

***New Hampshire
Housing Finance
Authority***

*Financial Statements and
Management Discussion and Analysis as of
and for the Year Ended June 30, 2009 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, 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2009, 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 7, 2009 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 22 through 36 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 7, 2009

Baker Newman & 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, 2009. The enclosed supplemental combining schedules found on pages 22 – 36 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, 2009 and 2008.

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

	<u>As of June 30</u>		Increase (Decrease)
	<u>2009</u>	<u>2008</u>	
Assets			
Cash and cash equivalents	\$ 9,638	\$ 4,163	\$ 5,475
Investments	171,138	165,877	5,261
Loans receivable – net	1,126,218	1,141,937	(15,719)
Accrued interest receivable on mortgage and construction loans	10,935	10,929	6
Deferred charges	21,009	21,431	(422)
Other current assets	16,631	14,549	2,082
Total assets	1,365,040	1,369,312	(4,272)
Liabilities			
Bonds payable	1,205,261	1,215,619	(10,358)
Accrued interest payable	30,756	29,564	1,192
Notes payable	21,060	19,178	1,882
Accrued and other liabilities	2,216	1,672	544
Total liabilities	1,261,911	1,268,836	(6,925)
Fund equity			
Restricted fund equity	62,281	62,174	107
Unrestricted fund equity	37,205	34,878	2,327
Total fund equity	103,129	100,476	2,653

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 decreased by \$4.3 million, or .3%, during the year ended June 30, 2009, primarily the net result of:

- Cash and cash equivalents increased by \$5.5 million as cash provided by operating and investing activities exceeded cash used for capital and noncapital financing activities. See "Cash Flows" below.
- Investments increased by \$5.3 million, due primarily to a \$6.1 million increase in loan prepayments held awaiting bond redemption.
- Loans receivable decreased by \$15.7 million as principal payments of \$68.4 million and foreclosures of \$15.8 million exceeded originations of \$70.2 million. The principal payments received included \$46.8 million of payments received in advance of scheduled repayment.
- Other current assets increased by \$2.1 million due primarily to the increase in foreclosed properties held for resale and mortgage insurance claims receivable on foreclosed properties.

Total liabilities of the Authority decreased by \$6.9 million, or .5%, during the year ended June 30, 2009, primarily the net result of:

- Bonds outstanding decreased by \$10.4 million as proceeds from new issuance of \$52.6 million were less than redemptions, both scheduled and prior to scheduled maturity, of \$63.3 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 \$1.2 million in connection with the timing of new bond issuance.
- Notes payable increased by \$1.9 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 \$2.6 million as a result of the net income for the year ended June 30, 2009 discussed in detail under "Discussion of Changes in the Results of Operations for the Year Ended June 30, 2009 Compared to the Year Ended June 30, 2008."

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

	<u>As of June 30</u>		Increase (Decrease)
	<u>2009</u>	<u>2008</u>	
Revenue			
Interest and fees on mortgage and construction loans	\$ 71,210	\$ 67,803	\$ 3,407
Investment income and decrease in fair value of investments	7,666	9,237	(1,571)
Federal rental assistance programs revenue	70,297	71,159	(862)
Grants and subsidies	3,887	7,964	(4,077)
Total revenue	159,272	160,650	(1,378)
Expenses			
Bond interest expense and debt financing costs	63,749	60,180	3,569
Administrative expenses	11,838	11,368	470
Loan servicing expenses	1,834	1,793	41
Federal rental assistance programs expense	72,841	68,556	4,285
Grants and subsidies	6,087	14,688	(8,601)
Total expenses	156,619	156,916	(297)
Net income	2,653	3,734	(1,081)
Ending fund equity	103,129	100,476	2,653

**Discussion of Changes in the Results of Operations for the Year Ended June 30, 2009
Compared to the Year Ended June 30, 2008**

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 expense 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, 2009 was \$2.6 million as compared to \$3.7 million for the year ended June 30, 2008. The \$1.1 million change was the net effect of a \$1.4 million decrease in operating revenue and a \$.3 million decrease in operating expenses. The relatively small net fluctuations in total operating revenue and expenses are comprised of certain activities with more significant fluctuations. As shown below, there were significant year-to-year changes in both the net grants and subsidies activity and the net Federal rental assistance programs activity.

	<u>Year Ended June 30</u>	
	<u>2009</u>	<u>2008</u>
Grants and subsidies revenue	\$ 3,887	\$ 7,964
Grants and subsidies expense	<u>6,087</u>	<u>14,688</u>
Net grants and subsidies activity	<u>\$ (2,200)</u>	<u>\$ (6,724)</u>
Federal rental assistance programs revenue	\$ 70,297	\$ 71,159
Federal rental assistance programs expense	<u>72,841</u>	<u>68,556</u>
Net Federal rental assistance programs activity	<u>\$ (2,544)</u>	<u>\$ 2,603</u>

The \$4.1 million decrease in grants and subsidies revenue was due largely to a decrease in program activity in the HOME investment partnerships program. Activity in this program primarily involves the use of program revenue as subsidies for multi-family housing development, generally in the form of deferred payment loans. Such subsidies are generally expensed as disbursed due to the uncertainty of future repayment. Grants and subsidies expense also includes down-payment assistance grants to single family homeowners that 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. In fiscal year 2009, bond premium amortization and grant repayments exceeded down-payment assistance grant expense by \$16 whereas in fiscal year 2008, down-payment assistance grant expense exceeded the related bond premium amortization and grant repayments by \$1,867.

The fluctuation in the net Federal rental assistance programs activity reflects the timing disparity between program revenue and expense. Revenue is recorded as received and the excess over expenses at any point in time is reflected in restricted fund equity as it is restricted as to purpose. Program expenses exceeded program revenue during fiscal year 2009 as the fiscal year 2008 excess was disbursed. The increase in expense reflects a 1.0% increase in unit months and a 5.1% increase in the average monthly unit cost of pass-through rental assistance.

Other changes in operating revenue included:

- A \$3.4 million increase in interest on mortgage and construction loans related primarily to an increase in interest earned in the single-family program from the full-year impact of single-family program loan production in fiscal year 2008 as well as single-family loan production in fiscal year 2009, despite the overall decline in loans outstanding between June 30, 2008 and June 30, 2009.
- A \$1.6 million decrease in investment income, consisting of a \$.7 million decrease in interest income and a \$.9 million decrease in the fair market value adjustment for long-term investments.

Other changes in operating expenses included:

- A \$3.6 million increase in bond interest expense and debt financing costs related primarily to the \$4.5 million full year expense impact of \$182 million of bonds issued during fiscal year 2008, the \$2.4 million expense on bonds issued during fiscal year 2009 and a \$3.5 million decrease in bond interest expense related to the reduced balances of earlier bond issues.

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 \$5.5 million increase in cash and cash equivalents between June 30, 2008 and June 30, 2009. As evident in the Supplemental Combining Schedule of Cash Flows on pages 25 and 26, the increase in cash and cash equivalents is attributable primarily to the provision of cash from operating activities in the general funds and bond programs and investing activities in the bond programs. Operating activities include all the lending, programmatic and administrative activities of the Authority whereas the investing activities include the purchase, sale and maturity of investments as well as receipt of investment income. Cash was used primarily for noncapital financing activities which represent principal repayments of bonds in excess of proceeds from issuance of bonds and interest paid, net of note payable advances over repayments.

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 \$1,328 million at June 30, 2009, including \$1,205.3 million outstanding bonds on the Authority's balance sheet and the additional \$122.7 million of multi-family bonds described in Note 8 to the financial statements.

During the year ended June 30, 2009, the Authority issued \$52.6 million of single 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 \$26.8 million, \$5.2 million and \$.5 million, respectively. The Authority also redeemed during the year ended June 30, 2009, prior to scheduled maturities, \$27.7 million and \$3.1 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, 2009.

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, 2009

(In thousands of dollars)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 9,638
Cash held in escrow	336
Short-term investments	155,728
Accrued interest receivable on investments	601
Current portion of mortgage and construction loans receivable	21,672
Accrued interest receivable on mortgage and construction loans	10,935
Current portion of deferred charges	1,162
Other current assets	<u>16,631</u>

Total current assets 216,703

LONG-TERM INVESTMENTS 15,410

LOANS RECEIVABLE:

Mortgage loans	1,128,188
Construction loans	3
Less allowance for possible losses	<u>(1,973)</u>
Loans receivable, net	1,126,218
Less current portion of loans receivable	<u>(21,672)</u>
Long term portion of loans receivable	<u>1,104,546</u>

OTHER ASSETS:

Mortgage loan servicing rights, net	4,823
Property and equipment, net	3,711
Deferred charges	<u>19,847</u>
Total other assets	<u>28,381</u>

TOTAL ASSETS \$ 1,365,040

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:

Current portion of bonds payable	\$ 31,657
Accrued interest payable	30,756
Notes payable	21,060
Current portion of accrued and other liabilities	1,789
Current portion of deferred revenue	<u>221</u>
Total current liabilities	85,483

LONG-TERM LIABILITIES:

Bonds payable	1,173,604
Accrued and other liabilities	427
Deferred revenue	<u>2,397</u>
Total liabilities	<u>1,261,911</u>

COMMITMENTS AND CONTINGENCIES (Note 11)

FUND EQUITY:

Invested in capital assets	3,643
Restricted	62,281
Unrestricted	<u>37,205</u>
Total fund equity	<u>103,129</u>

TOTAL LIABILITIES AND FUND EQUITY \$ 1,365,040

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF REVENUE, EXPENSES AND CHANGE IN FUND EQUITY YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

OPERATING REVENUE:

Interest and fees on mortgage and construction loans	\$ 71,210
Investment income	7,996
Net decrease in fair value of investments	(330)
Housing management fees	5,212
Federal rental assistance programs	70,297
Grants and subsidies (Note 13)	3,887
Other	<u>1,000</u>
Total operating revenue	<u>159,272</u>

OPERATING EXPENSES:

Bond interest expense and debt financing costs	63,749
Administrative expenses	11,838
Loan servicing expenses	1,834
Federal rental assistance programs	72,841
Grants and subsidies (Note 13)	6,087
Other	<u>270</u>
Total operating expenses	<u>156,619</u>

NET INCOME 2,653

FUND EQUITY, BEGINNING OF YEAR 100,476

FUND EQUITY, END OF YEAR \$103,129

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

CASH FLOWS FROM OPERATING ACTIVITIES:

Loan repayments received	\$ 68,367
Loan interest income received	71,739
Federal rental assistance program receipts	70,297
Other receipts	25,875
Loan disbursements	(70,160)
Purchase of loan servicing rights	(474)
Payments to vendors and employees	(12,491)
Federal rental assistance program disbursements	(72,841)
Other disbursements	<u>(6,539)</u>
Net cash provided by operating activities	<u>73,773</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Proceeds from issuance of bonds	52,616
Principal repayment of bonds	(63,283)
Proceeds from notes payable	69,176
Repayment of notes payable	(67,294)
Interest paid	<u>(61,366)</u>
Net cash used for noncapital financing activities	<u>(70,151)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Additions to property and equipment	<u>(590)</u>
Net cash used for capital and related financing activities	<u>(590)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investment securities	(170,572)
Proceeds from sale and maturities of investment securities	164,981
Investment income received	<u>8,034</u>
Net cash provided by investing activities	<u>2,443</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 5,475

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 4,163

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 9,638

See notes to financial statements

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED JUNE 30, 2009

(In thousands of dollars)

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Net income	\$ 2,653
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization of deferred items (net)	440
Amortization of servicing rights	1,136
Depreciation of property and equipment	398
Other noncash loan-related expenses	2,176
Loan interest income converted to loan principal	(413)
Gain on bond redemptions	(261)
Investment income, net	(7,666)
Bond interest expense and debt financing costs	63,749
Changes in operating assets and liabilities:	
Loans receivable	(1,793)
Accrued interest – loans receivable	(5)
Loan servicing rights	(474)
Other assets	12,974
Accrued and other liabilities and deferred revenue	<u>859</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 73,773

SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:

Conversion of construction loans receivable to mortgage loans receivable	<u>\$ 478</u>
Real estate acquired through foreclosure	<u>\$ 15,850</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, 2009 (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. 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 2009 is summarized as follows:

Balance – June 30, 2008	<u>\$ 2,098</u>
Balance attributable to:	
Mortgage and construction loans	\$ 2,002
Other assets	<u>96</u>
Total	2,098
Write-offs	(72)
Gains and recoveries	<u>—</u>
Balance – June 30, 2009	<u>\$ 2,026</u>
Balance attributable to:	
Mortgage and construction loans	\$ 1,973
Other assets	<u>53</u>
Total	<u>\$ 2,026</u>

4. CASH AND INVESTMENTS

Cash and Cash Equivalents – At June 30, 2009, the carrying amount of the Authority’s bank deposits was \$9,638, 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 \$7,143. Of such deposits, \$250 was insured by the Federal Deposit Insurance Corporation, while deposits aggregating \$6,893 were uninsured. Of the uninsured deposits, \$5,427 was invested in repurchase agreements backed by U.S. Treasury or agency obligations.

At June 30, 2009, the carrying amount of the Authority’s restricted cash (cash held in escrow) was \$336. The restricted cash bank balance and amount of uninsured restricted cash was \$761. Of the uninsured deposits, \$720 was invested in repurchase agreements backed by U.S. Treasury or agency obligations.

The bank provides irrevocable stand-by letters of credit issued by the Federal Home Loan Bank of Pittsburgh as additional security for uninsured cash balances that are not invested in repurchase agreements. The letters of credit are issued in three month intervals. A \$2,000 letter of credit expired in July 2009 and the bank provided a replacement \$2,000 letter of credit with an October 2009 expiration.

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, collateralized certificates of deposit and interest-bearing time deposits, and certain direct and general obligations of any state or governmental entity of the United States. 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, 2009, consist of the following investments with maturities of less than one year:

Guaranteed investment contracts (at contract value)	\$148,428
U.S. Treasury obligation money market funds (at fair value)	<u>7,300</u>
Total	<u>\$155,728</u>

Long-Term Investments – Long-term investments at June 30, 2009, consist of the following investments (at fair value), all maturing in excess of one year, with maturities ranging from 2017 to 2024. A net decrease in fair value of \$330 was recorded during fiscal 2009.

	Investment Maturities (In Years)		
	<u>6 – 10</u>	<u>11 – 15</u>	<u>Total</u>
FHLMC obligations	\$ –	\$ 4,195	\$ 4,195
FHLB obligations	2,824	3,800	6,624
FNMA obligations	<u>571</u>	<u>4,020</u>	<u>4,591</u>
Total	<u>\$3,395</u>	<u>\$12,015</u>	<u>\$15,410</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, 2009, with their credit quality ratings as issued by Moody’s Investors Service as of the date of this report, are as follows:

	<u>Rating</u>	
Guaranteed investment contracts provided by:		
American International Group Matched Funding Corp.	A3	\$ 23,971
Bank of America	Aa3	10,729
Bayerische Landesbank Girozentrale	A1	45,760
Transamerica Life Insurance Company	A1	<u>40,657</u>
Total		<u>\$121,117</u>

5. OTHER CURRENT ASSETS

Other current assets at June 30, 2009 consist of the following:

Accounts receivable	\$ 6,285
Prepaid expenses	735
Real estate held for resale, net	<u>9,611</u>
Total	<u>\$16,631</u>

6. MORTGAGE LOAN SERVICING RIGHTS

During fiscal 2009, the Authority capitalized \$474 in connection with the purchase of servicing rights and recorded amortization of \$1,136. At June 30, 2009, mortgage loan servicing rights totaled \$4,823, net of accumulated amortization of \$15,259.

7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2009, consists of:

Land and building	\$ 4,833
Equipment	4,110
Furniture and fixtures	<u>405</u>
Total	9,348
Less accumulated depreciation	<u>(5,637)</u>
Property and equipment – net	<u>\$ 3,711</u>

Depreciation expense for the year ended June 30, 2009 was \$398.

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 below 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 eleven series of Single Family Mortgage Acquisition Revenue Bonds and three series of taxable General Multi-family Housing Bonds.

Bonds payable activity for the year ended June 30, 2009 was as follows:

Balance – June 30, 2008	\$1,215,619
Bond issuance	52,616
Amortization of bond discount and accretion of interest	570
Principal repayment	(63,283)
Gain on bond redemptions	<u>(261)</u>
Balance – June 30, 2009	<u>\$1,205,261</u>
Amount payable within one year	<u>\$ 31,657</u>

Principal and interest payments due on outstanding bonds are as follows at June 30, 2009:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending June 30:			
2010	\$ 31,657	\$ 61,110	\$ 92,767
2011	32,869	59,904	92,773
2012	32,497	58,623	91,120
2013	33,374	57,236	90,610
2014	<u>33,640</u>	<u>55,728</u>	<u>89,368</u>
Subtotal, years ending 2010 – 2014	164,037	292,601	456,638
Years ending June 30:			
2015 – 2019	157,710	255,509	413,219
2020 – 2024	179,320	212,410	391,730
2025 – 2029	219,845	160,227	380,072
2030 – 2034	255,845	97,267	353,112
2035 – 2039	176,835	32,606	209,441
2040 – 2044	34,895	5,086	39,981
2045 – 2049	<u>6,169</u>	<u>571</u>	<u>6,740</u>
Total	1,194,656	<u>\$1,056,277</u>	<u>\$2,250,933</u>
Unamortized premium	17,831		
Unamortized discount and deferred advanced refunding costs	(6,796)		
Unrecorded accretion included in debt service schedule	<u>(430)</u>		
Total bonds payable	<u>\$1,205,261</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 2009, the Authority redeemed, prior to stated maturity and in accordance with the terms of the bonds, \$27.7 of current interest and accreting single family bond program bonds and \$3.1 of current interest multi-family bond program bonds. A gain of \$261 was realized in connection with the redemption of these bonds. Deferred financing costs of approximately \$326 relating to bonds redeemed were charged to expense in fiscal 2009.

Prior to fiscal 2009, 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, 2009, \$122,695 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 December 31, 2009. There were no amounts outstanding on the line at June 30, 2009.

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 December 31, 2010. At June 30, 2009, \$21,060 was outstanding and the interest rate was 1.27%.

10. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities at June 30, 2009 consist of the following:

	<u>Current</u>	<u>Long-Term</u>
Accounts payable	\$ 1,466	\$ 140
Funds held in escrow	219	146
Accrued servicing fees	63	-
Accrued rebate liability	<u>41</u>	<u>141</u>
Total	<u>\$ 1,789</u>	<u>\$ 427</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, 2009, the Authority was committed to fund approximately \$15,956 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 \$5,040 for the letters of credit.
- The Authority has authorized the expenditure of approximately \$4,941 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, 2009, these balances aggregated \$31,132. 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, 2009 are as follows:

Restricted for purpose of funding source	\$ 19,313
Restricted for purpose of bond issues:	
Single family bond programs	26,826
Multi-family bond programs	<u>16,142</u>
Total	<u>\$62,281</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 \$2,200 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, 2009, the Authority recognized amortization of bond premiums and grant recoveries totaling \$1,681 and recorded down-payment assistance grants expense totaling \$1,665.

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% or 10% of the salaries of covered employees and, effective June 1, 2009, employer matching contributions to specified limits of employee contribution to the Voluntary Deferred Compensation Plan. Payroll of covered employees for fiscal 2009 totaled \$6,045 while total payroll for fiscal 2009 totaled \$6,353. The Authority expensed and made contributions to the plan of \$315 for fiscal 2009, such amount representing 5.2% 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. Until June 1, 2009, the employer matching contributions were contributed to this plan. The Authority expensed and made contributions to the plan of \$97 for fiscal 2009.

15. HOUSING MANAGEMENT FEES

The Authority administers Section 8 subsidized housing programs under HUD new construction, moderate and substantial rehabilitation, mainstream voucher, housing choice voucher, and contract administration programs and receives fees for these services. Total Federal funds administered by the Authority under these programs aggregated \$78,053 for the year ended June 30, 2009.

16. SUBSEQUENT EVENTS

On August 6, 2009, the Authority issued its Single Family Mortgage Acquisition Revenue Bonds, 2009 Series A (the "2009 A Bonds") in the amount of \$24,990. Issuance of the 2009 A Bonds increased bonds payable by \$25,449. In connection with the issuance of the 2009 A Bonds, the Authority transferred approximately \$1,172 from the general funds to the single-family bond program funds. The transfer resulted in a decrease of the unrestricted fund balance of the general funds and an increase 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, 2009

(In thousands of dollars)

ASSETS	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
CURRENT ASSETS:					
Cash and equivalents	\$ 6,635	\$ 693	\$ 2,310	\$ -	\$ 9,638
Cash held in escrow	336	-	-	-	336
Short-term investments	2,401	131,066	22,261	-	155,728
Accrued interest receivable on investments	107	493	1	-	601
Current portion of mortgage and construction loans receivable	1,299	16,401	3,972	-	21,672
Accrued interest receivable on mortgage and construction loans	339	9,935	661	-	10,935
Accrued loan servicing fees	600	-	-	(600)	-
Current portion of deferred charges	-	1,121	41	-	1,162
Other current assets	2,430	14,184	17	-	16,631
Total current assets	14,147	173,893	29,263	(600)	216,703
LONG-TERM INVESTMENTS	9,615	5,642	153	-	15,410
LOANS RECEIVABLE:					
Mortgage loans	43,632	953,763	130,793	-	1,128,188
Construction loans	3	-	-	-	3
Less allowance for possible losses	(926)	(1,047)	-	-	(1,973)
Loans receivable, net	42,709	952,716	130,793	-	1,126,218
Less current portion of loans receivable	(1,299)	(16,401)	(3,972)	-	(21,672)
Long term portion of loans receivable	41,410	936,315	126,821	-	1,104,546
OTHER ASSETS:					
Mortgage loan servicing rights, net	4,823	-	-	-	4,823
Property and equipment, net	3,711	-	-	-	3,711
Deferred charges	216	17,893	1,738	-	19,847
Interfund receivables	7,000	2,081	50	(9,131)	-
Total other assets	15,750	19,974	1,788	(9,131)	28,381
TOTAL ASSETS	\$ 80,922	\$ 1,135,824	\$ 158,025	\$ (9,731)	\$ 1,365,040

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION (CONTINUED)

JUNE 30, 2009

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY					
CURRENT LIABILITIES:					
Current portion of bonds payable	\$ -	\$ 28,292	\$ 3,365	\$ -	\$ 31,657
Accrued interest payable	-	27,183	3,573	-	30,756
Notes payable	21,060	-	-	-	21,060
Current portion of accrued and other liabilities	1,757	612	20	(600)	1,789
Current portion of deferred revenue	134	33	54	-	221
Total current liabilities	22,951	56,120	7,012	(600)	85,483
LONG-TERM LIABILITIES:					
Bonds payable	-	1,041,166	132,438	-	1,173,604
Accrued and other liabilities	286	91	50	-	427
Deferred revenue	1,019	255	1,123	-	2,397
Interfund payables	6,383	1,488	1,260	(9,131)	-
Total liabilities	30,639	1,099,120	141,883	(9,731)	1,261,911
FUND EQUITY:					
Invested in capital assets	3,643	-	-	-	3,643
Restricted	19,313	26,826	16,142	-	62,281
Unrestricted	27,327	9,878	-	-	37,205
Total fund equity	50,283	36,704	16,142	-	103,129
TOTAL LIABILITIES AND FUND EQUITY	\$ 80,922	\$ 1,135,824	\$ 158,025	\$ (9,731)	\$ 1,365,040

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUE:					
Interest and fees on mortgage and construction loans	\$ 6,163	\$ 59,689	\$ 9,189	\$ (3,831)	\$ 71,210
Investment income	790	6,154	1,052	—	7,996
Net decrease in fair value of investments	(62)	(256)	(12)	—	(330)
Housing management fees	5,212	—	—	—	5,212
Federal rental assistance programs	70,297	—	—	—	70,297
Bond issuance fees	2,211	—	—	(2,211)	—
Grants and subsidies	3,887	—	—	—	3,887
Other	739	261	—	—	1,000
Total operating revenue	<u>89,237</u>	<u>65,848</u>	<u>10,229</u>	<u>(6,042)</u>	<u>159,272</u>
OPERATING EXPENSES:					
Bond interest expense and debt financing costs	474	55,820	7,455	—	63,749
Administrative expenses	11,305	440	93	—	11,838
Loan servicing expenses	1,892	3,480	293	(3,831)	1,834
Federal rental assistance programs	72,841	—	—	—	72,841
Bond issuance fees	—	1,955	256	(2,211)	—
Grants and subsidies	4,422	1,665	—	—	6,087
Other	—	26	244	—	270
Total operating expenses	<u>90,934</u>	<u>63,386</u>	<u>8,341</u>	<u>(6,042)</u>	<u>156,619</u>
NET INCOME (LOSS)	(1,697)	2,462	1,888	—	2,653
INTERFUND TRANSFERS, NET					
FUND EQUITY, BEGINNING OF YEAR	(6,796)	6,840	(44)	—	—
	<u>58,776</u>	<u>27,402</u>	<u>14,298</u>	<u>—</u>	<u>100,476</u>
FUND EQUITY, END OF YEAR	<u>\$ 50,283</u>	<u>\$ 36,704</u>	<u>\$ 16,142</u>	<u>\$ —</u>	<u>\$ 103,129</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

CASH FLOWS FROM OPERATING ACTIVITIES:

	General Funds	Single Family Bond Programs	Multi-Family Bond Programs	Eliminations	Total
Loan repayments received	\$ 66,705	\$ 61,999	\$ 8,638	\$ (68,975)	\$ 68,367
Loan interest income received	6,042	60,302	9,168	(3,773)	71,739
Federal rental assistance program receipts	70,297	—	—	—	70,297
Other receipts	23,081	15,740	94	(13,040)	25,875
Loan disbursements	(69,282)	(69,853)	—	68,975	(70,160)
Purchase of loan servicing rights	(474)	—	—	—	(474)
Payments to vendors and employees	(11,687)	(466)	(338)	—	(12,491)
Federal rental assistance program disbursements	(72,841)	—	—	—	(72,841)
Other disbursements	(3,873)	(18,759)	(720)	16,813	(6,539)
Net cash provided by operating activities	<u>7,968</u>	<u>48,963</u>	<u>16,842</u>	<u>—</u>	<u>73,773</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Proceeds from issuance of bonds	—	52,616	—	—	52,616
Principal repayment of bonds	(475)	(54,518)	(8,290)	—	(63,283)
Proceeds from notes payable	69,176	—	—	—	69,176
Repayment of notes payable	(67,294)	—	—	—	(67,294)
Interest paid	(482)	(53,441)	(7,443)	—	(61,366)
Net cash provided by (used for) noncapital financing activities	<u>925</u>	<u>(55,343)</u>	<u>(15,733)</u>	<u>—</u>	<u>(70,151)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Additions to property and equipment	(590)	—	—	—	(590)
Net cash used for capital and related financing activities	<u>(590)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(590)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investment securities	(13,113)	(139,602)	(17,857)	—	(170,572)
Proceeds from sale and maturities of investment securities	8,265	139,189	17,527	—	164,981
Investment income received	786	6,191	1,057	—	8,034
Net cash provided by (used for) investing activities	<u>(4,062)</u>	<u>5,778</u>	<u>727</u>	<u>—</u>	<u>2,443</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	4,241	(602)	1,836	—	5,475
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

	<u>2,394</u>	<u>1,295</u>	<u>474</u>	<u>—</u>	<u>4,163</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR

	<u>\$ 6,635</u>	<u>\$ 693</u>	<u>\$ 2,310</u>	<u>\$ —</u>	<u>\$ 9,638</u>
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(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS (CONTINUED) YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Net income	\$ (1,697)	\$ 2,462	\$ 1,888	\$ —	\$ 2,653
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of deferred items (net)	(457)	951	(54)	—	440
Amortization of servicing rights	1,136	—	—	—	1,136
Depreciation of property and equipment	398	—	—	—	398
Other noncash loan-related expenses	2,176	—	—	—	2,176
Loan interest income converted to loan principal	(9)	(404)	—	—	(413)
Gain on bond redemptions	—	(261)	—	—	(261)
Investment income, net	(728)	(5,898)	(1,040)	—	(7,666)
Bond interest expense and debt financing costs	474	55,820	7,455	—	63,749
Changes in operating assets and liabilities:					
Loans receivable	(2,577)	(7,854)	8,638	—	(1,793)
Accrued interest – loans receivable	(108)	67	36	—	(5)
Loan servicing rights	(474)	—	—	—	(474)
Other assets	9,678	10,286	43	(7,033)	12,974
Accrued and other liabilities and deferred revenue	(593)	(5,457)	(124)	7,033	859
Interfund transfers	749	(749)	—	—	—
	\$ 7,968	\$ 48,963	\$ 16,842	\$ —	\$ 73,773
NET CASH PROVIDED BY OPERATING ACTIVITIES					
	\$ 478	\$ —	\$ —	\$ —	\$ 478
	\$ 89	\$ 15,761	\$ —	\$ —	\$ 15,850

(Concluded)

NET CASH PROVIDED BY OPERATING ACTIVITIES

SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:

Conversion of construction loans receivable to mortgage loans receivable
Real estate acquired through foreclosure

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION – SINGLE FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

ASSETS	<u>1982-1994</u>	<u>1995-2008</u>	<u>Total</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 623	\$ 70	\$ 693
Short-term investments	19,312	111,754	131,066
Accrued interest receivable on investments	287	206	493
Current portion of mortgage and construction loans receivable	186	16,215	16,401
Accrued interest receivable on mortgage and construction loans	26	9,909	9,935
Current portion of deferred charges	8	1,113	1,121
Other current assets	<u>20</u>	<u>14,164</u>	<u>14,184</u>
Total current assets	<u>20,462</u>	<u>153,431</u>	<u>173,893</u>
LONG-TERM INVESTMENTS			
	<u>—</u>	<u>5,642</u>	<u>5,642</u>
LOANS RECEIVABLE:			
Mortgage loans	1,961	951,802	953,763
Less allowance for possible losses	(20)	(1,027)	(1,047)
Loans receivable, net	1,941	950,775	952,716
Less current portion of loans receivable	(186)	(16,215)	(16,401)
Long term portion of loans receivable	<u>1,755</u>	<u>934,560</u>	<u>936,315</u>
OTHER ASSETS:			
Deferred charges	33	17,860	17,893
Interfund receivables	<u>—</u>	<u>2,081</u>	<u>2,081</u>
Total other assets	<u>33</u>	<u>19,941</u>	<u>19,974</u>
TOTAL ASSETS	<u>\$22,250</u>	<u>\$1,113,574</u>	<u>\$1,135,824</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION – SINGLE FAMILY BOND PROGRAMS (CONTINUED) YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>1982-1994</u>	<u>1995-2008</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES:			
Current portion of bonds payable	\$ 5,027	\$ 23,265	\$ 28,292
Accrued interest payable	45	27,138	27,183
Current portion of accrued and other liabilities	2	610	612
Current portion of deferred revenue	—	33	33
Total current liabilities	<u>5,074</u>	<u>51,046</u>	<u>56,120</u>
LONG-TERM LIABILITIES:			
Bonds payable	11,760	1,029,406	1,041,166
Accrued and other liabilities	—	91	91
Deferred revenue	—	255	255
Interfund payables	16	1,472	1,488
Total liabilities	<u>16,850</u>	<u>1,082,270</u>	<u>1,099,120</u>
FUND EQUITY:			
Restricted	5,400	21,426	26,826
Unrestricted	—	9,878	9,878
Total fund equity	<u>5,400</u>	<u>31,304</u>	<u>36,704</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$22,250</u>	<u>\$1,113,574</u>	<u>\$1,135,824</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, 2009 (In thousands of dollars)

	<u>1982-1994</u>	<u>1995-2008</u>	<u>Total</u>
OPERATING REVENUE:			
Interest and fees on mortgage and construction loans	\$ 248	\$ 59,441	\$ 59,689
Investment income	2,204	3,950	6,154
Net decrease in fair value of investments	-	(256)	(256)
Other	-	261	261
Total operating revenue	<u>2,452</u>	<u>63,396</u>	<u>65,848</u>
OPERATING EXPENSES:			
Bond interest expense and debt financing costs	2,149	53,671	55,820
Administrative expenses	27	413	440
Loan servicing expenses	13	3,467	3,480
Bond issuance fees	-	1,955	1,955
Grants and subsidies	-	1,665	1,665
Other	18	8	26
Total operating expenses	<u>2,207</u>	<u>61,179</u>	<u>63,386</u>
NET INCOME	245	2,217	2,462
FUND EQUITY, BEGINNING OF YEAR	6,782	20,620	27,402
INTERFUND TRANSFERS, NET	<u>(1,627)</u>	<u>8,467</u>	<u>6,840</u>
FUND EQUITY, END OF YEAR	<u>\$ 5,400</u>	<u>\$ 31,304</u>	<u>\$ 36,704</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION – SINGLE FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>1982-1994</u>	<u>1995-2008</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loan repayments received	\$ 5,257	\$ 56,742	\$ 61,999
Loan interest income received	317	59,985	60,302
Other receipts	13	15,727	15,740
Loan disbursements	-	(69,853)	(69,853)
Payments to vendors and employees	(45)	(421)	(466)
Other disbursements	<u>(1,652)</u>	<u>(17,107)</u>	<u>(18,759)</u>
Net cash provided by operating activities	<u>3,890</u>	<u>45,073</u>	<u>48,963</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	-	52,616	52,616
Principal repayment of bonds	(10,119)	(44,399)	(54,518)
Interest paid	<u>(346)</u>	<u>(53,095)</u>	<u>(53,441)</u>
Net cash used for noncapital financing activities	<u>(10,465)</u>	<u>(44,878)</u>	<u>(55,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(6,956)	(132,646)	(139,602)
Proceeds from sale and maturities of investment securities	12,119	127,070	139,189
Investment income received	<u>1,971</u>	<u>4,220</u>	<u>6,191</u>
Net cash provided by (used for) investing activities	<u>7,134</u>	<u>(1,356)</u>	<u>5,778</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	559	(1,161)	(602)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>64</u>	<u>1,231</u>	<u>1,295</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 623</u>	<u>\$ 70</u>	<u>\$ 693</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION – SINGLE FAMILY BOND PROGRAMS (CONTINUED) YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>1992-1994</u>	<u>1995-2008</u>	<u>Total</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net income	\$ 245	\$ 2,217	\$ 2,462
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred items (net)	(5)	956	951
Loan interest converted to loan principal	–	(404)	(404)
Other noncash loan related expenses	–	–	–
Gain on redemption of bonds	–	(261)	(261)
Investment income, net	(2,204)	(3,694)	(5,898)
Bond interest expense and debt financing costs	2,149	53,671	55,820
Changes in operating assets and liabilities:			
Loans receivable	5,257	(13,111)	(7,854)
Accrued interest – loans receivable	70	(3)	67
Other assets	(10)	10,296	10,286
Accrued and other liabilities and deferred revenue	(813)	(4,644)	(5,457)
Interfund transfers	(799)	50	(749)
	<u>\$ 3,890</u>	<u>\$ 45,073</u>	<u>\$ 48,963</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES			
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION:			
Real estate acquired through foreclosure	<u>\$ –</u>	<u>\$ 15,761</u>	<u>\$ 15,761</u>
			(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION – MULTI-FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

ASSETS	1998	1999WHI	1999PRE	2001	2000-2008	2000-2006T	Total
CURRENT ASSETS:							
Cash and cash equivalents	\$ 19	\$ 11	\$ 6	\$ 2,051	\$ 151	\$ 72	\$ 2,310
Short-term investments	829	468	315	7,845	7,849	4,955	22,261
Accrued interest receivable on investments	—	—	—	—	1	—	1
Current portion of mortgage and construction loans receivable	78	44	21	2,707	496	626	3,972
Accrued interest receivable on mortgage and construction loans	45	28	13	60	351	164	661
Current portion of deferred charges	2	—	1	17	8	13	41
Other current assets	—	—	—	17	—	—	17
Total current assets	<u>973</u>	<u>551</u>	<u>356</u>	<u>12,697</u>	<u>8,856</u>	<u>5,830</u>	<u>29,263</u>
LONG-TERM INVESTMENTS	—	—	—	—	153	—	153
LOANS RECEIVABLE:							
Mortgage loans	7,795	4,778	2,278	7,783	65,585	42,574	130,793
Less current portion of loans receivable	<u>(78)</u>	<u>(44)</u>	<u>(21)</u>	<u>(2,707)</u>	<u>(496)</u>	<u>(626)</u>	<u>(3,972)</u>
Long term portion of loans receivable	<u>7,717</u>	<u>4,734</u>	<u>2,257</u>	<u>5,076</u>	<u>65,089</u>	<u>41,948</u>	<u>126,821</u>
OTHER ASSETS:							
Deferred charges	184	13	50	44	731	716	1,738
Interfund receivables	—	—	—	—	36	14	50
Total other assets	<u>184</u>	<u>13</u>	<u>50</u>	<u>44</u>	<u>767</u>	<u>730</u>	<u>1,788</u>
TOTAL ASSETS	<u>\$ 8,874</u>	<u>\$ 5,298</u>	<u>\$ 2,663</u>	<u>\$ 17,817</u>	<u>\$ 74,865</u>	<u>\$ 48,508</u>	<u>\$ 158,025</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF BALANCE SHEET INFORMATION – MULTI-FAMILY BOND PROGRAMS (CONTINUED) YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>1998</u>	<u>1999WHI</u>	<u>1999PRE</u>	<u>2001</u>	<u>2000-2008</u>	<u>2000-2006T</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY							
CURRENT LIABILITIES:							
Current portion of bonds payable	\$ 100	\$ 50	\$ 25	\$ 1,690	\$ 725	\$ 775	\$ 3,365
Accrued interest payable	217	148	71	200	1,833	1,104	3,573
Current portion of accrued and other liabilities	-	-	-	1	13	6	20
Current portion of deferred revenue	<u>3</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>31</u>	<u>15</u>	<u>54</u>
Total current liabilities	320	200	97	1,893	2,602	1,900	7,012
LONG-TERM LIABILITIES:							
Bonds payable	7,855	4,865	2,325	6,275	67,460	43,658	132,438
Accrued and other liabilities	-	-	-	50	-	-	50
Deferred revenue	50	38	16	4	690	325	1,123
Interfund payables	<u>3</u>	<u>2</u>	<u>6</u>	<u>1,042</u>	<u>89</u>	<u>118</u>	<u>1,260</u>
Total liabilities	8,228	5,105	2,444	9,264	70,841	46,001	141,883
FUND EQUITY – RESTRICTED	<u>646</u>	<u>193</u>	<u>219</u>	<u>8,553</u>	<u>4,024</u>	<u>2,507</u>	<u>16,142</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 8,874</u>	<u>\$ 5,298</u>	<u>\$ 2,663</u>	<u>\$ 17,817</u>	<u>\$ 74,865</u>	<u>\$ 48,508</u>	<u>\$ 158,025</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, 2009 (In thousands of dollars)

	1998	1999WHI	1999PRE	2001	2000-2008	2000-2006T	Total
OPERATING REVENUE:							
Interest and fees on mortgage and construction loans	\$ 544	\$ 338	\$ 161	\$ 545	\$ 4,620	\$ 2,981	\$ 9,189
Investment income	36	22	12	503	337	142	1,052
Net decrease in fair value of investments	—	—	—	—	(12)	—	(12)
Total operating revenue	<u>580</u>	<u>360</u>	<u>173</u>	<u>1,048</u>	<u>4,945</u>	<u>3,123</u>	<u>10,229</u>
OPERATING EXPENSES:							
Bond interest expense and debt financing costs	438	296	143	442	3,745	2,391	7,455
Administrative expenses	4	3	2	19	42	23	93
Loan servicing expenses	—	—	—	22	165	106	293
Bond issuance fees	16	10	5	14	137	74	256
Other	19	11	6	—	117	91	244
Total operating expenses	<u>477</u>	<u>320</u>	<u>156</u>	<u>497</u>	<u>4,206</u>	<u>2,685</u>	<u>8,341</u>
NET INCOME	103	40	17	551	739	438	1,888
FUND EQUITY, BEGINNING OF YEAR	543	153	202	8,045	3,286	2,069	14,298
INTERFUND TRANSFERS, NET	—	—	—	(43)	(1)	—	(44)
FUND EQUITY, END OF YEAR	<u>\$ 646</u>	<u>\$ 193</u>	<u>\$ 219</u>	<u>\$ 8,553</u>	<u>\$ 4,024</u>	<u>\$ 2,507</u>	<u>\$ 16,142</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION – MULTI-FAMILY BOND PROGRAMS YEAR ENDED JUNE 30, 2009 (In thousands of dollars)

	<u>1998</u>	<u>1999WHI</u>	<u>1999PRE</u>	<u>2001</u>	<u>2000-2008</u>	<u>2000-2006T</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Loan repayments received	\$ 73	\$ 41	\$ 21	\$ 2,415	\$ 2,464	\$ 3,624	\$ 8,638
Loan interest income received	540	336	160	559	4,588	2,985	9,168
Other receipts	—	—	73	9	1	11	94
Payments to vendors and employees	(23)	(14)	(9)	(19)	(159)	(114)	(338)
Other disbursements	(18)	(13)	(4)	(133)	(370)	(182)	(720)
Net cash provided by operating activities	<u>572</u>	<u>350</u>	<u>241</u>	<u>2,831</u>	<u>6,524</u>	<u>6,324</u>	<u>16,842</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Principal repayment of bonds	(95)	(50)	(20)	(1,575)	(2,750)	(3,800)	(8,290)
Interest paid	(439)	(297)	(144)	(437)	(3,655)	(2,471)	(7,443)
Net cash used for noncapital financing activities	<u>(534)</u>	<u>(347)</u>	<u>(164)</u>	<u>(2,012)</u>	<u>(6,405)</u>	<u>(6,271)</u>	<u>(15,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of investment securities	(743)	(420)	(254)	(1,939)	(7,716)	(6,785)	(17,857)
Proceeds from sale and maturities of investment securities	671	400	165	2,435	7,262	6,594	17,527
Investment income received	36	22	12	503	341	143	1,057
Net cash provided by (used for) investing activities	<u>(36)</u>	<u>2</u>	<u>(77)</u>	<u>999</u>	<u>(113)</u>	<u>(48)</u>	<u>727</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2	5	—	1,818	6	5	1,836
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17</u>	<u>6</u>	<u>6</u>	<u>233</u>	<u>145</u>	<u>67</u>	<u>474</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>19</u>	\$ <u>11</u>	\$ <u>6</u>	\$ <u>2,051</u>	\$ <u>151</u>	\$ <u>72</u>	\$ <u>2,310</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOW INFORMATION – MULTI-FAMILY BOND PROGRAMS (CONTINUED)
YEAR ENDED JUNE 30, 2009
(In thousands of dollars)

	<u>1998</u>	<u>1999WHI</u>	<u>1999PRE</u>	<u>2001</u>	<u>2000-2008</u>	<u>2000-2006T</u>	<u>Total</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Net income	\$ 103	\$ 40	\$ 17	\$ 551	\$ 739	\$ 438	\$ 1,888
Adjustments to reconcile net income to net cash provided by operating activities:							
Amortization of deferred items (net)	(3)	(3)	(1)	(1)	(32)	(14)	(54)
Investment income, net	(36)	(22)	(12)	(503)	(325)	(142)	(1,040)
Bond interest expense and debt financing costs	438	296	143	442	3,745	2,391	7,455
Changes in assets and liabilities:							
Loans receivable	73	41	21	2,415	2,464	3,624	8,638
Accrued interest – loans receivable	1	–	–	16	(1)	20	36
Other assets	–	–	67	–	(21)	(3)	43
Accrued and other liabilities	(4)	(2)	6	(89)	(45)	10	(124)
Interfund transfers	–	–	–	–	–	–	–
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 572</u>	<u>\$ 350</u>	<u>\$ 241</u>	<u>\$ 2,831</u>	<u>\$ 6,524</u>	<u>\$ 6,324</u>	<u>\$ 16,842</u>

(Concluded)