

***New Hampshire
Housing Finance
Authority***

*Financial Statements and
Management's Discussion and Analysis as of
and for the Year Ended June 30, 2008, and
Independent Auditors' Report*

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Members of
New Hampshire Housing Finance Authority:

We have audited the accompanying financial statements of New Hampshire Housing Finance Authority (the "Authority") as of and for the year ended June 30, 2008, as listed in the accompanying table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority at June 30, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2008 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Members of
New Hampshire Housing Finance Authority:

Our audit was conducted for the purpose of forming an opinion on the Authority's financial statements taken as a whole. The supplemental combining schedules included on pages 24 through 38 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Manchester, New Hampshire
October 23, 2008

Baker *Nauman* *&* *Noyes*

Limited Liability Company

Management's Discussion and Analysis of Financial Position and Results of Operations

New Hampshire Housing Finance Authority (the "Authority") was created by Chapter 204-C of the Revised Statutes Annotated of New Hampshire and provides financial and technical assistance to create and preserve decent, affordable housing for low and moderate-income New Hampshire residents. The Authority finances single family and multi-family housing for eligible persons and families in the state by either purchasing mortgage loans from lending institutions or granting loans directly to eligible borrowers with the proceeds of various bond issues.

In addition, the Authority offers and administers a variety of programs to provide affordable housing opportunities such as federal rental assistance programs, technical assistance loans to stimulate the development of multi-family and special needs housing, Low Income Housing Tax Credits and the HOME Investment Partnership Program.

The accompanying financial statements present the Authority's balance sheet, revenue and expenses and changes in fund equity and cash flows as of and for the year ended June 30, 2008. The enclosed supplemental combining schedules found on pages 24 – 38 present the balance sheets, revenue and expenses and changes in fund equity, and cash flows for the Authority's general funds and each of the single family and multi-family bond programs. The following is a condensed summary of financial information as of June 30, 2008 and 2007.

Condensed Financial Information—Balance Sheet (in thousands of dollars)

	As of June 30		Increase (Decrease)
	2008	2007	
Assets			
Investments	\$ 165,877	\$ 176,953	\$ (11,076)
Loans receivable—net	1,141,937	1,012,098	129,839
Accrued interest receivable on mortgage and construction loans	10,929	9,508	1,421
Deferred charges	21,431	19,199	2,232
Other current assets	14,549	10,627	3,922
Total assets	1,369,312	1,242,120	127,192
Liabilities			
Bonds payable	1,215,619	1,109,218	106,401
Accrued interest payable	29,564	25,283	4,281
Note payable	19,178	6,434	12,744
Accrued and other liabilities	1,672	1,849	(177)
Total liabilities	1,268,836	1,145,378	123,458
Fund Equity			
Restricted fund equity	62,174	56,594	5,580
Unrestricted fund equity	34,878	36,894	(2,016)
Total fund equity	100,476	96,742	3,734

Discussion of Changes in the Balance Sheet

The Authority's balance sheet consists primarily of assets and liabilities related to the issuance of bond indebtedness in support of both single family and multi-family housing. Consequently, the most significant assets are the mortgage loans receivable financed through bond issuance and the funds held in short-term investments awaiting either the purchase of mortgage loans or the redemption of outstanding bonds. The Authority's balance sheet also includes a portfolio of mortgage and construction loans financed through its general funds, as well as a variety of other assets such as mortgage loan servicing rights, property and equipment, and other receivables and deferred charges.

Total assets of the Authority increased by \$127.2 million, or 10.2%, during the year ended June 30, 2008, primarily the net result of:

- Investments decreased by \$11.1 million, due primarily to a \$13.7 million decrease in bond proceeds awaiting mortgage originations.
- Loans receivable increased by \$129.8 million as originations of \$216.8 million exceeded principal payments received of \$67.3 million. The principal payments received included \$44.2 million of payments received in advance of scheduled repayment.
- Accrued interest receivable on loans increased by \$1.4 million related to the increase in mortgage loans outstanding.
- Deferred charges increased by \$2.2 million related to the costs of issuing bonds and originating loans.
- Other current assets increased by \$3.9 million due primarily to the increase in foreclosed properties held for resale.

Total liabilities of the Authority increased by \$123.5 million, or 10.8%, during the year ended June 30, 2008, primarily the net result of:

- Bonds outstanding increased by \$106.4 million as proceeds from new issuance of \$185.6 million exceeded redemptions, both scheduled and prior to scheduled maturity, of \$79.3 million. The redemption of bonds prior to scheduled maturity relates directly to the prepayment of mortgage loans receivable discussed above.
- Accrued interest payable increased by \$4.3 million in connection with the increase in bonds outstanding.
- Note payable increased by \$12.7 million in connection with the use of a bank line of credit to fund single family mortgage loan acquisitions in advance of bond closings, such increase related to the timing of bond closings.

Total fund equity of the Authority increased by \$3.7 million as a result of the net income for the year ended June 30, 2008 discussed in detail under "Discussion of Changes in the Results of Operations for the Year Ended June 30, 2008 Compared to the Year Ended June 30, 2007."

Condensed Financial Information—Operating Results (in thousands of dollars)

	Year Ended June 30		Increase (Decrease)
	2008	2007	
Revenue			
Interest and fees on mortgage and construction loans	\$ 67,803	\$ 57,369	\$ 10,434
Investment income	9,237	9,995	(758)
Federal rental assistance programs revenue	71,159	65,414	5,745
Grants and subsidies	7,964	7,140	824
Total revenue	160,650	144,474	16,176
Expenses			
Bond interest expense and debt financing costs	59,472	51,112	8,360
Administrative expenses	12,076	11,956	120
Loan servicing expenses	1,793	1,607	186
Federal rental assistance programs expense	68,556	65,414	3,142
Grants and subsidies	14,688	13,093	1,595
Total expenses	156,916	143,474	13,442
Net income	3,734	1,000	2,734
Ending fund equity	100,476	96,742	3,734

Discussion of Changes in the Results of Operations for the Year Ended June 30, 2008 Compared to the Year Ended June 30, 2007

The Authority's operating revenue consists primarily of interest and fees on mortgage and construction loans, investment income and revenue received to administer and support Federal rental assistance programs. Operating expenses consist of bond interest expenses and debt financing costs, administrative expenses, loan servicing expenses and expenditures related to Federal rental assistance programs. In addition, the Authority receives and distributes grants and subsidies in support of a variety of housing-related initiatives.

The Authority's net income for the year ended June 30, 2008 was \$3.7 million as compared to \$1.0 million for the year ended June 30, 2007. The \$2.7 million change, the net effect of a \$16.1 million increase in operating revenue and a \$13.4 million increase in operating expenses, was primarily attributable to a change in the recognition of funds received to support Federal rental assistance programs. Previously, excess funds received were periodically returned to the grantor and therefore not recognized in revenue until expended. Excess funds are now held for future program expenditure and therefore recognized as revenue and reflected as restricted fund equity when received. This change resulted in the recognition of \$2.6 million more Federal rental assistance programs revenue than expenses for the year ended June 30, 2008.

Grants and subsidies activity, through which the Authority supports a variety of housing-related initiatives, contributed significantly to the level of net income in both fiscal year 2008 and 2007.

	Year Ended June 30	
	2008	2007
Grants and subsidies revenue	\$ 7,964	\$ 7,140
Grants and subsidies expense	<u>14,688</u>	<u>13,093</u>
Net grants and subsidies activity	<u>\$ (6,724)</u>	<u>\$ (5,953)</u>

The \$0.8 million increase in grants and subsidies revenue was due largely to a nonrecurring \$0.8 million grant received from the state of New Hampshire in fiscal year 2008. The \$1.6 million increase in grants and subsidies expense represents increased subsidies for multi-family housing development, including the \$0.8 million received from the state of New Hampshire, net of a \$0.7 million reduction in down-payment assistance grants to single family homeowners.

Subsidies for multi-family housing development, generally in the form of deferred payment loans, are expensed as disbursed due to the uncertainty of future repayment. Down-payment assistance grants to single family homeowners are expensed as new loans are originated. Although the cash to fund these grants is primarily generated through the sale of bonds with above market interest rates, generally accepted accounting principles do not provide for recognition of the resulting bond issue premiums as revenue, but rather require that the premiums be capitalized and amortized as reductions of bond interest expense over the lives of the respective bonds. Down-payment assistance grant expense totaling \$4,459 and \$5,122, respectively, in fiscal years 2008 and 2007 exceeded the related bond premium amortization and grant repayments by \$1,867 and \$2,457, respectively.

Other changes in operating revenue included:

- A \$10.4 million increase in interest on mortgage and construction loans related to the growth in the loan portfolio noted above.
- A \$0.8 million decrease in investment income, consisting of a \$0.9 million decrease in interest income and a \$0.1 million increase in the fair market value adjustment for long-term investments.
- An increase in Federal rental assistance programs revenue of \$5.7 million due to the net result of a 2.0% increase in unit months, a 2.7% increase in the average monthly unit cost of pass-through rental assistance provided and recognition of \$2.6 million of program funds received and awaiting program expenditure.

Other changes in operating expenses included:

- An \$8.4 million increase in bond interest expense and debt financing costs related to the \$106.4 million increase in bonds outstanding noted above in combination with lower average interest rates on newly issued bonds than those on bonds redeemed.
- A \$3.1 million increase in Federal rental assistance programs expense associated with the Federal rental assistance programs revenue described above.

Cash Flows

The statement of cash flows, which summarizes the changes in the Authority's balance sheet and the results of its operations in terms of cash and cash equivalents, shows a \$0.5 million increase in cash and cash equivalents between June 30, 2007 and June 30, 2008. As evident in the Supplemental Combining Schedule of Cash Flows on pages 27 and 28, the increase in cash and cash equivalents is attributable primarily to the provision of cash from noncapital financing activities and investing activities within the bond programs. Cash provided from noncapital financing activities represents new bond issuance in amounts that exceed the application of loan payments and prepayments to bond redemptions, as well as an excess of note payable advances over repayments. Cash provided from investing activities resulted primarily from the decrease in balances held awaiting the purchase of loans. Cash provided by these activities was used to fund operating activities, primarily loan disbursements in excess of loan receipts and the payment of bond issuance and loan origination costs.

Significant Long-Term Debt Activity

The Authority is authorized to issue bonds, the outstanding balance of which cannot exceed \$2 billion, under the laws of the state of New Hampshire. The Authority has issued bonds for both single family and multi-family housing, the outstanding balance of which totaled \$1,339.7 million at June 30, 2008, including \$1,215.6 million outstanding bonds on the Authority's balance sheet and the additional \$124.1 million of multi-family bonds described in Note 8 to the financial statements.

During the year ended June 30, 2008, the Authority issued \$168.6 million of single family program bonds and \$17.0 million of multi-family program bonds. Based on scheduled maturities, the Authority redeemed during the year single family program bonds, multi-family program bonds and general obligation bonds of \$25.7 million, \$4.0 million and \$0.5 million, respectively. The Authority also redeemed during the year ended June 30, 2008, prior to scheduled maturities, \$40.5 million and \$8.6 million of single family program bonds and multi-family program bonds, respectively. The bond redemptions prior to scheduled maturities resulted from the repayment of mortgage loans prior to scheduled maturities.

Additional Information

The purpose of this financial report is to provide information needed to understand the Authority's financial position and results of operations as of and for the year ended June 30, 2008.

Inquiries for additional information may be directed to Deputy Executive Director, Finance at New Hampshire Housing Finance Authority, 32 Constitution Drive, Bedford, New Hampshire 03110, at (603) 472-8623 or at www.nhhfa.org.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

BALANCE SHEET

JUNE 30, 2008

(In thousands of dollars)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 4,163
Cash held in escrow	784
Short-term investments	149,435
Accrued interest receivable on investments	638
Current portion of mortgage and construction loans receivable	22,535
Accrued interest receivable on mortgage and construction loans	10,929
Current portion of deferred charges	1,191
Other current assets	<u>14,549</u>

Total current assets 204,224

LONG-TERM INVESTMENTS 16,442

LOANS RECEIVABLE:

Mortgage loans	1,143,936
Construction loans	3
Less allowance for possible losses	<u>(2,002)</u>
Loans receivable, net	1,141,937
Less current portion of loans receivable	<u>(22,535)</u>
Long term portion of loans receivable	<u>1,119,402</u>

OTHER ASSETS:

Mortgage loan servicing rights, net	5,485
Property and equipment, net	3,519
Deferred charges	<u>20,240</u>
Total other assets	<u>29,244</u>

TOTAL ASSETS \$ 1,369,312

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:

Current portion of bonds payable	\$ 32,724
Accrued interest payable	29,564
Note payable	19,178
Current portion of accrued and other liabilities	1,161
Current portion of deferred revenue	<u>224</u>
Total current liabilities	82,851

LONG-TERM LIABILITIES:

Bonds payable	1,182,895
Accrued and other liabilities	511
Deferred revenue	<u>2,579</u>
Total liabilities	<u>1,268,836</u>

COMMITMENTS AND CONTINGENCIES (Note 11)

FUND EQUITY:

Invested in capital assets, net of related debt	3,424
Restricted	62,174
Unrestricted	<u>34,878</u>
Total fund equity	<u>100,476</u>

TOTAL LIABILITIES AND FUND EQUITY \$ 1,369,312

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY YEAR ENDED JUNE 30, 2008 (In thousands of dollars)

OPERATING REVENUE:

Interest and fees on mortgage and construction loans	\$ 67,803
Investment income	8,674
Net increase in fair value of investments	563
Housing management fees	4,386
Federal rental assistance programs	71,159
Grants and subsidies (Note 13)	7,964
Other	<u>101</u>
Total operating revenue	<u>160,650</u>

OPERATING EXPENSES:

Bond interest expense and debt financing costs	59,472
Administrative expenses	12,076
Loan servicing expenses	1,793
Federal rental assistance programs	68,556
Grants and subsidies (Note 13)	14,688
Other	<u>331</u>
Total operating expenses	<u>156,916</u>

NET INCOME 3,734

FUND EQUITY, BEGINNING OF YEAR 96,742

FUND EQUITY, END OF YEAR \$ 100,476

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

CASH FLOWS FROM OPERATING ACTIVITIES:

Loan repayments received	\$ 67,273
Loan interest income received	66,963
Federal rental assistance program receipts	71,159
Other receipts	24,637
Loan disbursements	(216,762)
Purchase of loan servicing rights	(1,347)
Payments to vendors and employees	(12,081)
Federal rental assistance program disbursements	(68,556)
Other disbursements	<u>(15,080)</u>
Net cash used for operating activities	<u>(83,794)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Proceeds from issuance of bonds	185,581
Principal repayment of bonds	(79,261)
Proceeds from notes payable	201,817
Repayment of notes payable	(189,073)
Interest paid	<u>(55,085)</u>
Net cash provided by noncapital financing activities	<u>63,979</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Additions to property and equipment	<u>(492)</u>
Net cash used for capital and related financing activities	<u>(492)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investment securities	(133,992)
Proceeds from sale and maturities of investment securities	145,632
Investment income received	<u>9,182</u>
Net cash provided by investing activities	<u>20,822</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 515

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 3,648

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 4,163

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

RECONCILIATION OF NET INCOME TO NET CASH

USED FOR OPERATING ACTIVITIES:

Net income	\$ 3,734
Adjustments to reconcile net income to net cash used for operating activities:	
Amortization of deferred items (net)	610
Amortization of servicing rights	1,098
Depreciation of property and equipment	427
Other noncash loan-related expenses	9,169
Loan interest income converted to loan principal	(288)
Investment income, net	(9,237)
Bond interest expense and debt financing costs	60,180
Changes in operating assets and liabilities:	
Loans receivable	(149,489)
Accrued interest - loans receivable	(1,421)
Loan servicing rights	(1,347)
Other assets	3,073
Accrued and other liabilities and deferred revenue	<u>(303)</u>
Net cash used for operating activities	<u>\$ (83,794)</u>

SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:

Conversion of construction loans receivable to mortgage loans receivable	<u>\$ 2,579</u>
Real estate acquired through foreclosure	<u>\$ 10,699</u>

See notes to financial statements.

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2008 (In thousands of dollars)

1. ORGANIZATION AND NATURE OF OPERATIONS

New Hampshire Housing Finance Authority (the “Authority”) is a body politic and corporate authorized by Chapter 204-C of the Revised Statutes Annotated of New Hampshire. The initial legislation and subsequent amendments grant the Authority the power to sell bonds and use the proceeds to stimulate the construction and rehabilitation of housing for low- and moderate-income families in New Hampshire (the “State”).

The Authority finances single family and multi-family housing for eligible persons and families in the State by purchasing mortgage loans from lending institutions with the proceeds of the various bond issues. In certain instances, the Authority also grants loans directly to eligible borrowers. All such loans are generally collateralized by residential real estate located within the State.

Under the terms of the single family bond programs, the bond issues are further protected from possible losses on mortgage loans by primary mortgage insurance policies, mortgage pool insurance policies, and/or bank letters of credit. Certain of these arrangements involve risk-sharing agreements under which the Authority bears a portion of the risk of loss when actual losses on defaulted and foreclosed loans exceed certain levels (see Note 11 for further discussion).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The Authority’s financial statements have been prepared on the basis of the proprietary-fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services. The Authority applies all applicable Governmental Accounting Standards Board (“GASB”) pronouncements, as well as all Financial Accounting Standards Board (“FASB”) pronouncements issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Authority follows the accrual basis of accounting using, when applicable, funds and accounts stipulated under bond resolutions adopted in connection with the issuance of bonds.

The financial statements encompass the Authority’s general funds and both single family and multi-family bond programs. The general funds account for assets, liabilities, and transactions that are not generally governed by provisions of bond resolutions, except for those assets, liabilities and transactions related to a single issue within the general funds. The single family bond programs encompass various bond issues that were issued in accordance with the General Single Family Residential Mortgage Bond Resolution adopted by the Authority on July 1, 1982 and the General Single Family Mortgage Acquisition Revenue Bond Resolution adopted by the Authority on March 23, 1995.

The multi-family bond programs encompass various bond issues that were issued in accordance with the General Multi-family Housing Bond Resolution adopted by the Authority on November 21, 1991, the Multi-family Housing Revenue Bond Resolution adopted by the Authority on October 22, 1998, the Multi-family Housing Revenue Bond Resolution adopted by the Authority on July 21, 1999, the Multi-family Housing Bond Resolution adopted by the Authority on April 27, 2000, and the General Multi-family Housing Bond Resolution adopted by the Authority on December 14, 2000.

The financial statements comply with the provisions of GASB Statement No. 14, The Financial Reporting Entity, in that the financial statements include all the organizations, activities and functions for which the Authority (the reporting entity) is financially accountable. Determination of financial accountability includes appointment of a voting majority of the component's governing body and (1) its ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the Authority. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than the Authority.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets—All of the assets within bond program funds are pledged for payment against the various bond indentures. Certain of the assets of the general funds are restricted as to purpose by entities other than the Authority, primarily the State and the U.S. Department of Housing and Urban Development (“HUD”).

Mortgage Loans and Allowances for Loan Losses—Loans are stated at the principal amounts outstanding, net of allowances for loan losses. Interest income on loans is recorded on the accrual basis. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful.

The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions.

Investments—Short-term investments consist of debt securities and nonparticipating guaranteed investment contracts. Long-term investments consist of debt securities with fixed maturities in excess of one year. Debt securities are recorded at fair value based on quoted market prices. Nonparticipating guaranteed investment contracts are recorded at the contract value.

Mortgage Loan Servicing Rights—The cost of acquiring the rights to service mortgage loans is capitalized and amortized in proportion to, and over the period of, estimated net servicing income.

The Authority makes an assessment of mortgage servicing rights based on the fair value of those rights. For purposes of measuring impairment, the Authority stratifies mortgage servicing rights based on the age of the underlying loans. The amount of impairment, if any, is the amount by which the carrying amount of the capitalized mortgage servicing rights for a stratum exceeds its fair value. Fair value represents the present value of the anticipated net cash flows from servicing the loans.

Property and Equipment—The Authority uses a capitalization limit of \$5 for developed software and \$1 for all other items of property and equipment. Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 45 years.

Other Real Estate Owned—Other real estate owned consists of single-family and multi-family residential properties acquired through foreclosure that are carried at the lower of cost or fair value less estimated costs to sell, and are included in other current assets.

Arbitrage Rebate—Federal income tax rules limit the investment yield that the Authority may retain from investing the proceeds and other funds related to its tax-exempt bond issues. The excess yield is payable to the U.S. Treasury and included in accrued and other liabilities in the accompanying balance sheet.

Operating Revenue and Expenses—The Authority’s primary operation is to borrow funds through the issuance of bonds and to use those funds to make single family and multi-family loans. The Authority’s primary source of operating revenue is the investment of bond proceeds in mortgage loans or other permitted investments. The primary operating expense is the bond interest expense and other financing costs associated with the bonds outstanding.

The Authority also administers various Section 8 subsidized housing programs in the State for HUD. The Authority receives Federal financial assistance to provide rental subsidies to program participants and to cover program administration costs. A significant portion of the subsidies are disbursed on behalf of program participants who reside in housing developments on which the Authority holds a mortgage loan financed through the issuance of multi-family program bonds. The financial assistance received and disbursed on behalf of program participants is reflected as both a revenue and expense. The financial assistance that covers program administration costs is included in housing management fees.

The Authority receives various other pass-through grants to support housing programs. In addition to these pass-through funds, the Authority also makes various grants to both organizations and individuals for housing-related purposes.

Commitment Fees—Beginning with mortgages purchased with proceeds from a 1988 bond issue, commitment fee revenue and certain direct origination costs are recognized over the lives of the loans as adjustments to the yield, in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 91, *Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases*. For bonds issued prior to 1988, commitment fees were recognized as income when the related mortgage loans were funded by the Authority and the related direct origination costs were charged to expense as incurred.

Amortization—Deferred financing and other costs related to the sale of bonds are amortized over the terms of the bonds in accordance with the scheduled maturity and early redemption of the bonds. Bond discounts and premiums are amortized over the terms of the bonds using the interest method.

Interfund Transfers—The Authority makes transfers between its various funds and programs, primarily for the infusion of cash into new bond issue programs and the withdrawal of cash from bond issues as permitted by the bond resolutions. All interfund receivables and payables are eliminated from the financial statements.

3. LOANS RECEIVABLE

Mortgage Loans—Mortgage loans receivable provide for monthly receipts of principal and interest for terms of 1 to 40 years and bear interest at annual rates of 0% to 13.25%.

Allowances for Loan Losses—Activity in the allowances for losses on mortgage and construction loans during fiscal 2008 is summarized as follows:

Balance—June 30, 2007	\$ <u>2,205</u>
Balance attributable to:	
Mortgage and construction loans	\$ 2,080
Other assets	<u>125</u>
Total	2,205
Write-offs	(108)
Gains and recoveries	<u>1</u>
Balance—June 30, 2008	\$ <u>2,098</u>
Balance attributable to:	
Mortgage and construction loans	\$ 2,002
Other assets	<u>96</u>
Total	\$ <u>2,098</u>

4. CASH AND INVESTMENTS

Cash and Cash Equivalents—At June 30, 2008, the carrying amount of the Authority's bank deposits was \$4,163, such amount representing cash bank deposits and amounts invested in money market funds or repurchase agreements backed by U.S. Treasury or agency obligations. Bank balances of cash deposits held in the general funds totaled \$2,366. Of such deposits, \$200 was insured by the Federal Deposit Insurance Corporation, while deposits aggregating \$2,166 were uninsured. Of the uninsured deposits, \$392 was invested in repurchase agreements backed by U.S. Treasury or agency obligations and \$1,132 was protected by bank securities pledged and held at the Federal Reserve Bank. The collateral for these investments was held in the name of the depository bank.

At June 30, 2008, the carrying amount of the Authority's restricted cash (cash held in escrow) was \$784. The restricted cash bank balance and amount of uninsured restricted cash was \$2,559. Of the uninsured deposits, \$2,434 was invested in repurchase agreements backed by U.S. Treasury or agency obligations and \$119 was protected by bank securities pledged and held at the Federal Reserve Bank. The collateral for these investments was held in the name of the depository bank.

In September 2008, the bank provided a \$1,200 Irrevocable Stand-by Letter of Credit issued by the Federal Home Loan Bank of Pittsburgh in lieu of providing pledged securities held by the Federal Reserve Bank. The Letter of Credit expires in January 2009 and is expected to be renewed by the Bank each four months at a level consistent with uninsured cash balances that are not invested in repurchase agreements.

Investments—In accordance with the terms of its investment policy and its bond indentures, the Authority may invest, subject to various restrictions, in direct obligations of the United States, United States government sponsored agency (GSE) securities, guaranteed investment contracts, collateralized repurchase agreements, money market funds comprised of direct obligations of the United States or GSE debt obligations, and collateralized certificates of deposit and interest-bearing time deposits. The majority of investments are restricted for the repayment of bond obligations or to satisfy certain reserve requirements specified by the bond indentures.

Guaranteed investment contracts are uncollateralized contracts with qualified financial institutions and registered broker-dealers insured by the Securities Investor Protection Corporation (“SIPC”). Although the nominal maturity dates of the guaranteed investment contracts are closely matched with future bond maturities and loan disbursements, the contracts have short-term liquidity and termination provisions. The Federal Home Loan Mortgage Corporation (“FHLMC”), Federal Home Loan Bank (“FHLB”), and Federal National Mortgage Association (“FNMA”) obligations are in the Authority’s name and held by third parties.

Short-Term Investments—Short-term investments at June 30, 2008, consist of the following investments with maturities of less than one year:

Guaranteed investment contracts (at contract value)	\$ 145,015
U.S. Treasury obligation money market funds (at fair value)	2,823
FHLB obligations (at fair value)	<u>1,597</u>
Total	<u>\$ 149,435</u>

Long-Term Investments—Long-term investments at June 30, 2008, consist of the following investments (at fair value), all maturing in excess of one year, with maturities ranging from 2017 to 2025. A net increase in fair value of \$563 was recorded during fiscal 2008.

	Investment Maturities (In Years)			
	<u>6-10</u>	<u>11-15</u>	<u>16-20</u>	<u>Total</u>
FHLMC obligations	\$ -	\$ 4,247	\$ -	\$ 4,247
FHLB obligations	4,240	3,928	-	8,168
FNMA obligations	<u>570</u>	<u>3,292</u>	<u>165</u>	<u>4,027</u>
Total	<u>\$ 4,810</u>	<u>\$ 11,467</u>	<u>\$ 165</u>	<u>\$ 16,442</u>

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority invests primarily in guaranteed investment contracts that provide for withdrawal of funds at par over the lives of the contracts. The portfolio of money market, FHLB, FHLMC and FNMA investments is subject to fair value fluctuations.

Credit Risk—Credit risk is the risk that an investment issuer will not fulfill its obligations. Credit risk is measured by the credit quality ratings of issuers as described by nationally recognized rating organizations. The Authority requires providers of guaranteed investment contracts to have and maintain a long-term unsecured debt obligation rating or claims paying ability rating sufficient to support the applicable Authority bond rating. In the event of an investment provider rating downgrade that will impact the applicable Authority bond rating, the Authority may request the provider to deliver collateral sufficient to maintain the Authority bond rating or terminate the contract.

Custodial Credit Risk—Custodial credit risk is the risk that, in the failure of a counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s policy requires collateralized repurchase agreement providers to be members of the Federal Deposit Insurance Corporation or the Association of Primary Dealers in United States Government Securities and the collateral provided must be direct obligations of the United States or GSE debt obligations, have a maintained market value of not less than 102% of the repurchase agreement maturity value and be delivered to a third party custodian acting as a fiduciary on behalf of the Authority.

Concentration of Credit Risk—Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue or a single issuer. The Authority does not place limits on the amount of investment in a single issue or a single issuer. Investments in issuers that represent 5% or more of total short and long term investments at June 30, 2008, with their credit quality ratings as issued by Moody’s Investors Service as of the date of this report, are as follows:

Guaranteed Investment Contracts Provided By:	<u>Rating</u>	
American International Group Matched Funding Corp.	A3	\$ 21,791
Bank of America	Aa2	12,712
Bayerische Landesbank Girozentrale	Aa2	49,666
Citicorp	Aa3	9,270
Transamerica Life Insurance Company	Aa3	31,451
Federal Home Loan Bank	Not Rated	<u>9,765</u>
Total		<u>\$ 134,655</u>

5. OTHER CURRENT ASSETS

Other current assets at June 30, 2008 consist of the following:

Accounts receivable	\$ 4,147
Prepaid expenses	2,103
Real estate held for resale, net	<u>8,299</u>
Total	<u>\$ 14,549</u>

6. MORTGAGE LOAN SERVICING RIGHTS

During fiscal 2008, the Authority capitalized \$1,347 in connection with the purchase of servicing rights and recorded amortization of \$1,098. At June 30, 2008, mortgage loan servicing rights totaled \$5,485, net of accumulated amortization of \$14,123.

7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2008, consists of:

Land and building	\$ 4,461
Equipment	3,893
Furniture and fixtures	<u>405</u>
Total	8,759
Less accumulated depreciation	<u>(5,240)</u>
Property and equipment—net	<u>\$ 3,519</u>

Depreciation expense for the year ended June 30, 2008 was \$427.

8. BONDS PAYABLE

Bonds payable consist of term and serial bonds due in installments on January 1 and July 1 of each year, with the exception of several compound interest bonds in the single family bond programs that are due only at maturity. These compound interest bonds accrete, based on constant effective annual rates, from original cash values to their redemption values. The table that follows on page 19 includes these bonds at their maturity values. Interest paid on bonds of the Authority is generally exempt from federal income taxes, except for certain bonds including nine series of Single Family Mortgage Acquisition Revenue Bonds and two series of taxable General Multi-family Housing Bonds.

Bonds payable activity for the year ended June 30, 2008 was as follows:

Balance—June 30, 2007	\$1,109,218
Bond issuance	185,581
Amortization of bond discount and accretion of interest	81
Principal repayment	<u>(79,261)</u>
Balance—June 30, 2008	<u>\$1,215,619</u>
Amount payable within one year	<u>\$ 32,724</u>

Principal and interest payments due on outstanding bonds are as follows at June 30, 2008:

	Principal	Interest	Total
Year Ending June 30:			
2009	\$ 32,724	\$ 59,952	\$ 92,676
2010	31,422	59,938	91,360
2011	32,599	58,727	91,326
2012	32,202	57,449	89,651
2013	<u>35,889</u>	<u>56,076</u>	<u>91,965</u>
Subtotal, years ending 2009-2013	164,836	292,142	456,978
Years ending June 30:			
2014-2018	158,515	256,898	415,413
2019-2023	172,385	215,170	387,555
2024-2028	209,615	165,289	374,904
2029-2033	241,940	105,634	347,574
2034-2038	203,370	41,145	244,515
2039-2043	46,240	7,495	53,735
2044-2048	9,640	1,018	10,658
2049-2053	<u>140</u>	<u>4</u>	<u>144</u>
Total	1,206,681	\$ <u>1,084,795</u>	\$ <u>2,291,476</u>
Unamortized premium	18,225		
Unamortized discount and deferred advanced refunding costs	(8,384)		
Unrecorded accretion included in debt service schedule	<u>(903)</u>		
Total bonds payable	\$ <u>1,215,619</u>		

In the ordinary course of its business, the Authority redeems, prior to stated maturity, various amounts of bonds from prepayments of the related mortgage loans. During fiscal 2008, the Authority redeemed, prior to stated maturity and in accordance with the terms of the bonds, \$40,503 of current interest and accreting single family bond program bonds and \$8,550 of current interest multi-family bond program bonds. No gain or loss was realized from the redemption of these bonds. Deferred financing costs of approximately \$256 relating to bonds redeemed were charged to expense in fiscal 2008, and previously deferred financing costs of \$212 were accounted for in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*, and deferred over the terms of the new bond issues.

Prior to fiscal 2008, the Authority issued \$279,657 of multi-family housing revenue bonds. The proceeds of the bonds were made available to various developers, and the bonds are payable solely from amounts received by the bond trustees from revenue earned by the developers. Such payments have been either fully insured or guaranteed by letter-of-credit arrangements. The faith and credit of the Authority is not pledged to the principal or the interest of the bonds. Accordingly, the Authority has not recorded these additional bond obligations in its financial statements. At June 30, 2008, \$124,100 of these bonds was outstanding.

9. CREDIT FACILITIES

The Authority has an unsecured \$5,000 line of credit with a bank, which bears interest at the bank's prime rate and expires on November 30, 2008. There were no amounts outstanding on the line at June 30, 2008.

The Authority has an unsecured \$40,000 line of credit with a bank for the purpose of acquiring single family mortgage loans prior to the issuance of single family bonds and for financing short-term construction loans for multi-family housing projects. This line of credit bears interest at a fluctuating per annum rate based on the one-month LIBOR rate and expires on November 30, 2009. At June 30, 2008, \$19,178 was outstanding and the interest rate was 2.837%.

10. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities at June 30, 2008 consist of the following:

	<u>Current</u>	<u>Long-Term</u>
Accounts payable	\$ 773	\$ -
Funds held in escrow	253	397
Accrued servicing fees	59	-
Accrued rebate liability	<u>76</u>	<u>114</u>
Total	<u>\$ 1,161</u>	<u>\$ 511</u>

11. COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, the Authority has outstanding various commitments and contingent liabilities including the following:

- At June 30, 2008, the Authority was committed to fund approximately \$22,784 of mortgage loans under the single family bond program.
- The Authority has committed to maintain primary mortgage insurance policies for all the single family bond program bond issues. The primary insurance policies for three issues contain risk-sharing arrangements. The Authority has also committed to maintain pool insurance policies or letters of credit with various financial institutions for all issues, except one issue for which a self-insurance fund is maintained. The letters of credit are for various amounts, up to 10% of the aggregate initial mortgage principal balance for certain issues. The aggregate maximum contingent liability to the general funds with respect to these arrangements is approximately \$2,138 for the risk-sharing insurance agreements and \$5,640 for the letters of credit.
- The Authority has authorized the expenditure of approximately \$4,377 from the general funds for the purchase of housing units and for other housing-related purposes.
- Provisions of certain general funds and multi-family bond program loans require the Authority to administer certain funds in escrow on behalf of developers for the purposes of project completion, working capital and contingency reserves, insurance and taxes. At June 30, 2008, these balances aggregated \$31,237. These balances are not included in the Authority's financial statements as they are maintained in separate accounts in the names of the developers.
- The Authority is subject to various legal proceedings and claims that arise in the normal course of its business. In the opinion of management, the ultimate resolution of these actions will not materially affect the accompanying financial statements of the Authority.

12. RESTRICTED FUND EQUITY

The components of restricted fund equity at June 30, 2008 are as follows:

Restricted for purpose of funding source—general funds	\$ 20,474
Restricted for purpose of bond issues:	
Single family bond programs	27,402
Multi-family bond programs	<u>14,298</u>
Total	<u>\$ 62,174</u>

13. GRANTS AND SUBSIDIES

The Authority receives and distributes grants and subsidies in support of a variety of housing-related initiatives. Grants and subsidies expense exceeds grants and subsidies revenue by \$6,724 primarily due to the expenditure of discretionary resources to subsidize multi-family housing development and the use of bond issue premiums to provide down-payment assistance grants to single family homeowners. Subsidies for multi-family housing developments are generally in the form of deferred payment loans. The loan amounts are expensed as disbursed due to the uncertainty of future repayment, and loan recoveries are recorded as revenue.

Down payment assistance grants to single family homeowners are expensed as new loans are originated. Although the cash to fund these grants is primarily generated through the sale of bonds with above market interest rates, generally accepted accounting principles do not provide for recognition of the resulting bond issue premiums as revenue, but rather require that the premiums be capitalized and amortized as reductions of bond interest expense over the lives of the respective bonds. Consequently, grants and subsidies expense related to down-payment assistance grants can significantly exceed the premium amortization recorded in a given fiscal period. In the year ended June 30, 2008, the Authority recognized amortization of bond premiums and grant recoveries totaling \$2,592 and recorded down-payment assistance grants expense totaling \$4,459.

14. EMPLOYEE BENEFIT PLANS

The Authority has established, and can amend, the Defined Contribution Pension Plan for Employees of New Hampshire Housing Finance Authority in accordance with the provisions of Internal Revenue Code Section 401(a). All employees with over six months of service are covered by the plan, which is administered by Mutual of America and requires employer contributions equal to 5% of the salaries of covered employees. Payroll of covered employees for fiscal 2008 totaled \$5,946 while total payroll for fiscal 2008 totaled \$6,081. The Authority expensed and made contributions to the plan of \$298 for fiscal 2008, such amount representing 5% of covered payroll.

The Authority has also established, and can amend, the Voluntary Deferred Compensation Plan for Employees of New Hampshire Housing Finance Authority in accordance with the provisions of Internal Revenue Code Section 457. This plan, which is administered by Mutual of America, enables all employees with over six months of service to make tax-deferred contributions that are partially matched by the Authority. The Authority expensed and made contributions to the plan of \$109 for fiscal 2008.

15. HOUSING MANAGEMENT FEES

The Authority administers Section 8 subsidized housing programs under HUD new construction, moderate and substantial rehabilitation, housing choice voucher, and contract administration programs and receives fees for these services. Total Federal funds administered by the Authority under these programs aggregated \$72,965 for the year ended June 30, 2008.

16. SUBSEQUENT EVENTS

On September 11, 2008, the Authority issued its Single Family Mortgage Acquisition Revenue Bonds, 2008 Series E, F and G (the “2008 E F G Bonds”) in the amount of \$51,520. Issuance of the 2008 E F G Bonds increased bonds payable by \$44,611, net of bonds refunded, and total assets by \$26,350. In connection with the issuance of the 2008 E F G Bonds, the Authority transferred assets totaling approximately \$2,043, net of cash contributions to the new issue, from the single family bond program funds to the general funds. The transfers resulted in an increase in the unrestricted fund balance of the general funds and a decrease in the restricted fund balance of the single family bond program funds.

* * * * *

SUPPLEMENTAL COMBINING SCHEDULES

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION

JUNE 30, 2008

(In thousands of dollars)

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 2,394	\$ 1,295	\$ 474	\$ -	\$ 4,163
Cash held in escrow	784	-	-	-	784
Short-term investments	2,986	124,517	21,932	-	149,435
Accrued interest receivable on investments	103	529	6	-	638
Current portion of mortgage and construction loans receivable	1,026	15,807	5,702	-	22,535
Accrued interest receivable on mortgage and construction loans	231	10,002	696	-	10,929
Accrued loan servicing fees	603	-	-	(603)	-
Current portion of deferred charges	5	1,128	58	-	1,191
Other current assets	4,055	10,477	17	-	14,549
Total current assets	12,187	163,755	28,885	(603)	204,224
LONG-TERM INVESTMENTS	13,092	3,186	164	-	16,442
LOANS RECEIVABLE:					
Mortgage loans	41,892	962,613	139,431	-	1,143,936
Construction loans	3	-	-	-	3
Less allowance for possible losses	(926)	(1,076)	-	-	(2,002)
Loans receivable, net	40,969	961,537	139,431	-	1,141,937
Less current portion of loans receivable	(1,026)	(15,807)	(5,702)	-	(22,535)
Long term portion of loans receivable	39,943	945,730	133,729	-	1,119,402
OTHER ASSETS:					
Mortgage loan servicing rights, net	5,485	-	-	-	5,485
Property and equipment, net	3,519	-	-	-	3,519
Deferred charges	205	18,247	1,788	-	20,240
Interfund receivables	14,549	1,476	93	(16,118)	-
Total other assets	23,758	19,723	1,881	(16,118)	29,244
TOTAL ASSETS	\$ 88,980	\$ 1,132,394	\$ 164,659	\$ (16,721)	\$ 1,369,312

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION

JUNE 30, 2008

(In thousands of dollars)

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
LIABILITIES AND FUND EQUITY					
CURRENT LIABILITIES:					
Current portion of bonds payable	\$ 475	\$ 27,009	\$ 5,240	\$ -	\$ 32,724
Accrued interest payable	12	25,901	3,651	-	29,564
Note payable	19,178	-	-	-	19,178
Current portion of accrued and other liabilities	1,090	653	21	(603)	1,161
Current portion of deferred revenue	<u>129</u>	<u>39</u>	<u>56</u>	<u>-</u>	<u>224</u>
Total current liabilities	20,884	53,602	8,968	(603)	82,851
LONG-TERM LIABILITIES					
Bonds payable	-	1,044,070	138,825	-	1,182,895
Accrued and other liabilities	397	74	40	-	511
Deferred revenue	1,097	304	1,178	-	2,579
Interfund payables	<u>7,826</u>	<u>6,942</u>	<u>1,350</u>	<u>(16,118)</u>	<u>-</u>
Total liabilities	<u>30,204</u>	<u>1,104,992</u>	<u>150,361</u>	<u>(16,721)</u>	<u>1,268,836</u>
FUND EQUITY:					
Invested in capital assets, net of related debt	3,424	-	-	-	3,424
Restricted	20,474	27,402	14,298	-	62,174
Unrestricted	<u>34,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,878</u>
Total fund equity	<u>58,776</u>	<u>27,402</u>	<u>14,298</u>	<u>-</u>	<u>100,476</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 88,980</u>	<u>\$ 1,132,394</u>	<u>\$ 164,659</u>	<u>\$ (16,721)</u>	<u>\$ 1,369,312</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
OPERATING REVENUE:					
Interest on mortgage and construction loans	\$ 6,105	\$ 56,140	\$ 9,312	\$ (3,754)	\$ 67,803
Investment income	918	6,749	1,007	-	8,674
Net increase in fair value of investments	489	69	5	-	563
Housing management fees	4,386	-	-	-	4,386
Federal rental assistance programs	71,159	-	-	-	71,159
Bond issuance fees	2,051	-	-	(2,051)	-
Grants and subsidies	7,964	-	-	-	7,964
Other	99	-	2	-	101
Total operating revenue	<u>93,171</u>	<u>62,958</u>	<u>10,326</u>	<u>(5,805)</u>	<u>160,650</u>
OPERATING EXPENSES:					
Bond interest expense and debt financing costs	40	51,806	7,626	-	59,472
Administrative expenses	11,470	515	91	-	12,076
Loan servicing expenses	1,836	3,419	292	(3,754)	1,793
Federal rental assistance programs	68,556	-	-	-	68,556
Bond issuance fees	-	1,809	242	(2,051)	-
Grants and subsidies	10,229	4,459	-	-	14,688
Other	-	29	302	-	331
Total operating expenses	<u>92,131</u>	<u>62,037</u>	<u>8,553</u>	<u>(5,805)</u>	<u>156,916</u>
NET INCOME	1,040	921	1,773	-	3,734
INTERFUND TRANSFERS, NET	(1,245)	2,286	(1,041)	-	-
FUND EQUITY, BEGINNING OF YEAR	<u>58,981</u>	<u>24,195</u>	<u>13,566</u>	<u>-</u>	<u>96,742</u>
FUND EQUITY, END OF YEAR	<u>\$ 58,776</u>	<u>\$ 27,402</u>	<u>\$ 14,298</u>	<u>\$ -</u>	<u>\$ 100,476</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Loan repayments received	\$ 179,863	\$ 53,750	\$ 10,203	\$(176,543)	\$ 67,273
Loan interest income received	5,977	55,462	9,235	(3,711)	66,963
Federal rental assistance program receipts	71,159	-	-	-	71,159
Other receipts	16,617	12,389	128	(4,497)	24,637
Loan disbursements	(198,106)	(178,377)	(16,822)	176,543	(216,762)
Purchase of loan servicing rights	(1,347)	-	-	-	(1,347)
Payments to vendors and employees	(11,144)	(544)	(393)	-	(12,081)
Federal rental assistance program disbursements	(68,556)	-	-	-	(68,556)
Other disbursements	(7,083)	(14,545)	(1,660)	8,208	(15,080)
Net cash provided by (used for) operating activities	(12,620)	(71,865)	691	-	(83,794)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Proceeds from issuance of bonds	-	168,601	16,980	-	185,581
Principal repayment of bonds	(520)	(66,231)	(12,510)	-	(79,261)
Proceeds from notes payable	201,817	-	-	-	201,817
Repayment of notes payable	(189,073)	-	-	-	(189,073)
Interest paid	(752)	(46,882)	(7,451)	-	(55,085)
Net cash provided by (used for) noncapital financing activities	11,472	55,488	(2,981)	-	63,979
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Additions to property and equipment	(492)	-	-	-	(492)
Net cash used for capital and related financing activities	(492)	-	-	-	(492)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investment securities	(7,644)	(108,096)	(18,252)	-	(133,992)
Proceeds from sale and maturities of investment securities	7,050	118,633	19,949	-	145,632
Investment income received	1,030	7,095	1,057	-	9,182
Net cash provided by investing activities	436	17,632	2,754	-	20,822
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,204)	1,255	464	-	515
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,598	40	10	-	3,648
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,394	\$ 1,295	\$ 474	\$ -	\$ 4,163

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Net income	\$ 1,040	\$ 921	\$ 1,773	\$ -	\$ 3,734
Adjustments to reconcile net income to net cash provided by (used for) operating activities:					
Amortization of deferred items (net)	(235)	912	(67)	-	610
Amortization of servicing rights	1,098	-	-	-	1,098
Depreciation of property and equipment	427	-	-	-	427
Other noncash loan-related expenses	9,169	-	-	-	9,169
Loan interest income converted to loan principal	(44)	(192)	(52)	-	(288)
Investment income, net	(1,407)	(6,818)	(1,012)	-	(9,237)
Bond interest expense and debt financing costs	748	51,806	7,626	-	60,180
Changes in operating assets and liabilities:					
Loans receivable	(18,243)	(124,627)	(6,619)	-	(149,489)
Accrued interest - loans receivable	(70)	(1,396)	45	-	(1,421)
Loan servicing rights	(1,347)	-	-	-	(1,347)
Other assets	(781)	6,118	(34)	(2,230)	3,073
Accrued and other liabilities and deferred revenue	(2,123)	(462)	52	2,230	(303)
Interfund transfers	(852)	1,873	(1,021)	-	-
Net cash provided by (used for) operating activities	<u>\$ (12,620)</u>	<u>\$ (71,865)</u>	<u>\$ 691</u>	<u>\$ -</u>	<u>\$ (83,794)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:					
Conversion of construction loans receivable to mortgage loans receivable	<u>\$ 2,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,579</u>
Real estate acquired through foreclosure	<u>\$ -</u>	<u>\$ 10,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,699</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION - SINGLE FAMILY BOND PROGRAMS

JUNE 30, 2008

(In thousands of dollars)

	1982-1994	1995-2008	Total
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 64	\$ 1,231	\$ 1,295
Short-term investments	24,475	100,042	124,517
Accrued interest receivable on investments	53	476	529
Current portion of mortgage and construction loans receivable	431	15,376	15,807
Accrued interest receivable on mortgage and construction loans	96	9,906	10,002
Current portion of deferred charges	16	1,112	1,128
Other current assets	<u>34</u>	<u>10,443</u>	<u>10,477</u>
Total current assets	<u>25,169</u>	<u>138,586</u>	<u>163,755</u>
LONG-TERM INVESTMENTS	<u>-</u>	<u>3,186</u>	<u>3,186</u>
LOANS RECEIVABLE:			
Mortgage loans	8,087	954,526	962,613
Less allowance for possible losses	<u>(88)</u>	<u>(988)</u>	<u>(1,076)</u>
Loans receivable, net	7,999	953,538	961,537
Less current portion of loans receivable	<u>(431)</u>	<u>(15,376)</u>	<u>(15,807)</u>
Long term portion of loans receivable	<u>7,568</u>	<u>938,162</u>	<u>945,730</u>
OTHER ASSETS:			
Deferred charges	142	18,105	18,247
Interfund receivables	<u>4</u>	<u>1,472</u>	<u>1,476</u>
Total other assets	<u>146</u>	<u>19,577</u>	<u>19,723</u>
TOTAL ASSETS	<u>\$ 32,883</u>	<u>\$ 1,099,511</u>	<u>\$ 1,132,394</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION - SINGLE FAMILY BOND PROGRAMS JUNE 30, 2008

(In thousands of dollars)

	1982-1994	1995-2008	Total
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES:			
Current portion of bonds payable	\$ 5,250	\$ 21,759	\$ 27,009
Accrued interest payable	210	25,691	25,901
Current portion of accrued and other liabilities	5	648	653
Current portion of deferred revenue	<u>3</u>	<u>36</u>	<u>39</u>
Total current liabilities	5,468	48,134	53,602
LONG-TERM LIABILITIES			
Bonds payable	19,789	1,024,281	1,044,070
Accrued and other liabilities	-	74	74
Deferred revenue	18	286	304
Interfund payables	<u>826</u>	<u>6,116</u>	<u>6,942</u>
Total liabilities	<u>26,101</u>	<u>1,078,891</u>	<u>1,104,992</u>
COMMITMENTS AND CONTINGENCIES			
FUND EQUITY - Restricted			
	<u>6,782</u>	<u>20,620</u>	<u>27,402</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 32,883</u>	<u>\$ 1,099,511</u>	<u>\$ 1,132,394</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY-SINGLE FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	1982-1994	1995-2008	Total
OPERATING REVENUE:			
Interest on mortgage and construction loans	\$ 608	\$ 55,532	\$ 56,140
Investment income	2,525	4,224	6,749
Net increase in fair value of investments	-	69	69
Total operating revenue	<u>3,133</u>	<u>59,825</u>	<u>62,958</u>
OPERATING EXPENSES:			
Bond interest expense and debt financing costs	2,662	49,144	51,806
Administrative expenses	47	468	515
Loan servicing expenses	33	3,386	3,419
Bond issuance fees	-	1,809	1,809
Grants and subsidies	-	4,459	4,459
Other	19	10	29
Total operating expenses	<u>2,761</u>	<u>59,276</u>	<u>62,037</u>
NET INCOME	372	549	921
FUND EQUITY, BEGINNING OF YEAR	6,513	17,682	24,195
INTERFUND TRANSFERS, NET	<u>(103)</u>	<u>2,389</u>	<u>2,286</u>
FUND EQUITY, END OF YEAR	<u>\$ 6,782</u>	<u>\$ 20,620</u>	<u>\$ 27,402</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION - SINGLE FAMILY BOND PROGRAMS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	1982-1994	1995-2008	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loan repayments received	\$ 1,002	\$ 52,748	\$ 53,750
Loan interest income received	619	54,843	55,462
Other receipts	95	12,294	12,389
Loan disbursements	-	(178,377)	(178,377)
Payments to vendors and employees	(66)	(478)	(544)
Other disbursements	<u>(138)</u>	<u>(14,407)</u>	<u>(14,545)</u>
Net cash provided by (used for) operating activities	<u>1,512</u>	<u>(73,377)</u>	<u>(71,865)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	-	168,601	168,601
Principal repayment of bonds	(6,066)	(60,165)	(66,231)
Interest paid	<u>(486)</u>	<u>(46,396)</u>	<u>(46,882)</u>
Net cash provided by (used for) noncapital financing activities	<u>(6,552)</u>	<u>62,040</u>	<u>55,488</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(4,505)	(103,591)	(108,096)
Proceeds from sale and maturities of investment securities	6,688	111,945	118,633
Investment income received	<u>2,921</u>	<u>4,174</u>	<u>7,095</u>
Net cash provided by investing activities	<u>5,104</u>	<u>12,528</u>	<u>17,632</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	64	1,191	1,255
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>40</u>	<u>40</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 64</u>	<u>\$ 1,231</u>	<u>\$ 1,295</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION - SINGLE FAMILY BOND PROGRAMS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	1982-1994	1995-2008	Total
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Net income	\$ 372	\$ 549	\$ 921
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Amortization of deferred items (net)	1	911	912
Loan interest converted to loan principal	-	(192)	(192)
Other noncash loan related expenses	-	-	-
Investment income, net	(2,525)	(4,293)	(6,818)
Bond interest expense and debt financing costs	2,662	49,144	51,806
Changes in operating assets and liabilities:			
Loans receivable	1,002	(125,629)	(124,627)
Accrued interest - loans receivable	12	(1,408)	(1,396)
Other assets	81	6,037	6,118
Accrued and other liabilities and deferred revenue	7	(469)	(462)
Interfund transfers	<u>(100)</u>	<u>1,973</u>	<u>1,873</u>
Net cash provided by (used for) operating activities	<u>\$ 1,512</u>	<u>\$ (73,377)</u>	<u>\$ (71,865)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:			
Real estate acquired through foreclosure	<u>\$ -</u>	<u>\$ 10,699</u>	<u>\$ 10,699</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION - MULTI- FAMILY BOND PROGRAMS

JUNE 30, 2008

(In thousands of dollars)

	1994-2001	1998	1999WHI	1999PRE	2000-2008	2000-2006T	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ 233	\$ 17	\$ 6	\$ 6	\$ 145	\$ 67	\$ 474
Short-term investments	8,341	757	448	226	7,396	4,764	21,932
Accrued interest receivable on investments	-	-	-	-	5	1	6
Current portion of mortgage and construction loans receivable	2,464	73	41	20	2,466	638	5,702
Accrued interest receivable on mortgage and construction loans	76	46	28	13	349	184	696
Current portion of deferred charges	16	3	-	-	25	14	58
Other current assets	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Total current assets	<u>11,147</u>	<u>896</u>	<u>523</u>	<u>265</u>	<u>10,386</u>	<u>5,668</u>	<u>28,885</u>
LONG-TERM INVESTMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164</u>	<u>-</u>	<u>164</u>
LOANS RECEIVABLE:							
Mortgage loans	10,198	7,868	4,819	2,299	68,049	46,198	139,431
Less current portion of loans receivable	<u>(2,464)</u>	<u>(73)</u>	<u>(41)</u>	<u>(20)</u>	<u>(2,466)</u>	<u>(638)</u>	<u>(5,702)</u>
Long term portion of loans receivable	<u>7,734</u>	<u>7,795</u>	<u>4,778</u>	<u>2,279</u>	<u>65,583</u>	<u>45,560</u>	<u>133,729</u>
OTHER ASSETS:							
Deferred charges	62	186	13	51	741	735	1,788
Interfund receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>15</u>	<u>11</u>	<u>93</u>
Total other assets	<u>62</u>	<u>186</u>	<u>13</u>	<u>118</u>	<u>756</u>	<u>746</u>	<u>1,881</u>
TOTAL ASSETS	<u>\$ 18,943</u>	<u>\$ 8,877</u>	<u>\$ 5,314</u>	<u>\$ 2,662</u>	<u>\$ 76,889</u>	<u>\$ 51,974</u>	<u>\$ 164,659</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION - MULTI- FAMILY BOND PROGRAMS

JUNE 30, 2008

(In thousands of dollars)

	1994-2001	1998	1999WHI	1999PRE	2000-2008	2000-2006T	Total
LIABILITIES AND FUND EQUITY							
CURRENT LIABILITIES:							
Current portion of bonds payable	\$ 1,575	\$ 95	\$ 50	\$ 20	\$ 2,750	\$ 750	\$ 5,240
Accrued interest payable	236	220	149	72	1,768	1,206	3,651
Current portion of accrued and other liabilities	2	-	-	-	12	7	21
Current portion of deferred revenue	<u>2</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>32</u>	<u>16</u>	<u>56</u>
Total current liabilities	1,815	318	201	93	4,562	1,979	8,968
LONG-TERM LIABILITIES							
Bonds payable	7,940	7,955	4,915	2,350	68,185	47,480	138,825
Accrued and other liabilities	40	-	-	-	-	-	40
Deferred revenue	6	54	41	17	721	339	1,178
Interfund payables	<u>1,097</u>	<u>7</u>	<u>4</u>	<u>-</u>	<u>135</u>	<u>107</u>	<u>1,350</u>
Total liabilities	<u>10,898</u>	<u>8,334</u>	<u>5,161</u>	<u>2,460</u>	<u>73,603</u>	<u>49,905</u>	<u>150,361</u>
FUND EQUITY - Restricted	<u>8,045</u>	<u>543</u>	<u>153</u>	<u>202</u>	<u>3,286</u>	<u>2,069</u>	<u>14,298</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 18,943</u>	<u>\$ 8,877</u>	<u>\$ 5,314</u>	<u>\$ 2,662</u>	<u>\$ 76,889</u>	<u>\$ 51,974</u>	<u>\$ 164,659</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY - MULTI-FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2008 (In thousands of dollars)

	1994-2001	1998	1999WHI	1999PRE	2000-2008	2000-2006T	Total
OPERATING REVENUE:							
Interest on mortgage and construction loans	\$ 820	\$ 548	\$ 341	\$ 162	\$ 4,348	\$ 3,093	\$ 9,312
Investment income	460	33	25	13	305	171	1,007
Net increase in fair value of investments	-	-	-	-	5	-	5
Other	-	-	-	-	2	-	2
Total operating revenue	<u>1,280</u>	<u>581</u>	<u>366</u>	<u>175</u>	<u>4,660</u>	<u>3,264</u>	<u>10,326</u>
OPERATING EXPENSES:							
Bond interest expense and debt financing costs	794	444	299	144	3,500	2,445	7,626
Administrative expenses	24	4	3	3	40	17	91
Loan servicing expenses	29	-	-	-	155	108	292
Bond issuance fees	27	16	10	5	108	76	242
Other	-	20	12	6	184	80	302
Total operating expenses	<u>874</u>	<u>484</u>	<u>324</u>	<u>158</u>	<u>3,987</u>	<u>2,726</u>	<u>8,553</u>
NET INCOME	406	97	42	17	673	538	1,773
FUND EQUITY, BEGINNING OF YEAR	7,804	446	311	185	2,653	2,167	13,566
INTERFUND TRANSFERS, NET	<u>(165)</u>	<u>-</u>	<u>(200)</u>	<u>-</u>	<u>(40)</u>	<u>(636)</u>	<u>(1,041)</u>
FUND EQUITY, END OF YEAR	<u>\$ 8,045</u>	<u>\$ 543</u>	<u>\$ 153</u>	<u>\$ 202</u>	<u>\$ 3,286</u>	<u>\$ 2,069</u>	<u>\$ 14,298</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION - MULTI- FAMILY BOND PROGRAMS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	1994-2001	1998	1999WHI	1999PRE	2000-2008	2000-2006T	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Loan repayments received	\$ 6,263	\$ 68	\$ 39	\$ 22	\$ 1,313	\$ 2,498	\$ 10,203
Loan interest income received	860	546	339	202	4,231	3,057	9,235
Other receipts	40	-	-	-	34	54	128
Loan disbursements	-	-	-	-	(16,608)	(214)	(16,822)
Payments to vendors and employees	(24)	(24)	(15)	(9)	(224)	(97)	(393)
Other disbursements	(220)	(16)	(211)	(111)	(262)	(840)	(1,660)
Net cash provided by (used for) operating activities	<u>6,919</u>	<u>574</u>	<u>152</u>	<u>104</u>	<u>(11,516)</u>	<u>4,458</u>	<u>691</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Proceeds from issuance of bonds	-	-	-	-	16,980	-	16,980
Principal repayment of bonds	(7,730)	(90)	(50)	(20)	(1,480)	(3,140)	(12,510)
Interest paid	(845)	(445)	(300)	(145)	(3,218)	(2,498)	(7,451)
Net cash provided by (used for) noncapital financing activities	<u>(8,575)</u>	<u>(535)</u>	<u>(350)</u>	<u>(165)</u>	<u>12,282</u>	<u>(5,638)</u>	<u>(2,981)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of investment securities	(7,588)	(654)	(396)	(188)	(5,945)	(3,481)	(18,252)
Proceeds from sale and maturities of investment securities	9,017	574	575	242	5,001	4,540	19,949
Investment income received	460	58	25	13	313	188	1,057
Net cash provided by (used for) investing activities	<u>1,889</u>	<u>(22)</u>	<u>204</u>	<u>67</u>	<u>(631)</u>	<u>1,247</u>	<u>2,754</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	233	17	6	6	135	67	464
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-	-	-	10	-	10
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 233</u>	<u>\$ 17</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 145</u>	<u>\$ 67</u>	<u>\$ 474</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION - MULTI-FAMILY BOND PROGRAMS

YEAR ENDED JUNE 30, 2008

(In thousands of dollars)

	1994-2001	1998	1999WHI	1999PRE	2000-2008	2000-2006T	Total
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Net income	\$ 406	\$ 97	\$ 42	\$ 17	\$ 673	\$ 538	\$ 1,773
Adjustments to reconcile net income to net cash provided by operating activities:							
Amortization of deferred items (net)	(3)	(3)	(3)	1	(31)	(28)	(67)
Loan interest income converted to loan principal	-	-	-	-	(35)	(17)	(52)
Investment income, net	(460)	(33)	(25)	(13)	(310)	(171)	(1,012)
Bond interest expense and debt financing costs	794	444	299	144	3,500	2,445	7,626
Changes in assets and liabilities:							
Loans receivable	6,263	68	39	22	(15,295)	2,284	(6,619)
Accrued interest - loans receivable	44	1	-	41	(50)	9	45
Other assets	-	-	-	(67)	22	11	(34)
Accrued and other liabilities	40	-	-	(41)	10	43	52
Interfund transfers	(165)	-	(200)	-	-	(656)	(1,021)
Net cash provided by (used for) operating activities	<u>\$ 6,919</u>	<u>\$ 574</u>	<u>\$ 152</u>	<u>\$ 104</u>	<u>\$ (11,516)</u>	<u>\$ 4,458</u>	<u>\$ 691</u>

(Concluded)