229)	-	-	-	-	302,235	-	-	(7,569,586)

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of cash flows

	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Cash flows from (used in) investing activities:											
Gains and losses on investments	$ 164,626	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 164,626
Return of principal on working capital and program loans	21,000,699	-	-	-	993,360	510,833	3,379,456	676,244	-	-	26,560,592
Interest on short-term investments, cash, solar lease notes and loans	150,884	-	4,514	50	4,474	16	87	-	-	-	160,025
Purchase of SBEA loan portfolios	(5,014,583)	-	-	-	-	-	(515,196)	(3,024,058)	-	-	(8,553,837)
CPACE program loan disbursements	(2,417,218)	-	-	-	-	-	-	-	(1,454,247)	-	(3,871,465)
Commercial solar loan program disbursements	-	-	-	-	-	-	(757,856)	-	-	-	(757,856)
Residential solar Loan program disbursements	(7,589,103)	-	-	-	-	-	(1,392,390)	-	-	-	(8,981,493)
Net cash from (used in) investing activities	6,295,305	-	4,514	50	997,834	510,849	714,101	(2,347,814)	(1,454,247)	-	4,720,592
Net increase (decrease) in cash	6,391,317	43,737	265,151	(854,050)	-	545,444	1,131,255	955,913	320,226	-	8,798,993
Cash and cash equivalents (including restricted cash)- July 1, 2021	50,978,549	44,701	2,391,634	3,019,705	-	1,376,646	635,703	-	-	-	58,446,938
Cash and cash equivalents (including restricted cash)- June 30, 2022	$ 57,369,866	$ 88,438	$ 2,656,785	$ 2,165,655	$ -	$ 1,922,090	$ 1,766,958	$ 955,913	$ 320,226	$ -	$ 67,245,931
Reconciliation of operating income (loss) to net cash from (used in) operating activities:											
Operating income (loss)	$ 17,579,764	$ (411,197)	$ 4,280,299	$ 1,833,570	$ 108,412	$ 50,152	$ 739,283	$ 10,028	$ 96,009	$ -	$ 24,286,320
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:											
Depreciation and amortization	763,624	152,040	-	-	-	-	-	-	-	-	915,664
Provision for loan losses	(3,286,511)	-	-	-	-	-	(303,289)	-	-	-	(3,589,800)
Pension expense adjustment	(1,170,424)	-	-	-	-	-	-	-	-	-	(1,170,424)
Changes in operating assets and liabilities:											
(Increase) decrease in operating assets	(691,964)	29,110	(1,666)	-	(43,342)	(2,452)	803,447	(32,593)	(56,536)	-	4,004
(Decrease) increase in operating liabilities	411,215	21,005	-	-	-	(13,105)	(34,317)	-	-	-	384,798
Net cash from (used in) operating activities	$ 13,605,704	$ (209,042)	$ 4,278,633	$ 1,833,570	$ 65,070	$ 34,595	$ 1,205,124	$ (22,565)	$ 39,473	$ -	$ 20,830,562

I. 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

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. Additionally, CEFIA Solar Services receives revenue from participation in the Affordable Connectivity Program, a benefit program of the FCC (Federal Communications Commission) and sale of Solar Renewable Energy Certificates (SRECs).

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 II.B.1 – solar lease notes receivable).

I. 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.

CGB C-PACE LLC derives revenue from interest income earned on C-PACE loans.

CGB Green Liberty Notes LLC derives revenue from interest income earned on the small business, municipal, and state energy efficiency loan program.

Energy generation revenue will be recognized as electricity is generated, based on actual output and contractual prices set forth in long term Power Purchase Agreements (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, renewable energy credit/certificates sales, energy auction proceeds 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, interest expense 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. unrestricted 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.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. 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.

State treasurer's short-term investment fund

The State Treasurer's Short-Term Investment Fund is an 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 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.

b. Investments

Green Bank carries investments at fair value except as described below. 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. For certain investments 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, the estimated values may differ significantly from the amounts ultimately realized from the disposition of those assets which may be materially higher or lower than the values determined if readily available market for the securities existed. Green Bank carries the investments municipal bonds and interest rate swaps at fair value.

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.

Green Bank carries the investments in common stock and venture capital - energy at cost. Green Bank uses the cost method of accounting for these investments in accordance with GASB Statement No. 62. Investments that do not have readily determinable fair values and that do not meet the criteria of percentage ownership or ability to exercise significant influence over the company are unable to apply the equity method.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

c. Method used to value investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. In determining fair value, Green Bank utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. 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.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. 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. Green Bank does not have a formal policy relating to a specific investment related risk.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. Connecticut General Statutes authorize 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.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. 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	Custodial credit risk is the risk that, in the event of the failure of the counterparty, Green Bank will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Green Bank does not have a formal policy with respect to custodial credit risk. As of June 30, 2022 and 2021, Green Bank had no investments subject to custodial credit risk.

2. Receivables and payables

a. Inter-entity balances

Activity between component units that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from component units" or "advances to/from component units". Advances are representative of notes payable issued by one entity and the related funds loaned to another for the purchase of capital assets. Any residual balances outstanding between the entities are eliminated in the reporting entity totals.

b. Solar lease notes and program loans receivable

Solar lease notes receivable and program loans receivable are shown net of a reserve for loan losses. Loan loss percentages range from 5% to 20% based on the project, product or program and are calculated based upon a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

c. Leases receivable

CT Solar Lease 2 is a lessor for noncancellable leases of residential and commercial solar PV systems. CEFIA Solar Services is a lessor for a noncancellable lease of a commercial solar PV system. The entities recognize a lease receivable and a deferred inflow of resources related to these leases in the Statement of Net Position.

At the commencement of a lease, the entity initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

Discount rate	Green Bank uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The entity monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased. Prepaid items include prepaid warranty management where CT Solar Lease 2 paid for warranty services on the solar panels for each program participant at the beginning of each program participant year for five consecutive years. The warranty is expensed over the 20 year life of the warranty.

4. Restricted assets

The restricted assets for Green Bank are restricted for performance bonds, required contractual reserves and escrows. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or Green Bank calls the bond for nonperformance. The debt or loan agreements restrict the funds for the designated purpose including loan loss reserves and debt payments.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

5. 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.

The estimated useful lives of capital assets are as follows:

Assets	Years
Solar lease equipment	30
Hydroelectric equipment	30
Furniture and equipment	5
Leasehold improvements	5
Computer hardware and software	2-3
Leased buildings	10.5

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 owned by CT Solar Lease 2 LLC and CT Solar Lease 3 LLC 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.

6. 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, 2022 or 2021.

7. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Green Bank reports deferred outflows and inflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in assumptions, changes in proportion and proportionate share, net difference between projected and actual earnings on plan investments and contributions after the measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions and changes in proportion and proportionate share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow relating to contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Green Bank also reports deferred outflows of resources related to asset retirement obligations in the statement of net position, which results from a known future liability to retire certain assets.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

8. Asset retirement obligation

CT Solar Lease 2 and 3 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 solar 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 Solar Lease 2 and 3 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 Solar Lease 2 and 3. 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 Solar Lease 2 and 3 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 Solar Lease 2 and 3 routinely review and reassess their estimates to determine if an adjustment to the value of asset retirement obligations is required.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

9. Long-term liabilities

Long-term debt and other long-term liabilities are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

10. Lease liability

Green Bank is a lessee for noncancellable leases of buildings. Green Bank recognizes a lease liability and an intangible right-to-use asset (lease asset) in the Statement of Net Position.

At the commencement of a lease, Green Bank initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include:

Discount rate	Green Bank uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to the present value. When the interest rate charged by the lessor is not provided, Green Bank generally uses its estimated incremental borrowing rate as the discount rate for leases.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that Green Bank is reasonably certain to exercise.

Green Bank monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

11. Pension and OPEB accounting

Pension accounting

Green Bank's proportionate share of the net pension liability and expense associated with 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 Green Bank's fiscal year are reported as deferred outflows of resources.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

OPEB accounting

Green Bank's proportionate share of the net OPEB liability and expense associated with 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 Green Bank's fiscal year are reported as deferred outflows of resources.

12. Net position

Net position is presented in the following three categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	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 Green Bank's component units by outside entities.
Unrestricted Net Position	This category presents the net position of Green Bank which is not classified in the preceding two categories

13. 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.

14. Subsequent events

Green Bank has performed a review of events subsequent to the statement of net position date through October xx, 2022, the date of the financial statements were available to be issued. On August 5, 2022, CGB Green Liberty Notes, LLC issued $250,000 of crowdfunding Green Liberty Notes that mature in August 2023 and carry an annual interest rate of 2.50%.

15. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

II. Detailed notes

A. Cash and investments

1. Cash and cash equivalents

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

	Cash and cash equivalents as of June 30, 2022				
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Total
Checking	$ 14,729,924	$ 455,378	$ 368,304	$ 382,066	$ 15,935,672
Money market	48,143	218	5,159	1,954,613	2,008,133
State treasurer's short-term investment fund	34,333,415	-	-	-	34,333,415
Unrestricted cash and cash equivalents	49,111,482	455,596	373,463	2,336,679	52,277,220
Restricted cash					
Checking	4,073,031	1,140,000	89,383	-	5,302,414
Money market	10,620,502	2,281,563	-	-	12,902,065
State treasurer's short-term investment fund	3,440,916	-	-	-	3,440,916
Restricted cash and cash equivalents	18,134,449	3,421,563	89,383	-	21,645,395
Total cash and cash equivalents	$ 67,245,931	$ 3,877,159	$ 462,846	$ 2,336,679	$ 73,922,615

	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	$ 8,759,487	$ 1,042,113	$ 14,778	$ 389,999	$ 10,206,377
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	40,056,489	1,042,342	19,935	1,742,281	42,861,047
Restricted cash					
Checking	4,048,814	1,140,000	89,383	-	5,278,197
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	18,390,451	3,420,461	89,383	-	21,900,295
Total cash and cash equivalents	$ 58,446,940	$ 4,462,803	$ 109,318	$ 1,742,281	$ 64,761,342

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

2. Deposits – custodial credit risk

As of June 30, 2022 and 2021, $18,068,052 and $20,149,401 respectively, of Green Bank's bank balances were exposed to custodial credit risk. Primary government consisted of $12,338,273 and $14,790,438 as of June 30, 2022 and 2021, respectively. CT Solar Lease 2, LLC consisted of $3,380,355 and $3,852,821 as of June 30, 2022 and 2021, respectively. CEFIA Solar Services, Inc. consisted of $262,745 and $0 as of June 30, 2022 and 2021, respectively. CT Solar Lease 3 LLC consisted of $2,086,679 and $1,506,142 as of June 30, 2022 and 2021, respectively.

Funds held by banks on behalf of Green Bank, CT Solar Lease 2 LLC and CEFIA Solar Services included contractual requirements to maintain $19,924,158 in deposits with financial institutions participating in various lease and loan programs, representing loan loss and lease maintenance reserves and guaranty pledge accounts.

3. State treasurer's short-term investment fund

The state treasurer's short-term investment fund is rated AAAm by Standard & Poor's and has an average maturity of under 60 days.

4. Investments

a. Green Bank's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine maturities:

		Investment Maturities (In Years) as of June 30, 2022			
Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years	Over 10
Common stock	$ 245,000	$ 245,000	$ -	$ -	$ -
Venture capital - energy	222,217	222,217	-	-	-
Municipal bonds	445,000	-	-	-	445,000
Interest rate swap	93,107	-	93,107	-	-
Total	$1,005,324	$ 467,217	$ 93,107	$ -	$ 445,000

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

		Investment Maturities (In Years) as of June 30, 2021			
Type of Investment	**Fair Value**	**N/A**	**1-5 Years**	**5-10 Years**	**Over 10**
Common stock	$ 245,000	$ 245,000	$ -	$ -	$ -
Municipal bonds	986,792	-	-	-	986,792
Interest rate swap	(699,023)	-	(663,186)	(35,837)	-
Total	$ 532,769	$ 245,000	$ (663,186)	$ (35,837)	$ 986,792

b. The following tables sets forth the fair value hierarchy by level, Green Bank's fair value measurements at June 30, 2022 and June 30, 2021:

	As of June 30, 2022		
	Amount	**Significant Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Investments by fair value level:			
Municipal bonds	$ 445,000	$ -	$ 445,000
Venture capital - energy	222,217	-	222,217
Investment rate swap	93,107	93,107	-
Total investments by fair value level	760,324	$ 93,107	$ 667,217
Other investments			
Common stock	245,000		
Total investments	$ 1,005,324		
Investment in derivative instruments:			
Interest rate swap	$ 93,107	$ 93,107	

A. Cash and investments (continued)

	As of June 30, 2021		
	Amount	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level:			
Municipal bonds	$ 986,792	$ -	$ 986,792
Investment rate swap	(699,023)	(699,023)	-
Total investments by fair value level	287,769	$ (699,023)	$ 986,792
Other investments			
Common stock	245,000		
Total investments	$ 532,769		
Investment in derivative instruments:			
Interest rate swap	$ (699,023)	$ (699,023)	

There were no transfers between levels during the years ended June 30, 2022 and 2021.

c. Green Bank's investments subject to credit risk are municipal bonds which were unrated as of June 30, 2022 and 2021.

d. Common stock

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 Green Bank and CI, CI manages these investments on behalf of Green Bank. In the year ended June 30, 2021, 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 Consolidating Statement of Revenues, Expenses and Changes in Net Position. In the year ended June 30, 2022, all remaining investments that CI helped to manage related to debt investments in Operational Demonstration projects that were previously valued at $0 were written off, with a $0 net effect in the Consolidating Statement of Revenues, Expenses and Changes in Net Position. The only remaining portfolio investments at June 30, 2022 are noted below.

In February 2021, Green Bank entered into a new equity investment when Green Bank was issued a stock warrant from an entity that was subsequently exercised at a valuation of $245,000.

A. Cash and investments (continued)

In June 2022, Green Bank entered into an additional equity investment when 200,000 stock warrants were received from an entity that were subsequently exercised at a net valuation of $444,434. Half of this value was received in cash, with the remaining balance as shared in and venture capital -energy partnership.

e. Municipal bonds

Subordinate Series 2015B-1 and 2015C-1

This Series represents two $955,000 bonds received in connection with Green Bank's August 2015 sale of C-PACE Loans to Clean Fund Holdings, LLC (CFH). CFH paid Green Bank approximately $7.7 million in cash along with two bonds issued to 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.

Each bond required semi-annual interest-only payments to Green Bank starting September 10, 2015 and continuing to August 13, 2035. Starting September 10, 2032 and every six months thereafter, principal payments, along with the required interest is to be paid to Green Bank.

In March 2021, a partial redemption reduced the investment of each bond to $493,396.

In March 2022, an additional partial redemption further reduced each bond to $222,500.

The repayment terms include semi-annual interest-only payments to 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 Green Bank continuing to August 13, 2035. In conjunction with the redemption, Green Bank repurchased one of the C-PACE loans which secured the bond cashflows.

Principal maturities of these bonds are as follows:

Year ended June 30,	2015B-1	2015C-1	Total
2033	$ 15,000	$ 15,000	$ 30,000
2034	90,000	90,000	180,000
2035	77,500	77,500	155,000
2036	40,000	40,000	80,000
Totals	$222,500	$222,500	$445,000

A. Cash and investments (continued)

f. Interest rate swap agreement

CT Solar Lease 2 LLC entered into a multi-year interest rate swap agreement with a bank in September 2014. Payments made and received were based on a notional amount of $9,076,425 and $10,346,025 as of June 30, 2022 and 2021, respectively. The agreement provides for CT Solar Lease 2 LLC to receive payments based on the one-month USD-LIBOR-BBA (1.32400% and 0.07288% at June 15, 2022 and 2021, 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 agreement as of June 30, 2022 was reported as an asset of $85,517 and as of June 30, 2021 was reported as a liability of $663,186.

CT Solar Lease 2 LLC entered into a second interest rate swap agreement with a local bank in June of 2017 to meet certain requirements under its credit agreement with the bank as described above. Payments made and received were based on a notional amount of $283,250 and $1,306,400 as of June 30, 2022 and 2021, respectively. This agreement provides for CT Solar Lease 2 LLC to receive payments based on the one-month USD-LIBOR-BBA (1.32400% at June 30, 2022 and 0.07288% at June 30, 2021, the date the agreement became effective) and to make payments based on a fixed rate of 2.10%. The agreement matures on June 15, 2027. The fair value of this agreement as of June 30, 2022 was reported as an asset of $7,590 and as of June 30, 2021 was reported as a liability of $35,837, respectively.

CT Solar Lease 2 LLC uses the dollar-offset method for evaluating effectiveness of the interest rate swap agreements.

B. Receivables

1. Solar lease notes receivable

In June of 2008, the predecessor of 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:

B. Receivables (continued)

Future principal repayments:

2023	$ 1,016,267
2024	1,032,935
2025	793,435
2026	386,399
2027	81,836
2028 and thereafter	35,119
Total	3,345,991
Less reserve for losses	(342,330)
Net principal payments	$ 3,003,661
Current portion	$ 1,016,267
Non-current portion	1,987,394
Total	$ 3,003,661

2. Program loans receivable

Outstanding principal balances by program for the years ending June 30, 2022 and 2021, are as follows:

	2022	2021
Loans in repayment for completed projects:		
Connecticut Green Bank		
CPACE program benefit assessments - in repayment	$ 41,890,513	$ 44,850,272
Grid-tied program term loans	9,310,442	9,702,181
Multifamily/affordable housing program loans	17,468,701	24,807,923
Alpha/operational demonstration program loans	650,000	650,000
Other program loans	7,475,098	2,542,419
CT Solar Loan I LLC		
Residential solar PV program loans - in repayment	865,378	1,376,215
CEFIA Holdings LLC		
Other program loans	8,417,262	6,724,492
CGB CPACE LLC		
CPACE program benefit assessments - in repayment	1,315,747	-
Total loans in repayment for completed projects	87,393,140	90,653,502
Reserve for loan losses	(10,194,857)	(13,349,104)
Total loans in repayment for completed projects, net	$ 77,198,283	$ 77,304,398

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables (continued)

	2022	2021
Loan advances for projects under construction:		
Connecticut Green Bank		
CPACE program benefit assessments - under construction	$ 10,932,147	$ 10,140,390
Grid-tied program term loans - under construction	3,704,827	4,492,237
Total loan advances for projects under construction	14,636,974	14,632,627
Total program loans receivable (net)	$ 91,835,257	$ 91,937,025
Current portion	$ 9,547,825	$ 9,038,575
Non-current portion	82,287,432	82,898,451
Total	$ 91,835,257	$ 91,937,026

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables (continued)

Scheduled repayments of principal under these loans is as follows:

	2023	2024	2025	2026	2027	Thereafter	Total
Connecticut Green Bank							
CPACE program benefit assessments	$ 2,552,121	$ 2,642,963	$ 2,712,178	$ 2,865,618	$ 2,934,817	$ 28,182,816	$ 41,890,513
Grid-tied program term loans	1,187,861	1,275,427	1,371,376	3,085,920	397,672	1,992,186	9,310,442
Multifamily/affordable housing term loans	4,957,105	2,497,896	4,786,694	1,398,274	1,004,341	2,824,391	17,468,701
Alpha/operational demonstration program loans	650,000	-	-	-	-	-	650,000
Other program loans	567,303	1,530,649	1,038,468	1,098,146	1,189,824	2,050,707	7,475,098
CT Solar Loan I LLC							
Residential solar PV program loans	106,614	109,376	113,145	114,138	114,819	307,286	865,378
CEFIA Holdings LLC							
Other program loans	519,200	981,743	554,322	573,797	599,558	5,188,641	8,417,262
CGB CPACE LLC							
CPACE program benefit assessments	54,483	36,135	38,080	40,525	42,922	1,103,602	1,315,747
Total program loan receivables	10,594,687	9,074,190	10,614,263	9,176,418	6,283,953	41,649,629	87,393,140
Reserve for loan losses	(1,046,862)	(275,872)	(457,179)	(500,139)	(77,612)	(7,837,192)	(10,194,857)
Total program receivables, net	$ 9,547,825	$ 8,798,318	$ 10,157,084	$ 8,676,279	$ 6,206,341	$ 33,812,437	$ 77,198,283

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables (continued)

CPACE program benefit assessments

Benefits 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 3.00% to 6.50% 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 April 18, 2019 Green Bank repurchased 37 benefit assessments from a third-party capital provider and cancelled the related CPACE promissory notes. On January 28, 2021 Green Bank repurchased 8 benefit assessments and on March 2, 2021 Green Bank repurchased a benefit assessment from a third-party capital provider.

Grid-tied program loans

Grid-tied term loans in repayment represent the financing of five projects. The first project is the 15-megawatt Bridgeport Fuel Cell Park from Project 150. The primary term loan carries an interest rate of 8.00% with interest and principal repaid on a monthly basis for a term of 7 years, maturing in May 2026. There is a secondary $1,800,000 term loan where interest is paid monthly on the outstanding principal balance at a rate of 8.00%, with principal payments beginning in fiscal year 2026. The second project is a 5 mega-watt wind turbine facility in Colebrook, CT. The primary term loan carries an interest rate of 10.00% with interest and principal repaid on a quarterly basis for a term of 15 years, maturing in December 2030. The third project is an anaerobic digestion facility located in Southington, CT. The term loan carries an interest rate of 2.00% 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. The loan matures in December 2031. The fourth project is a combined heat and power facility located in Bridgeport, CT. The loan earns 2.00% interest and interest and principal are paid monthly through December 2037. The fifth project is an anerobic digester facility located in Thompson, CT. The loan earns 5.00% interest with monthly principal and interest payments through maturity in August 2031.

Additionally, there are two grid-tied program term loans under construction and not in repayment, one for construction of an additional fuel cell project and one for construction of a hydro facility. Both loans will go into repayment upon completion of construction.

E. Receivables (continued)

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, Green Bank has advanced all funds under a $15,000,000 term facility with an interest rate of 7.50% payable monthly. In September 2021, this facility was re-structured, decreasing the commitment to $6,400,000 term financing facility with an interest rate of 7.50% payable monthly, under which $2,699,423 has been advanced. The maturity date of all advances under this restructured facility is September 2024. Under another agreement with the same capital provider, Green Bank has entered into a $10,000,000 revolving financing facility secured by Performance Based Incentive earnings of the capital provider. Each facility advance repays principal and interest monthly, with a rate of 7.50% and a term of 6 years. Maturity dates range from December 2024 to April 2026.

Under the second initiative, on March 18, 2020 Green Bank closed a $6,500,000 facility with a third-party capital provider and moved the existing loan balances under the facility. All notes carry an interest rate of 3.00% payable along with principal on a monthly basis. The notes have terms of 20 years with maturities ranging from December 2025 to March 2040. On December 24, 2019 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. The loan has a maturity date of December 24, 2022 and a variable interest rate of the higher of prime plus 0.50% or 3.50%.

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 either 0.00% or 1.00% interest.

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 6.00%. 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. Green Bank and CEFIA Holdings LLC each originated a portion of loans to a third party for projects developed by Green Bank. The loans carry an interest rate of 5.25% or 5.50% payable along with principal on a quarterly basis for a term of 15 years. CEFIA Holdings LLC also originated loans from a $7,000,000 facility to finance tranches of solar projects which were developed by either Green Bank or the third party. These loans carry an interest rate of 5.50% payable along with principal on a quarterly basis for a term of 15 years.

B. Receivables (continued)

Other program loans also includes a new six year secured term loan related to energy efficiency upgrades entered into in June 2022. The loan carries an interest rate of 5.50% plus a PIK interest rate of 3.50%. The loan requires interest only payments in the first year and monthly payments thereafter with a maturity date of May 31, 2028.

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, a working capital loan to a partner who administers programs on behalf of Green Bank, and various loans related to energy efficiency upgrades, energy savings agreements, and solar development and management.

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.

3. SBEA promissory notes receivable

In December of 2018 Green Bank and Amalgamated Bank entered into a Master Purchase and servicing agreement with Eversource to purchase Small Business Energy Advantage (SBEA) loans. The loans are non-interest 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 4.40% 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 Green Bank purchases 10%. Eversource collects monthly payments on customer utility bills and remits to Green Bank and Amalgamated Bank. Amalgamated Bank receives 90% of the scheduled loan payments, with 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 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 was meant to absorb the potential short-term cash shortfall that would be incurred by CEFIA Holdings LLC if customers are unable to pay their loans. As of June 30, 2022, the reserve has been released leaving a $0 loan loss reserve.

In March 2022, the parties signed the Third Amended and Restated Master Purchase and Servicing Agreement that sets forth a change in the percentages purchased by the banks, whereby Amalgamated Bank purchases 80% of the loan portfolio and Green Bank purchases 20%. For loans purchased after the Third Amended and Restated Master Purchase and Servicing Agreement, the discount for loans with a term of four years or less is equal to the greater of 3.00% or the sum of the two-year Treasury Rate plus 2.10%. For loans with terms of more than four years the same formula is used but with the five-year Treasury Rate. For loans purchased after the Third Amended and Restated Master Purchase and Servicing Agreement, Amalgamated Bank receives 80% of the scheduled loan payments, with Green Bank's payment being adjusted for any shortfall or overage.

B. Receivables (continued)

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

On January 13, 2022, CEFIA Holdings LLC and CGB Green Liberty Notes LLC entered into a participation agreement whereby CGB Green Liberty Notes LLC has agreed to purchase and accept qualifying loans and CEFIA Holdings LLC has agreed to sell and grant CGB Green Liberty Notes LLC a participation interest in certain revenues of CEFIA Holdings LLLC. At the time of the purchase, loans having four or more consecutive months with no customer payments were considered delinquent and not qualifying loans under the participation agreement, and as such CGB Green liberty Notes LLC did not purchase these loans. As of June 30, 2022, CEFIA Holdings LLC has a remaining portfolio valued at $50,934 related to these loans not included in the purchase.

To finance the purchase of the loan portfolios, Green Bank and CGB Green Liberty Notes LLC have entered into a no-recourse loan, whereby Green Bank agrees to provide loans to CGB Green Liberty Notes LLC in the aggregate principal amount not to exceed $10,000,000. The promissory note bears a 0.00% interest rate with a maturity date of June 30, 2032, at which time the note must be paid in full. CGB Green Liberty Notes LLC is not required to make installment payments on the promissory note, and the note is eliminated in consolidation of the Primary Government on the Statement of Net Position. CGB Green Liberty Notes LLC purchased qualifying loans from the first 10 tranches valued at $2,077,799 for $2,011,524.

During 2022 CEFIA Holdings LLC purchased two tranches of loans: (1) 181 loans valued at $256,867 for $246,060 and (2) 136 loans valued at $211,566 for $202,861. Additionally, during 2022, CGB Green Liberty Notes LLC purchased two tranches of loans: (1) 185 loans valued at $350,589 for $335,115 and (2) 150 loans valued at $740,538 for $677,417. During 2021 CEFIA Holdings 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.

B. Receivables (continued)

Future principal repayments under the program are as follows:

Years Ending June 30,	Loan Portfolio	Discount	Balance
2023	$ 1,179,861	$ (49,961)	$ 1,129,900
2024	672,849	(28,835)	644,014
2025	415,229	(20,455)	394,774
2026	220,914	(14,585)	206,329
2027	16,306	(384)	15,922
Thereafter	14,798	(350)	14,448
Totals	$ 2,519,957	$ (114,570)	$ 2,405,387
Current portion	$ 1,179,861	$ (49,961)	$ 1,129,900
Non-current portion	1,340,096	(64,609)	1,275,487
Total	$ 2,519,957	$ (114,570)	$ 2,405,387

4. Leases receivable

Green Bank reports leases receivable and related deferred inflows of resources and lease revenue and interest revenues related to leases as follows:

2022	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
CT Solar Lease 2, LLC				
Residential	$ 15,129,004	$ 15,013,917	$ 1,250,764	$ 486,245
Commercial	2,070,973	1,973,199	134,900	62,610
CEFIA Solar Services, Inc.				
Commercial	68,819	68,819	-	-
Total	$ 17,268,796	$ 17,055,935	$ 1,385,664	$ 548,855

B. Receivables (continued)

2021	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
CT Solar Lease 2, LLC				
Residential	$ 15,951,226	$ 16,264,681	$1,212,131	$ 503,482
Commercial	2,156,444	2,108,099	134,900	65,834
Total	$ 18,107,670	$ 18,372,780	$1,347,031	$ 569,316

Leasing is one of CT Solar Lease 2's principal operations. Future principal and interest repayments under the leases are as follows:

Years Ending June 30,	CT Solar Lease 2 Principal	CT Solar Lease 2 Interest	CT Solar Lease 2 Total	CEFIA Solar Services, Inc. Principal	CEFIA Solar Services, Inc. Interest	CEFIA Solar Services, Inc. Total
2023	$ 984,926	$ 491,096	$ 1,476,022	$ 2,550	$ 2,030	$ 4,580
2024	1,024,741	459,632	1,484,373	2,628	1,952	4,580
2025	1,065,743	427,210	1,492,953	2,708	1,872	4,580
2026	1,107,971	393,803	1,501,774	2,790	1,790	4,580
2027	1,151,459	359,379	1,510,838	2,875	1,705	4,580
2028-2032	6,455,573	1,242,775	7,698,348	15,742	7,158	22,900
2033-2037	5,409,564	276,768	5,686,332	18,286	4,614	22,900
2038-2042	-	-	-	21,240	1,660	22,900
Total	$ 17,199,977	$ 3,650,663	$20,850,640	$ 68,819	$ 22,781	$ 91,600

CT Solar Lease 2, LLC Residential	Approximately 1,200 residential leases for Solar PV systems. The leases are all 20 years in term, with optional buyouts on each anniversary date beginning with the 5th year. Lease terms vary between fixed and escalating payments, and term at various dates through fiscal year 2036.
CT Solar Lease 2, LLC Commercial	6 commercial CPACE Leases for Solar PV systems. The leases are 20 years in term, with payments made semi-annually through the CPACE benefit assessment program. Lease terms vary between fixed and escalating payments, and term at various dates through fiscal year 2037.
CEFIA Solar Services,Inc. Commercial	Commercial lease agreement for a Solar PV system. The lease is 20 years in term, with payments made semi-annually through January 2042.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Capital assets

Capital asset activity for reporting entity for the years ended June 30, 2022 and 2021 are as follows:

Primary government:

2022	Balance, July 1, 2021	Additions	Deletions	Balance, June 30, 2022
Capital assets being depreciated/ amortized:				
Solar lease equipment	$ 10,458,582	$ -	$ -	$ 10,458,582
Furniture and equipment	4,952,250	28,866	-	4,981,116
Computer hardware and software	242,176	32,705	-	274,881
Leasehold improvements	323,275	18,879	-	342,154
Right-to-use leased buildings	2,652,294	-	-	2,652,294
Total capital assets being depreciated/ amortized	18,628,577	80,450	-	18,709,027
Less accumulated depreciation and amortization:				
Solar lease equipment	784,119	348,619	-	1,132,738
Furniture and equipment	653,566	226,042	-	879,608
Computer hardware and software	205,219	23,121	-	228,340
Leasehold improvements	16,164	65,284	-	81,448
Right-to-use leased buildings	106,225	252,598	-	358,823
Total accumulated depreciation and amortization	1,765,293	915,664	-	2,680,957
Capital assets, net	$ 16,863,284	$ (835,214)	$ -	$ 16,028,070

2021 (as restated)	Balance, July 1, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets being depreciated/ amortized:				
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
Right-to-use leased buildings	-	2,652,294	-	2,652,294
Total capital assets being depreciated/ amortized	15,592,759	3,359,589	(323,771)	18,628,577
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
Right-to-use leased buildings	-	106,225	-	106,225
Total accumulated depreciation and amortization:	1,424,162	662,188	(321,057)	1,765,293
Capital assets, net	$ 14,168,597	$ 2,697,401	$ (2,714)	$ 16,863,284

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Capital assets (continued)

Discretely presented component units:

2022	Balance, July 1, 2021	Additions	Deletions	Balance, June 30, 2022
Capital assets being depreciated:				
Solar lease equipment	$76,483,397	$ 74,695	$ (271,553)	$ 76,286,539
Less accumulated depreciation and amortization:				
Solar lease equipment	13,652,283	2,553,015	(55,585)	16,149,713
Capital assets, net	$62,831,114	$(2,478,320)	$ (215,968)	$ 60,136,826

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

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Capital assets (continued)

Total reporting entity:

2022	Balance, July 1, 2021	Additions	Deletions	Balance, June 30, 2022
Capital assets being depreciated/ amortized:				
Solar lease equipment	$ 86,941,979	$ 74,695	$ (271,553)	$ 86,745,121
Furniture and equipment	4,952,250	28,866	-	4,981,116
Computer hardware and software	242,176	32,705	-	274,881
Leasehold improvements	323,275	18,879	-	342,154
Right-to-use leased buildings	2,652,294	-	-	2,652,294
Total capital assets being depreciated/ amortized	95,111,974	155,145	(271,553)	94,995,566
Less accumulated depreciation and amortization:				
Solar lease equipment	14,436,402	2,901,634	(55,585)	17,282,451
Furniture and equipment	653,566	226,042	-	879,608
Computer hardware and software	205,219	23,121	-	228,340
Leasehold improvements	16,164	65,284	-	81,448
Right-to-use leased buildings	106,225	252,598	-	358,823
Total accumulated depreciation and amortization	15,417,576	3,468,679	(55,585)	18,830,670
Capital assets, net	$ 79,694,398	$ (3,313,534)	$ (215,968)	$ 76,164,896

C. Capital assets (continued)

Total reporting entity:

2021 (as restated)	Balance, July 1, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets being depreciated/ amortized:				
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
Right-to-use leased buildings	-	2,652,294	-	2,652,294
Total capital assets being depreciated/ amortized	92,575,046	3,359,589	(822,661)	95,111,974
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
Right-to-use leased buildings	-	106,225	-	106,225
Total accumulated depreciation and amortization	12,603,050	3,227,058	(412,532)	15,417,576
Capital assets, net	$ 79,971,996	$ 132,531	$ (410,129)	$ 79,694,398

D. Short-term liabilities

1. 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.

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 was (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. As of June 30, 2020 $6,000,000 had been advanced under the LOC, which was fully repaid in the year ended June 30, 2021.

D. Short-term liabilities (continued)

The LOC was initially collateralized with revenues generated from Tranche 3 solar facilities under the Master Purchase Agreement ("MPA") 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 Green Bank. See Note II.G 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 replacing them with revenues generated from the Tranche 4 solar facilities, and extends the initial maturity date through July 31, 2021.

On July 30, 2021, the line of credit agreement was amended to replace the Tranche 4 collateral with Tranche 5 and all future Tranches designated as collateral, and to extend the maturity date to July 29, 2022. The LOC had no outstanding balance as of June 30, 2022 or 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, 2022 and June 30, 2021, the collections account balance was $1,792,353 and $2,672,697, respectively, and the cumulative balance in the interest reserve accounts was $97,126 and $98,663, 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 on the one-month LIBOR rate plus the applicable margin of 240 basis points. For the year ended June 30, 2021, $40,621 in interest was paid to the lenders. No interest was paid in the year ended June 30, 2022.

Connecticut Green Bank line of credit - Amalgamated Bank

On May 22, 2019 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 was revolving and funds could 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 were due at maturity on May 20, 2022. Advances could be prepaid without penalty. Through the availability period the amount by which the aggregate commitment exceeds aggregate advances was subject to a 0.2% unused commitment fee. As of June 30, 2021, the outstanding balance was $100,000. At June 30, 2022, the LOC agreement was no longer active.

D. Short-term liabilities (continued)

The LOC was 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, 2022 and 2021, the promissory note balances, net of reserves were $3,003,661 and $3,959,711, respectively. CTSLNI manages a portfolio of residential solar loans. As of June 30, 2022 and 2021, the loan balances, net of reserves were $822,109 and $1,327,301, respectively.

Interest to be paid on each advance commenced on the date the advance was disbursed and ends one month thereafter. Interest was 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, 2022 and 2021, $1,048 and $5,636 respectively, have been paid as interest to the lender.

CGB Green Liberty Notes crowdfunding notes

On January 14, 2022, the CGB Green Liberty Notes completed its initial crowdfunding raise under Regulation Crowdfunding (REG-CF) totaling $190,400 in subscriptions to purchase the first round of Green Liberty Notes. These notes have a one-year maturity with a 1.00% annual interest rate to be paid on the maturity date of January 23, 2023.

On May 13, 2022, the CGB Green Liberty Notes completed a crowdfunding raise under Regulation Crowdfunding (REG-CF) totaling $114,335 in subscriptions to purchase the second round of Green Liberty Notes. These notes have a one-year maturity with a 1.50% annual interest rate to be paid on the maturity date of May 19, 2023.

2. Summary of changes

				Short-Term Debt as of June 30, 2022			
Legal Entity	**Description**	**Interest Rate**	**Maturity Date**	**Balance July 1, 2021**	**Additions**	**Payments**	**Balance June 30, 2022**
Connecticut Green Bank	Line of credit	Prime less 0.80%	N/A	$ 100,000	$ -	$ 100,000	$ -
Green Liberty Notes	Crowdfunding 1	1.00%	1/23/23	-	190,400	-	190,400
Green Liberty Notes	Crowdfunding 2	1.50%	5/19/23	-	114,335	-	114,335
Total Green Liberty Notes				-	304,735	-	304,735
Total				$ 100,000	$ 304,735	$ 100,000	$ 304,735

				Short-Term Debt as of June 30, 2021			
Legal Entity	**Description**	**Interest Rate**	**Maturity Date**	**Balance July 1, 2020**	**Additions**	**Payments**	**Balance June 30, 2021**
Connecticut Green Bank	Line of credit	LIBOR plus 240 basis points	N/A	$ 6,000,000	$ -	$ 6,000,000	$ -

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Long-term liabilities

1. Summary of changes

Legal Entity	Description	Balance July 1, 2021	Additions	Payments	Balance June 30, 2022	Amount Due in One Year
Bonds payable:						
Connecticut Green Bank	CREBs 2017 - Meriden Hydro	$ 2,565,572	$ -	$ (134,348)	$ 2,431,224	$ 158,669
Connecticut Green Bank	CREBs 2017 - CSCUS	8,063,556	-	(528,551)	7,535,005	535,036
Connecticut Green Bank	Green Liberty Bonds 2020-1	16,795,000	-	(1,145,000)	15,650,000	1,148,000
Connecticut Green Bank	Green Liberty Bonds 2021-1	24,834,000	-	(499,000)	24,335,000	1,674,000
Total bonds payable		52,258,128	-	(2,306,899)	49,951,229	3,515,705
Notes payable (direct borrowings):						
SHREC ABS 1 LLC	SHREC ABS	34,126,000	-	(2,454,911)	31,671,089	11,721,089
SHREC ABS 1 LLC	SHREC ABS - Discount	(60,880)	-	5,181	(55,699)	-
Total SHREC ABS 1 LLC		34,065,120	-	(2,449,730)	31,615,390	11,721,089
CT Solar Lease 2 LLC	Line of credit	18,503,841	-	(6,700,072)	11,803,769	2,422,088
CEFIA Solar Services Inc.	CHFA	1,461,350	-	(94,790)	1,366,560	94,788
Total notes payable		54,030,311	-	(9,244,592)	44,785,719	14,237,965
Connecticut Green Bank	Leases payable	2,679,421	-	(152,035)	2,527,386	214,144
Total long-term debt		108,967,860	-	(11,703,526)	97,264,334	17,967,814
Connecticut Green Bank	Net pension liability	20,268,725	1,004,648	-	21,273,373	-
Connecticut Green Bank	Net OPEB liability	23,688,515	-	(3,171,951)	20,516,564	-
Total long-term liabilities		$ 152,925,100	$ 1,004,648	$ (14,875,477)	$ 139,054,271	$ 17,967,814

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Long-term liabilities (continued)

2. Long-term debt – primary government

Connecticut Green Bank New Clean Renewable Energy Bonds

On February 26, 2016, the Board of Directors of 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 Green Bank. On February 2, 2017 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 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 US Treasury under Section 54C of the Internal Revenue Code. The tax credit will be paid in the form of a subsidy to 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 these subsidies will reduce the borrowing costs of Green Bank.

Future maturities on borrowings under the CREB is as follows:

Years Ending June 30,	Principal	Interest	US Treasury Tax Subsidy	CT PURA Interest Subsidy	Total
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	177,705	69,364	(48,925)	(18,013)	180,131
2028-2032	841,184	240,313	(169,502)	-	911,995
2033-2037	747,085	76,218	(53,760)	-	769,543
Totals	$ 2,431,224	$ 735,262	$ (518,608)	$ (90,065)	$ 2,557,813

On September 28, 2017, the Board of Directors of 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 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.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Long-term liabilities (continued)

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 US Treasury under Section 54C of the Internal Revenue Code. The tax credit will be paid in the form of a subsidy to 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 Green Bank.

Future maturities on borrowings under the CREB are as follows:

Years Ending June 30,	Principal	Interest	US Treasury Tax Subsidy	CT PURA Interest Subsidy	Total
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	562,358	245,237	(130,326)	(56,417)	620,852
2028-2032	2,922,592	802,418	(426,428)	(56,417)	3,242,165
2033-2037	1,613,856	216,131	(114,858)	-	1,715,129
2038	255,774	4,738	(2,518)	-	257,994
Totals	$ 7,535,005	$ 2,520,334	$(1,339,377)	$ (338,502)	$ 8,377,460

Green Liberty Bonds – Series 2020

On July 29, 2020, 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%.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Long-term liabilities (continued)

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

Years Ending June 30,	Principal	Interest	Total
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	1,144,000	267,715	1,411,715
2028-2032	4,566,000	986,689	5,552,689
2033-2036	5,354,000	543,431	5,897,431
Totals	$ 15,650,000	$ 3,045,536	$ 18,695,536

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.

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, 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
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	1,644,000	400,358	2,044,358
2028-2032	8,243,000	1,531,516	9,774,516
2033-2037	7,810,000	517,615	8,327,615
Totals	$ 24,335,000	$ 4,219,568	$ 28,554,568

E. Long-term liabilities (continued)

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 proceeds will be used to invest in green energy projects and to refinance expenditures related to the Residential Solar Investment Program.

SHREC ABS 1 LLC Collateralized Note

On March 29, 2019, the Board of Directors authorized 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 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.

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 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. On September 15, 2022 SHREC ABS 1 LLC made a prepayment of $10,185,089 along with the regularly scheduled quarterly principal payment of $130,000. An amended amortization schedule was established with the agreement of all bond parties. Each scheduled principal payment on the revised schedule is approximately 32% lower than the original schedule. Future maturities in the table below reflect both the prepayment and the revised principal payments per the amended amortization schedule.

E. Long-term liabilities (continued)

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

Years Ending June 30,	Principal	Interest	Total
2023	$ 11,721,089	$ 1,214,753	$ 12,935,842
2024	1,686,000	998,493	2,684,493
2025	1,746,000	910,076	2,656,076
2026	1,869,000	817,292	2,686,292
2027	1,953,000	718,846	2,671,846
2028-2032	11,612,000	1,914,272	13,526,272
2033	1,084,000	29,453	1,113,453
Total	$ 31,671,089	$ 6,603,185	$ 38,274,274

3. 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 are as follows:

Years Ending June 30,	Principal	Interest	Total
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	94,788	23,599	118,387
2028-2032	473,953	77,362	551,315
2033-2037	418,667	15,107	433,774
Total	$ 1,366,560	$ 234,161	$1,600,721

E. Long-term liabilities (continued)

CT Solar Lease 2, LLC line of credit

CT Solar Lease 2, LLC has a $27,600,000 line of credit agreement 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
Total	$ 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, 2022 and 2021, were $6,700,072 and $2,350,399, respectively.

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 percent, (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 lesser 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.A.

Certain obligations of CT Solar Lease 2 LLC under the credit agreement are guaranteed by 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, 2022 and 2021, the balances of the line of credit were $11,803,769 and $18,503,841, respectively.

E. Long-term liabilities (continued)

4. Long-term debt – discretely presented component units

Lease agreements are summarized as follows:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022	Balance June 30, 2021
Hartford office space	4/1/2021	10.5	3.00%	$1,566,810	$1,536,492	$1,613,814
Stamford office space	11/1/2020	10.5	3.00%	1,085,484	990,894	1,065,607
Totals				$2,652,294	$2,527,386	$2,679,421

*As of GASB No. 87 implementation date of July 1, 2020.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

Description	Lease Agreement Terms
Hartford Office Space	The office space's lease term includes a six month free-rent period at the onset of the lease.
Stamford Office Space	The office space's lease term includes a five-year additional term that Green Bank anticipates renewing. Additionally, the lease includes 13 free months over the 10.5 year life of the lease.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2023	$ 214,144	$ 75,822
2024	224,825	69,397
2025	234,567	62,653
2026	248,383	55,616
2027	289,832	48,164
2028	304,830	39,469
2029	315,236	30,324
2030	324,693	20,867
2031	314,243	11,126
2032	56,633	1,699
Totals	$2,527,386	$ 415,137

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Long-term liabilities (continued)

5. Asset retirement obligation

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

The aggregate carrying amount of asset retirement obligations recognized by CT Solar Lease 2 and 3 was $4,118,336 and $4,018,011 at June 30, 2022 and June 30, 2021 respectively. The following table shows changes in the aggregate carrying amount of CT Solar Lease 2 and 3's asset retirement obligation for the year ended June 30, 2022:

Balance - June 30, 2021	$ 4,018,011
Accretion expense	100,325
Balance - June 30, 2022	$ 4,118,336

The solar facilities have estimated remaining useful lives ranging from 22 to 27 years at year end. The Company will pay for these obligations with future revenues. There are no assets specifically restricted for payment of the asset retirement obligations.

A deferred outflow of resources related to this asset retirement obligation is also recorded. 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, 2022 is $2,317,404 in the statement of net position.