



NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

3A
Bliss

David C. Bliss
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October 16, 2015

Her Excellency, Governor Margaret Hassan
And the Honorable Executive Council
State House
Concord, N 03301

In accordance with RSA 195-D:18, the New Hampshire Health and Education Facilities Authority is pleased to present for your review and acceptance the Biennial Report for the fiscal years 2014 and 2015.

Respectfully submitted,

Peter F. Imse, Chairman

David C. Bliss, Executive Director

DCB/lmg
Enclosures



NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

Margaret Wood Hassan, Governor

Executive Councilors:

Joseph D. Kenney—District 1

Colin Van Ostern—District 2

Christopher T. Sununu—District 3

Christopher C. Pappas—District 4

David K. Wheeler—District 5

David C. Bliss, Executive Director

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HEFA

NEW HAMPSHIRE HEALTH AND
EDUCATION FACILITIES AUTHORITY

BIENNIAL REPORT

For Fiscal Years 2014 and 2015
(Years ending June 30, 2014 and June 30, 2015)

Submitted Pursuant To: RSA 195-D:18

October 2015

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MISSION STATEMENT

The mission of the New Hampshire Health and Education Facilities Authority is to lower the cost of health and education services in New Hampshire, by providing eligible institutions with access to high quality, readily available, low cost financing alternatives.

HISTORY

The New Hampshire Health and Education Facilities Authority (the "Authority"), formerly known as the New Hampshire Higher Educational and Health Facilities Authority, was established in 1969 (Chapter 318 of the Laws of 1969) as the Higher Educational Building Corporation. The Authority is a public body corporate and agency of the State of New Hampshire which was created for the purpose of exercising the powers now conferred on it by RSA 195-D and 195-E. The Authority operates primarily under the provisions of RSA 195-D which authorizes financings and refinancings -- through the issuance of its bonds or other obligations -- of "projects" on behalf of "participating health care institutions" and "participating educational institutions". Effective July 9, 1999, the General Court expanded the definition of institutions that may be considered a participating institution. As a result, "participating educational institution" now includes an institution for post-secondary education or higher education; an institution for secondary education; an institution providing an educational program, or a child care provider. A "participating health care institution" now includes a hospital; nursing home; health maintenance organization; home health care provider; an institution providing a health care program; or an ambulatory care clinic. Since May, 1983 the Authority has also been permitted, under the provisions of RSA 195-E, to make loans to "loan corporations" for the purpose of financing student loan programs. Financings of the Authority must be authorized by the Authority's board of directors and by the Governor and Council. The seven (7) members of the Authority's board of directors are appointed by the Governor and Council.

The Authority receives no state revenues. Its expenses are paid by the annual fees charged its borrowers. Bonds or other obligations issued by the Authority in no way obligate the faith and credit of the State or any municipality or political subdivision of the State.

CHAIRMAN'S MESSAGE

During the last biennium, the Authority continued to carry out its mission of providing "high quality, readily available, [and] low cost financing alternatives" to not-for-profit institutions in New Hampshire in a variety of ways.

Because the interest rates associated with the Authority's financings are cheaper than those charged by commercial banks, the Authority's programs have saved our borrowers hundreds of thousands of dollars of interest expense each year. Since many of the Authority's borrowers have been struggling financially as a result of cutbacks in State and Federal funding, access to low cost Authority financings is having an immediate and significant positive impact on the bottom lines of these institutions, and is allowing them to provide more direct benefits to the clients whom they serve. In addition, a large percentage of the proceeds of the Authority's bond issues are used for construction purposes. As a result, the Authority's financings have a significant positive impact on the state's economy by providing jobs in the construction industry.

Through this biennium, the Authority remains the largest single issuer of tax-exempt bonds in the State of New Hampshire. During the last two (2) years, the Authority issued over \$444,576,900 in bonds. Since its creation in 1969, the Authority has issued over \$9.5 billion in bonds.

Through the Authority's RAN/CAN Program, institutions are able to borrow low cost funds for their annual capital investment and working capital needs. During the past biennium one (1) institution borrowed a total of \$4 million through the RAN/CAN program.

The Authority is a member of the National Association of Health and Education Facilities Finance Authorities. Through its participation in the activities of the organization, the Authority and its Board are actively involved in national efforts to protect the rights of healthcare and educational institutions to continue to have access to tax exempt financing for their crucial programs.

The Authority has responded to the needs of its borrowers by introducing the Direct Loans and Direct Loan PLUS Programs that enable education and healthcare non-profit institutions to borrow small amounts at very low interest rates. To date, 74 institutions have borrowed over \$5.5 million through these programs.

During the biennium, the Authority experienced very high demand for its loan offerings. In order to preserve access for the Direct Loan and Direct Loan PLUS Programs, the Authority temporarily suspended its Capital Loan Program in 2015.

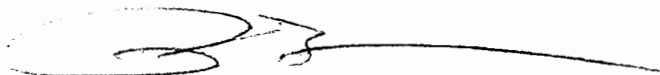
What is most remarkable about the Authority's recent achievements is the fact that it has accomplished them with no increase in staff. The Authority continues to find better and more efficient ways to run its existing programs and to create new programs within its existing staffing levels. In fact, as a result of prudent management, the Authority was able to lower its annual borrower's administrative fees ten times over the past twenty-four years.

During the past biennium, the Authority lost two of its long-time members when Richard Cunningham died after serving twenty-six years on the Board and Tom Horgan resigned after serving thirteen years on the Board. Richard's position on the Board was filled by Todd Emmons, who is the Vice President of Finance and Operations and the Treasurer of Colby-Sawyer College. Todd brings to the Board his years of experience in higher education. Tom's position on the Board was filled by Allan Moses who is the Senior Vice President and Chief Financial Officer for Riverbend Community Mental Health. Allan brings to the Board his years of experience in mental healthcare and continuing care retirement communities.

The Governor and members of the Executive Council also deserve thanks and praise for the Authority's achievements. Without their support in both the appointment and re-appointment of qualified Board members, and the approval of the Authority's financings, none of our successes could have been realized.

The Authority Board and staff look forward to the challenges of the next biennium. We cannot predict what new events will put further economic strains on the institutions that provide programs of education and health care in New Hampshire, but the Authority will do all it can to help them further their missions. The Authority will continue to be a major force in assuring that our local institutions not only survive, but thrive.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Peter F. Imse', with a long horizontal line extending to the right.

Peter F. Imse
Chairman of the Board

AUTHORITY PROGRAMS

The Authority offers the following programs:

Standard Bond Program

The Standard Program is used by many borrowers of the Authority. It generally consists of a public sale of bonds for the benefit of the borrowing institution. The public sale of bonds generally means lower interest rates and less restrictive covenants. Through June 30, 2015, the Authority has issued over \$9.5 billion in bonds under its Standard Bond Program.

Private Placement Bond Program

The difference between this Program and the Standard Bond Program is that instead of a sale of the bonds to the general public, the bonds are sold to one or two buyers. The use of standardized documents simplifies the bond issuance process and substantially reduces issuance expenses. Since 1998, the Authority has privately placed 81 issues totaling \$1,106,657,285.

RAN/CAN Program

The Revenue Anticipation Note (RAN) Program provides institutions with low cost tax-exempt funds that replace more expensive taxable financing of working capital.

The Capital Note Program (CAN) allows institutions to fund routine capital expenditures using tax-exempt short-term securities.

There have been 16 annual pooled financings for the RAN/CAN Program consisting of 103 series of notes totaling \$409,240,000.

Equipment Leasing Program (ELP)

The Equipment Leasing Program, established in 2006 by the Authority, provides short-term tax-exempt financing for equipment. Financing can be placed with a specific lending institution or bid to multiple lenders. Fees are fixed, based on use of HEFA's standardized documents.

To date, The Authority has issued 8 bonds totaling \$61.5 million utilizing the Equipment Leasing Program.

Capital Loan Program

The Capital Loan Program provides loans at below market rates for the purchase of capital equipment or for refinancing existing debt. The loans are made in cooperation with a local bank. To date, the Authority has participated in 103 Capital Loan Program loans totaling over \$78 million.

Direct Loan and Direct Loan PLUS Programs

The Direct Loan and Direct Loan PLUS Programs are designed to provide loans under \$200,000 at a below market rate for qualified institutions for the purchase of capital equipment, the acquisition of real estate, construction or renovation of facilities, refinancing of existing debt, emergency repairs, vehicle purchases or other matters as determined by the Board.

To date, the Authority has participated in 77 Direct Loan Program loans totaling \$5,990,214.

MAJOR ACCOMPLISHMENTS

BOND ISSUES and NOTES

The Authority continues to be the State of New Hampshire's #1 issuer of tax-exempt bonds. The Authority issued the following thirty-two (32) bond issues and notes during the two fiscal years ended June 30, 2014 and June 30, 2015.

<u>New Bond Issues</u>	<u>Closing Date</u>	<u>Amount</u>
Saint Anselm College	07/25/13	\$12,000,000.00
RAN/CAN Series 2013B Kendal at Hanover	08/07/13	15,000,000.00
Boys & Girls Clubs of Greater Concord	09/05/13	3,000,000.00
RAN/CAN Series 2013C -Kimball Union Academy	09/20/13	3,200,000.00
Elliot Hospital	09/30/13	17,021,000.00
New London Hospital Series A	10/24/13	15,520,000.00
New London Hospital Series B	10/24/13	9,480,000.00
Havenwood Heritage Heights Series A	11/01/13	3,000,000.00
Havenwood Heritage Heights Series B	11/01/13	14,470,000.00
RiverMead at Peterborough Series 2013	12/23/13	13,550,000.00
New England College S-2014A	02/28/14	3,635,801.54
New England College S-2014B	02/28/14	8,364,198.46
RAN/CAN 2014A Proctor Academy	04/16/14	2,000,000.00
The Holderness School Series 2014	04/23/14	4,500,000.00
University System of New Hampshire Series 2014	06/02/14	21,760,000.00
Covenant Health Systems, Series 2014	07/17/14	16,900,000.00
Dartmouth-Hitchcock Group Series A	08/13/14	26,960,000.00
Dartmouth-Hitchcock Group Series B	08/13/14	14,530,000.00
Southern NH University Series A	08/27/14	32,208,000.00
Southern NH University Series B	08/27/14	19,069,000.00
Southern NH University Series C	08/27/14	15,071,000.00
Keystone Hall, Series 2014	09/15/14	3,963,900.00
Southern District YMCA Series A	11/13/14	2,750,000.00
Southern District YMCA Series B	11/13/14	2,904,000.00
Southern District YMCA Series C	11/13/14	1,250,000.00
Exeter Hospital, Equipment Lease	03/26/15	6,000,000.00
RAN/CAN Series 2015A Proctor Academy	04/15/14	2,000,000.00
Univeristy System of NH Series 2015	05/13/15	116,970,000.00
YMCA of Greater Nashua 2015A	05/18/15	5,700,000.00
YMCA of Greater Nashua 2015B	05/18/15	3,500,000.00
St. Paul's School	06/01/15	12,000,000.00
Scott-Farrar Home at Peterborough	06/25/15	<u>16,300,000.00</u>
		\$444,576,900.00

CAPITAL LOAN PROGRAM

The following loans have been issued under the Capital Loan Program since 7/1/2013:

Manchester Comm Health Center	12/6/2013	\$414,534.00
Regional Services & Education Center	12/11/2013	96,809.71
Seacoast Mental Health Center	12/16/2013	164,957.00
Red River Theatres	2/21/2014	99,620.20
Woodside School	2/26/2014	129,342.62
The Granite YMCA	5/29/2014	403,000.00
Brain Injury Association of NH	11/7/2014	96,000.00
CLM - Center for Life Management	11/20/2014	90,000.00
Spaulding Youth Center	(approved, not yet closed)	330,000.00
Great Bay Kids Co.	(approved, not yet closed)	<u>600,000.00</u>
		\$2,424,263.53

DIRECT LOAN AND DIRECT LOAN PLUS PROGRAMS

The following loans have been issued under the Direct Loan and Direct Loan PLUS Programs since 07/01/2013:

Coos County Family Health Services	08/16/2013	\$179,000.00
High Mowing School	08/23/2013	32,703.82
YMCA of Greater Manchester	08/27/2013	133,591.00
Nashua Center for the Multiply Handicapped	09/05/2013	34,621.00
Concord Family YMCA	09/30/2013	180,000.00
Boys & Girls Club of Manchester	10/01/2013	45,056.00
Seacoast Learning Collaborative	11/22/2013	89,634.00
Community Bridges	12/03/2013	100,000.00
New Hampton School	12/06/2013	100,000.00
Opportunity Networks, Inc.	12/19/2013	73,498.00
Kimi Nichols Center	01/21/2014	46,309.00
White Mountain School	02/25/2014	49,462.00
The Granite YMCA	06/02/2014	80,490.00
Making Community Connections Charter School	06/25/2014	75,000.00
Manchester Community Music School	07/07/2014	20,000.00
Bishop Guertin High School	07/07/2014	164,000.00
Community Bridges	08/07/2014	58,000.00
Brewster Academy	08/15/2014	40,000.00
Kimball Union Academy	08/21/2014	100,000.00
YMCA Camp Belknap	11/05/2014	200,000.00
Farmsteads of New England	11/05/2014	30,000.00

DIRECT LOAN AND DIRECT LOAN PLUS PROGRAM—Cont.

The following loans have been issued under the Direct Loan and Direct Loan PLUS programs since July 1, 2013:

	<u>Date</u>	<u>Amount</u>
Spaulding Youth Center	11/07/2014	\$200,000.00
Farmsteads of New England	12/05/2014	70,000.00
Kimball Union Academy	12/22/2014	100,000.00
Kimi Nichols Center	12/30/2014	36,538.00
Cardigan Mountain School	02/27/2015	66,880.00
Community Bridges	03/05/2015	24,000.00
Opportunity Networks	03/05/2015	44,319.00
Nashua Center for Multiply Handicapped	03/05/2015	50,000.00
The PLUS Company (Area Agency).	03/30/2015	43,819.00
Boys & Girls Club of Manchester	04/29/2015	164,193.23
Seacoast Learning Collaborative	05/15/2015	49,000.00
The Learning Skills Academy	06/05/2015	85,394.59
Concord Family YMCA	06/05/2015	64,365.00
Moore Center Services	06/26/2015	100,000.00
Manchester Community Health Center	06/29/2015	30,000.00
Birch Hill Terrace	07/01/2015	<u>200,000.00</u>
		\$2,959,873.64

FEES

As of July 1, 2011 the Authority reduced its fees for bond issuances. The Authority has reduced its fees 10 times during the last 20 years and its fees are now at 8% of the published fee schedule. The Authority eliminated the acceptance fee in 1997 and pays for all reimbursable expenses under \$500 for post-closing legal matters. In addition, fees paid to the Authority by any one institution are capped at \$40,000 per year. Compared to issuing authorities in other states, the New Hampshire Authority is one of the lowest cost bond issuance authorities in the country. The Authority Board and staff will continue to explore the possibility of another fee reduction during the next two fiscal years.

For the convenience of its borrowing institutions, the Authority has added a one-time fee option.

Although the Authority has increased the volume of its bond issuance as well as the number of programs that it offers to qualified institutions, it has done so without an increase in staff.

HISTORY OF FEE CHANGES:

1991 - 1995	\$.75/\$1,000	annual fee plus initial fee
1995 - 1996	\$.60/\$1,000	annual fee plus initial fee
1997 - 1998	\$.50/\$1,000	annual fee; eliminated initial fee
1998 - 2001	\$.20/\$1,000	annual fee only
2001 - 2005	\$.15/\$1,000	annual fee, cap \$40,000/yr. per institution
2005 - 2006	\$.14/\$1,000	annual fee, cap \$40,000/yr. per institution
2006 - 2007	\$.13/\$1,000	annual fee, cap \$40,000/yr. per institution
2007 - 2009	\$.12/\$1,000	annual fee, cap \$40,000/yr. per institution
2009 - 2011	\$.11/\$1,000	annual fee, cap \$40,000/yr. per institution
2011 - Present	\$.08/\$1,000	annual fee, cap \$40,000/yr. per institution

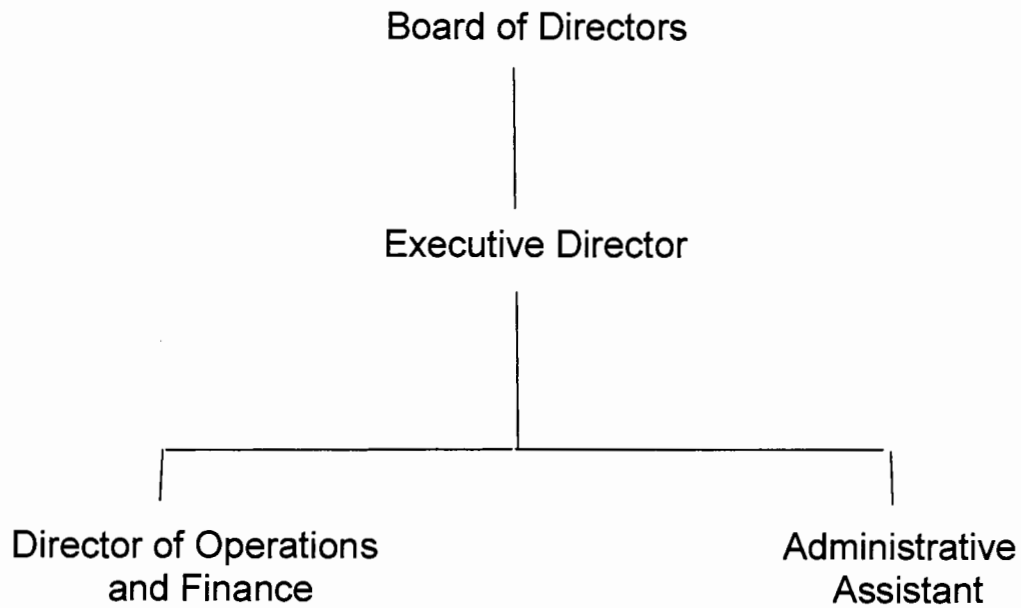
MISCELLANEOUS

The following institutions have borrowed for the first time through the Authority during the last two fiscal years:

- Boys and Girls Club of Manchester
- Brain Injury Association of New Hampshire
- Coos County Family Health Services
- Farmsteads of New England
- Granite YMCA (Greater Manchester)
- Greater Nashua Council on Alcoholism d/b/a Keystone Hall
- Making Community Connections Charter School
- Scott-Farrar Home
- Southern District YMCA
- Spaulding Youth Center
- YMCA Camp Belknap

In April, 2014, the Authority presented a "Bonds 101" Seminar which was attended by 69 New Hampshire non-profit professionals representing 49 organizations.

ORGANIZATION CHART



Contact Information:

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Executive Director
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THE AUTHORITY BOARD



Peter F. Imse, Chairman, term expires June 30, 2016. Mr. Imse, a resident of Bow, has been a member of the Board of the Authority since 1981. Mr. Imse is a member of the law firm of Sulloway & Hollis, P.L.L.C., Concord, New Hampshire and his practice includes the representation of businesses and non-profit organizations and commercial financing. The clients of Sulloway & Hollis include the New Hampshire Higher Education Assistance Foundation and Granite State Management & Resources, as well as numerous health care institutions and health care providers. Mr. Imse is also a member of the Board of Corporators of Merrimack Bancorp, MHC.



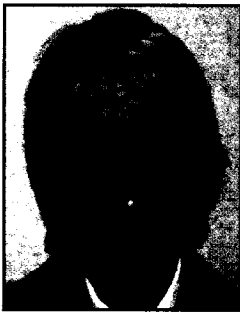
Bruce R. Burns, Vice Chairman; term expires June 30, 2019. Mr. Burns, a resident of Hopkinton, is the Senior Vice President of Finance, Chief Financial Officer and Treasurer for Concord Hospital and its parent corporation, Capital Region Health Care and sits on various Boards of Hospital-affiliated joint ventures. Prior to joining the Hospital in 1993, Mr. Burns held various finance and accounting positions at Danbury Hospital, Danbury, Connecticut. Mr. Burns is a Fellow in the Healthcare Financial Management Association, the Treasurer and a Board member of Capitol Center for the Arts in Concord and the former Finance Chair, Treasurer and a Board member of University of New Hampshire School of Law.



Jill A. Duncan, term expires June 30, 2018. Ms. Duncan, a resident of Meredith, is Director of Finance for New Hampton School, New Hampton. She is the former Chief Financial Officer for Littleton Regional Hospital. Ms. Duncan is actively involved with the Independent School Association of Northern New England (ISANNE), currently serving on the Executive Board of Directors as well as serving as President of the ISANNE Health Trust. She is also a current member of the Board of Trustees of Spears Memorial Hospital.



Todd C. Emmons, term expires June 30, 2016. Mr. Emmons, a resident of New London, is the Vice President of Finance and Treasurer for Colby-Sawyer College in New London, NH. He has served in that position for three years. Mr. Emmons has been involved in higher education administration for over 30 years, and has previously worked in New Hampshire at both Saint Anselm College and Daniel Webster College. He is a board member of the New Hampshire Higher Education Assistance Foundation (NHHEAF) where he also serves on the Investment Committee. He is also a board member of the Lake Sunapee Region Chamber of Commerce .



Deanna S. Howard, term expires June 30, 2020. Ms. Howard, a resident of Etna, is the Vice President of Regional Development for Dartmouth-Hitchcock, Lebanon, New Hampshire. Additionally, Ms. Howard is the past Chairman of the New Hampshire Hospital Association, is a current member of the Board of Trustees of Northeastern Vermont Regional Hospital, Valley Regional Hospital and is past chair of the Crotched Mountain Foundation Board. Deanna is the former Chief Executive Officer of Upper Connecticut Valley Hospital, Colebrook, New Hampshire.

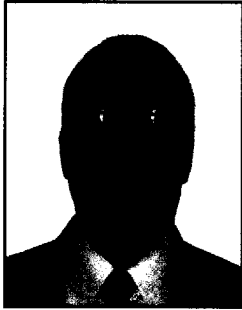


Mary W. McLaughlin, term expires June 30, 2017. Ms. McLaughlin, a resident of Bedford, is Senior Vice President–Healthcare Finance for TD Bank, N.A. Additionally, she is the Immediate Past Chair and Board Member of the Greater Concord Chamber of Commerce, a Trustee of the Havenwood-Heritage Heights Trust Fund Board, an Advisory Board Member of the New Hampshire Small Business Development Center, the Immediate Past Chair and Board Member of the New Hampshire Institute of Furniture Making and a Co-founder and Past President of the New Hampshire International Trade Association.



Allan M. Moses, term expires June 30, 2020. Mr. Moses, a resident of Bow, is the Senior Vice President and Chief Financial Officer for Riverbend Community Mental Health, Inc. in Concord, NH. He has served in that position for the previous 33 years. Mr. Moses is also the President of the Board of the John H. Whitaker Place Assisted Care Community in Penacook, NH and has served in that capacity for the last 14 years. Mr. Moses has also served as the former President for four terms of the NH Assisted Living Association (ARCH) and the former Treasurer and Vice-President of the Temple

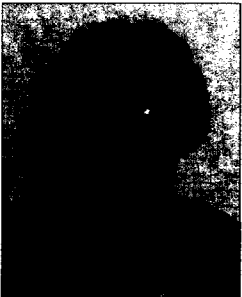
THE AUTHORITY STAFF



David C. Bliss is the Executive Director and Secretary of the Authority and is responsible for the general management of the Authority's affairs. Mr. Bliss worked for two large New Hampshire trust departments prior to joining the Authority. Mr. Bliss is a member of the bars of New Hampshire and Massachusetts.



Bonnie S. Payette is the Director of Operations and Finance Ms. Payette is a graduate of the University of Vermont. She joined the Authority in 2007.



Lorraine Graciano is the Administrative Assistant for the Authority. Ms. Graciano was a corporate trust officer in a major New Hampshire trust department and a Certified Corporate Trust Specialist prior to joining the Authority. She previously served as Chief Financial Officer of NHHEFA for over 13 years.

FINANCIAL MATTERS

The attached audit report includes the Authority Balance Sheets (General Operating Fund) and Statement of Operations for the fiscal years ended June 30, 2014 and June 30, 2015.

In addition, there are schedules of the Authority's bonds and notes outstanding as of June 30, 2014 and as of June 30, 2015. During the 2014 and 2015 fiscal years, the Authority issued, respectively, \$179,302,723 and \$542,509,684 of its bonds.

Exhibit A

Bond and Note Issue Activity ~ Dollar Amount Issued

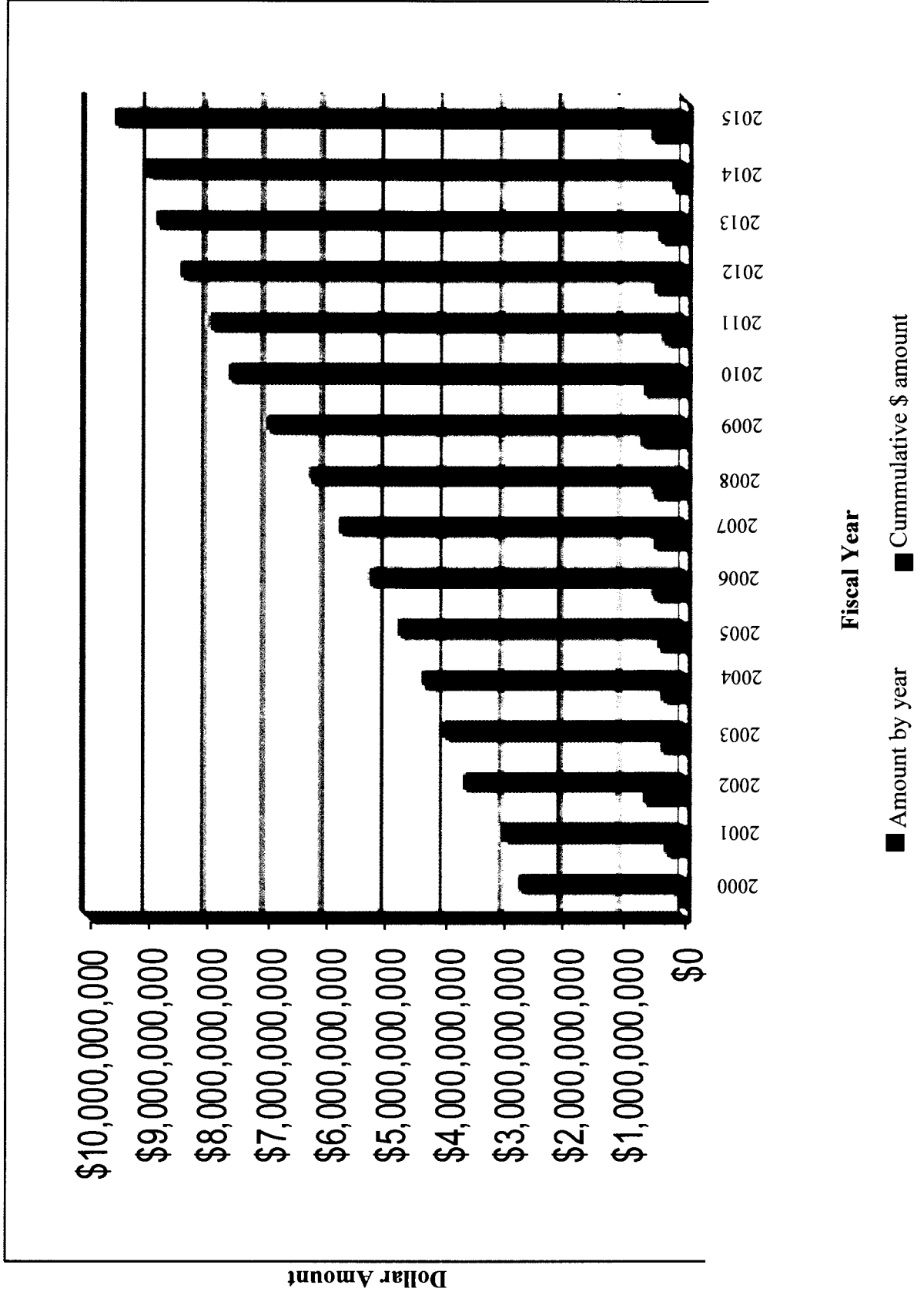


Exhibit B

Bond and Note Issue Activity ~ Number of Issues

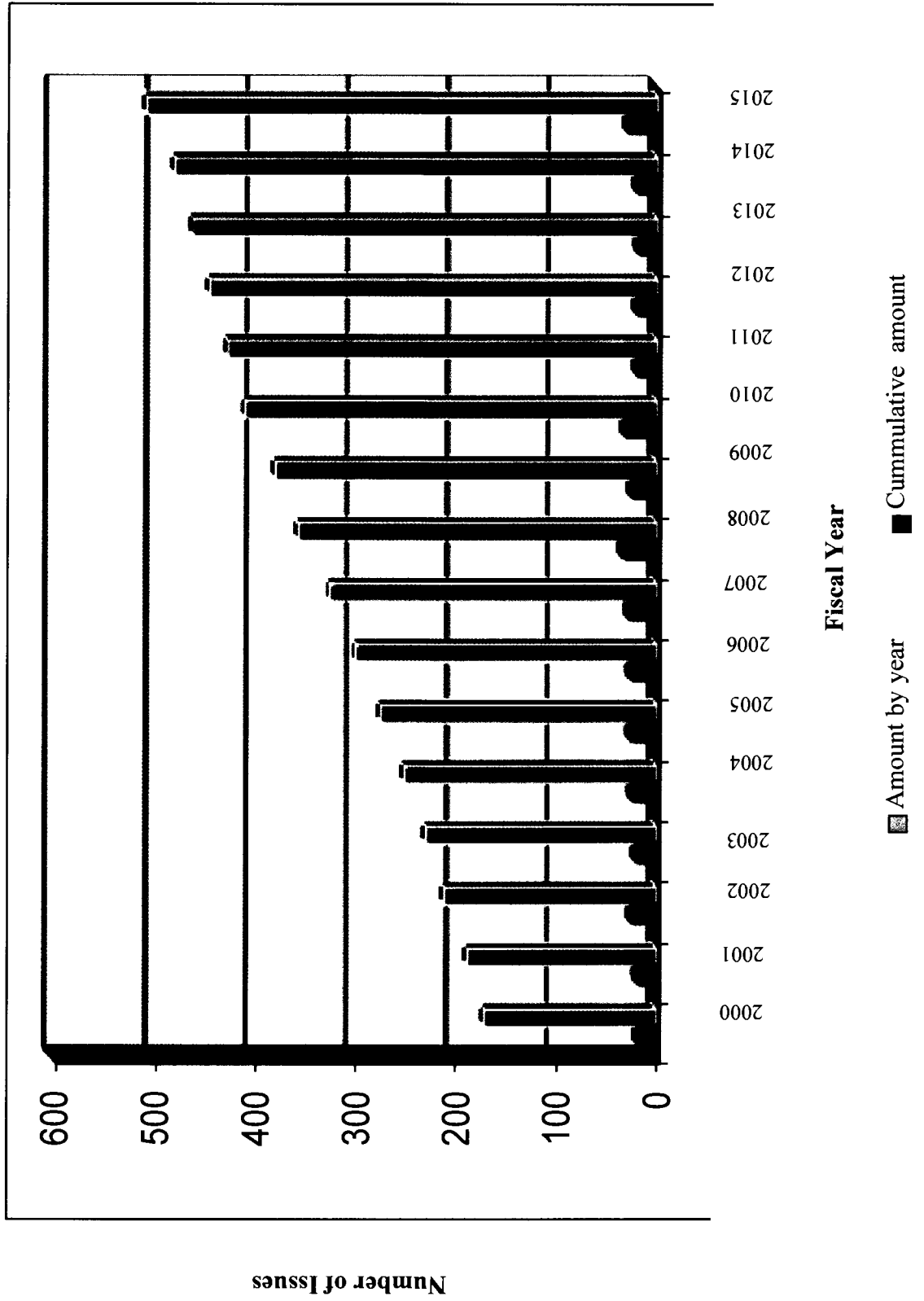
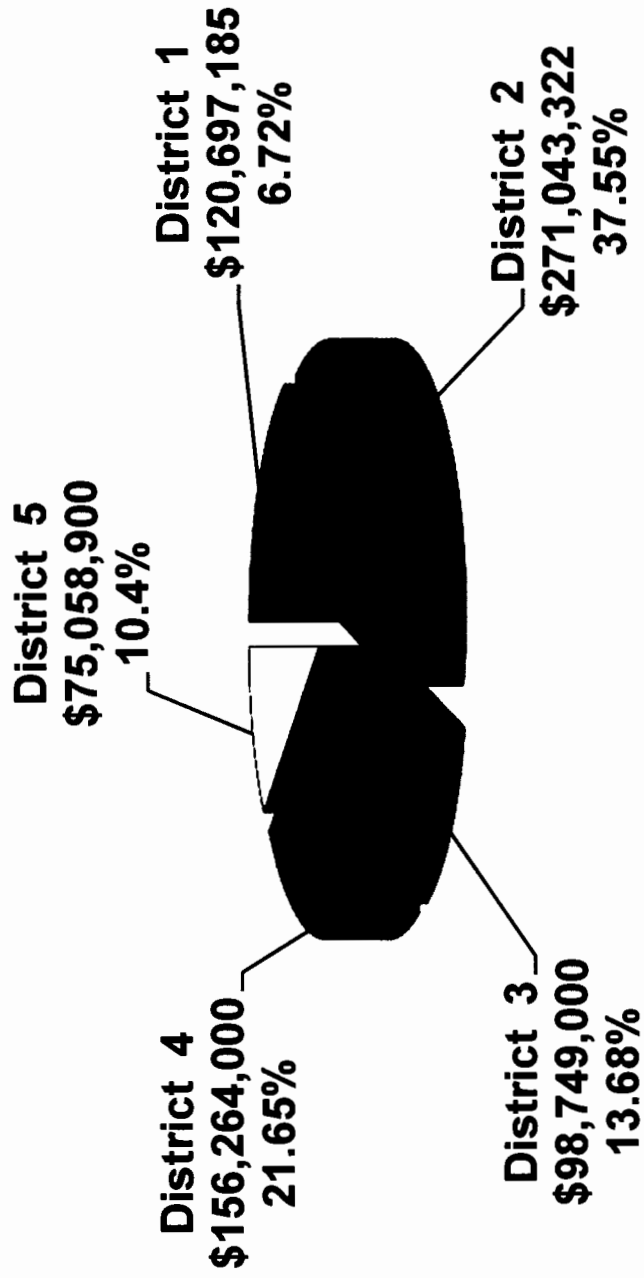


Exhibit C

Bond and Note Issue Activity ~ Dollar Amount by District



NEW HAMPSHIRE HEALTH AND
EDUCATION FACILITIES AUTHORITY

FINANCIAL REPORT

JUNE 30, 2015



NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Hampshire Health and Education Facilities Authority
Concord, New Hampshire 03301

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of New Hampshire Health and Education Facilities Authority, a discreet component unit of the State of New Hampshire, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise New Hampshire Health and Education Facilities Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

New Hampshire Health and Education Facilities Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities of New Hampshire Health and Education Facilities Authority, as of June 30, 2015 and 2014, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3, 34, and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Nathan Wechsler & Company

Concord, New Hampshire
September 25, 2015

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Within this section of the New Hampshire Health and Education Facilities Authority's annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2015. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosed following this section.

The Authority's management and board continue to support the value of good cost management to fulfill its mission to lower the cost of health and education services in New Hampshire by providing eligible institutions with access to high quality, readily available, low cost financing alternatives.

The Authority's audited financial statements show the assets and liabilities of the Authority, the operating revenues and operating expenses, followed by the statement of cash flows and the notes.

The Authority's assets are primarily composed of investments in government securities and notes receivable in the Capital Loan Program and the Direct Loan Program. The capital assets of the Authority are primarily office equipment and furniture and comprise less than 1% of the total assets. The liabilities of the Authority are all current.

The Authority's management and board have made a provision for loan losses and a loan loss reserve has been established for the Capital Loan Program and the Direct Loan Program. An amount equal to 3% of the total loan portfolio has been allowed for uncollectible loans. As of June 30, 2015, the loan loss reserve was decreased by less than 1% to \$195,749.

The Authority's total assets decreased slightly in the fiscal year ended June 30, 2015 as compared to fiscal year ended June 30, 2014, primarily as a result of Capital Loans that have been paid in full.

The operating revenue for fiscal year ended June 30, 2015 increased by 7.1%. This increase is attributed to institutions paying the one-time fee at closing rather than the annual administrative fee.

Operating expenses overall increased 7.2%. Contributing to the increase in operating expenses was the timing of payments of legal expenses as well as general insurance expense which was 11.7% higher than the fiscal year ended June 30, 2014. The Authority saw decreases in smaller expense line items such as bank fees, travel and meetings, and outside services of 17.0%, 23.3%, and 57.6%, respectively.

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

BALANCE SHEETS

June 30, 2015 and 2014

ASSETS		2015	2014
CURRENT ASSETS			
Cash, checking	\$	344,856	\$ 458,050
Accrued interest receivable		21,787	35,813
Prepaid expenses		9,416	8,786
Direct Loan Program notes receivable - current		1,169,376	831,527
Capital Loan Program notes receivable - current		958,695	280,071
Allowance for uncollectible loans		(63,842)	(33,348)
<i>Total current assets</i>		<u>2,440,288</u>	<u>1,580,899</u>
NONCURRENT ASSETS			
Investments		4,806,720	4,747,959
Direct Loan Program notes receivable, net of current portion		2,050,050	1,462,533
Capital Loan Program notes receivable, net of current portion		2,346,841	4,003,749
Allowance for uncollectible loans		(131,907)	(163,979)
<i>Total noncurrent assets</i>		<u>9,071,704</u>	<u>10,050,262</u>
	\$	11,511,992	\$ 11,631,161

LIABILITIES AND FUND NET POSITION

	2015	2014
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 38,608	\$ 37,139
Unearned fee income	71,611	70,969
<i>Total current liabilities</i>	<u>110,219</u>	<u>108,108</u>
FUND NET POSITION		
Unrestricted - board designated for mandatory reserve	2,000,000	2,000,000
Unrestricted	9,401,773	9,523,053
<i>Total unrestricted fund net position</i>	<u>11,401,773</u>	<u>11,523,053</u>
	\$ 11,511,992	\$ 11,631,161

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES:		
Annual administrative fees	\$ 299,839	\$ 279,180
Interest income, loan programs	62,929	59,660
	<hr/>	<hr/>
<i>Total operating revenues</i>	362,768	338,840
	<hr/>	<hr/>
OPERATING EXPENSES:		
Salaries	284,322	267,299
Employee benefits	54,424	57,555
Legal fees	53,376	600
Rent, electric and cleaning	21,762	21,314
Payroll taxes	18,802	18,183
General insurance	17,828	15,957
Accounting fees	15,000	14,500
Bank investment fees	12,819	15,445
Travel and meetings	10,313	13,442
Office supplies and postage	6,284	8,686
Telephone	5,136	4,775
Outside services	4,876	11,496
Dues and subscriptions	4,034	5,340
Miscellaneous	278	413
Bad debt expense (recovery)	(1,578)	18,592
Depreciation	-	54
	<hr/>	<hr/>
<i>Total operating expenses</i>	507,676	473,651
	<hr/>	<hr/>
<i>Operating loss</i>	(144,908)	(134,811)
NONOPERATING INCOME:		
Investment income	104,289	144,979
Realized and unrealized loss on investments	(80,661)	(73,395)
	<hr/>	<hr/>
<i>Excess of expenses over revenues</i>	(121,280)	(63,227)
	<hr/>	<hr/>
Fund net position, beginning of year	11,523,053	11,586,280
	<hr/>	<hr/>
<i>Fund net position, end of year</i>	\$ 11,401,773	\$ 11,523,053
	<hr/> <hr/>	<hr/> <hr/>

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from institutions	\$ 300,306	\$ 279,015
Interest received	76,955	61,795
Cash paid to suppliers and employees	(508,240)	(452,915)
Principal payments received under Direct Loan Program	810,813	557,093
Principal loaned under Direct Loan Program	(1,736,179)	(1,219,367)
Principal payments received under Capital Loan Program	1,164,284	610,178
Principal loaned under Capital Loan Program	(186,000)	(567,957)
	<u>(78,061)</u>	<u>(732,158)</u>
<i>Net cash used in operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(105,940)	(132,987)
Sales and maturities of investments	(33,482)	1,000,169
Income from investments	104,289	144,979
	<u>(35,133)</u>	<u>1,012,161</u>
<i>Net cash provided by (used in) investing activities</i>		
<i>Net increase (decrease) in cash</i>		
	<u>(113,194)</u>	<u>280,003</u>
Cash, beginning of year	458,050	178,047
	<u>\$ 344,856</u>	<u>\$ 458,050</u>
<i>Cash, end of year</i>		
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (144,908)	\$ (134,811)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	-	54
Bad debt expense (recovery)	(1,578)	18,592
Changes in assets and liabilities:		
Decrease in accrued interest receivable	14,026	2,135
(Increase) decrease in prepaid expenses	(630)	4,256
Increase (decrease) in accounts payable and accrued expenses	1,469	(2,141)
Increase (decrease) in unearned fee income	642	(190)
Increase in Direct Loan Program notes receivable	(925,366)	(662,274)
Decrease in Capital Loan Program notes receivable	978,284	42,221
	<u>(78,061)</u>	<u>(732,158)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (78,061)</u>	<u>\$ (732,158)</u>

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization

The New Hampshire Health and Education Facilities Authority (the "Authority") is a public benefit corporation created by the New Hampshire General Court. The purpose of the Authority is essentially to provide participating health care and education institutions with an additional method for financing their equipment, buildings and student loan programs. A participating educational institution is an institution for post-secondary education or higher education; an institution for secondary education; an institution providing an educational program; or a childcare provider. A participating health care institution is a hospital; a nursing home; a health maintenance organization; a home health care provider; an institution providing a health care program; or an ambulatory care clinic. Bonds issued by the Authority are not a debt of the State of New Hampshire, and the state is not liable on such bonds. The Authority is exempt from federal and state income taxes.

Note 2. Significant Accounting Policies

Basis of financial statements: The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Authority follows the "business-type activities" reporting requirements of GASB Cod. Sec. Sp20.107. Accordingly, the Authority's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows.

Fund accounting: The accounts of the Authority are maintained in a self-balancing fund, the General Operating Fund.

The General Operating Fund represents resources that are available for the operating activities of the Authority and for the Mandatory Reserve Account and the Capital Loan Program Account.

Reserve Account: The Authority has established a Mandatory Reserve Account to provide for debt service payments, replenishment of debt service funds or payment of professional fees in the event of a defaulted borrower. In addition, the Mandatory Reserve Account is used for operating expenses of the Authority or may be used to provide a form of self-insurance in the event of a lawsuit or claim against the Authority or its Board members. For the years ended June 30, 2015 and 2014, the minimum required balance was the lesser of 0.1% of the total outstanding bonds or \$2,000,000. As of June 30, 2015 and 2014, the minimum required balances and the assets designated for the Mandatory Reserve Account amounted to \$2,000,000.

Capital Loan Program: The Authority has established a Capital Loan Program Account to provide loans at a below-market rate for qualified institutions for the purchase of capital equipment, acquisition of real estate or for refinancing of existing debt. The loans will be administered by a bank, with the Authority co-lending part of the loan. The Authority approved the temporary suspension of this program at its January 2015 board meeting.

Direct Loan Program: The Authority has established a direct lending program to provide loans at a below-market rate for qualified institutions for the purchase of capital equipment, the acquisition of real estate, construction or renovation of facilities, refinancing of existing debt or other matters as determined by the Board.

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Loans receivable/allowance for uncollectible loans: Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the current status of individual loans. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to loans receivable. There were no actual bad debt expenses for the years ended June 30, 2015 and 2014.

Authority fees: The Authority charges an administrative fee to institutions with outstanding bond issues to cover the operating costs of the Authority. During the years ended June 30, 2015 and 2014, the annual fee, paid semi-annually, charged to the institutions is \$0.08 per \$1,000 of the amount of bonds issued, with a maximum of \$40,000 per institution.

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Depreciation: Depreciation of the Authority's equipment is computed using the straight-line method over the estimated useful lives of the assets, generally five to seven years.

The costs for additions, renewals and betterments of property and equipment, unless of relatively minor amount, are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or sale, the cost of the assets disposed of, the related accumulated depreciation is removed from the accounts, and any gain or loss is included in other income in the period the asset is disposed of.

Cash and cash equivalents: For purposes of reporting cash flows, the Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. There were no cash equivalents at June 30, 2015 and 2014. Temporary cash investments held in the investment portfolios are excluded from cash and cash equivalents.

Investments: The Authority reports investments at fair value with net unrealized gains and losses reported as non-operating revenue in the statement of revenues, expenses and changes in fund net position. Fair values of investments are based on quoted market prices. Interest income is accrued on coupon securities from the last coupon date or purchase date and for securities (e.g., U.S. Treasury Bills) on the effective yield method.

Budget policy, practice, and control: The annual budget for the fiscal year ending June 30 is prepared by management. The Authority prepares a budget for the expenditures only. The budget is prepared based on historical data and currently known facts. The budget is presented to the Board of Directors and after deliberation it is voted on. The budget needs a simple majority to pass. If actual expenditures are greater than the budget line item by more than 20% and \$1,000, the Board of Directors must vote to increase that line item. The budget is maintained on the cash basis of accounting.

Note 3. Reporting Entity

The Authority is considered to be a component unit of the State of New Hampshire because its Board of Directors is appointed by the Governor and Council of the State of New Hampshire. Accordingly the Authority is included in the State's Financial Statements as a discreet component unit.

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

The Authority issues tax-exempt bonds, which do not constitute a debt of the State of New Hampshire. These debt instruments are limited obligations of the Authority, payable solely from payments made by the related borrowing institutions and related assets held by trustees. The Authority has no general liability with respect to these obligations and has no beneficial interest in the related assets held by trustees. Therefore, the Authority has elected to exclude these obligations, and the related assets held by trustees, from the financial statements.

Note 4. Revenue Anticipation Notes (RAN)/Capital Note Program (CAN)

The Authority has a Revenue Anticipation Notes (RAN)/Capital Note Program (CAN). This pooled program is designed to provide participating health care and education institutions with two types of notes: one, the Revenue Anticipation Notes, which provide institutions with a source of low-cost funds to alleviate the temporary cash flow shortfalls that result from the imbalance between regular monthly expenditures and irregular receipts such as tuition, grants and other special revenue; and two, the Capital Notes which fund routine capital expenditures. The Authority has transferred its rights and obligations related to each series of notes to a bank trustee. Each of the series of notes is collateralized by a note receivable and security agreement from the institution in respect of which the notes were issued. The notes are payable solely from the resources of the recipient institution, and there can be no claim of payment from the collateral or revenue pledged for the payment of the other series of notes. Accordingly, the notes in the RAN/CAN Program have not been reported in the accompanying financial statements.

As of June 30, 2015, the following notes were outstanding in the RAN/CAN Program:

Kendal at Hanover 2013B, with a variable interest rate (initially 3.15%) Matures August 2016	\$ 15,000,000
Kimball Union Academy 2013, with interest at a rate of 2.26%, Matures September 2016	3,200,000
Proctor Academy, Series 2015A, with interest at a rate of 1.9%, Matures April 2016	<u>2,000,000</u>
	<u>\$ 20,200,000</u>

Note 5. Investments

As of June 30, 2015 and 2014, the Authority's investments consisted of the following:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Mandatory Reserve account:				
Money market account	\$ 1,288,956	\$ 1,288,956	\$ 321,519	\$ 321,519
Corporate fixed income securities	2,777,150	2,781,897	3,662,258	3,711,641
Foreign government obligation	200,574	200,482	473,355	461,345
	<u>\$ 4,266,680</u>	<u>\$ 4,271,335</u>	<u>\$ 4,457,132</u>	<u>\$ 4,494,505</u>
Capital Loan Program account:				
Money market account	<u>\$ 535,385</u>	<u>\$ 535,385</u>	<u>\$ 253,454</u>	<u>\$ 253,454</u>
Total	<u>\$ 4,802,065</u>	<u>\$ 4,806,720</u>	<u>\$ 4,710,586</u>	<u>\$ 4,747,959</u>

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Credit Risk and Concentration of Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy is to invest in a manner that ensures that the principal is preserved and enhanced over time, both in real and nominal terms with portfolio risk exposure reasonably below the average of comparable funds. Permissible investments currently utilized include money market accounts, corporate fixed income securities, and foreign or U.S. Government obligations.

As of June 30, 2015, allocation by type of investment and credit rating are as follows:

Asset	Fair Value	Percentage of Total	Rating	Agency
Money market accounts:				
TD asset mgmt U.S. Government institutional	\$ 1,824,341	38%		
Corporate fixed income securities:				
AT&T Inc.	200,778	4%	BBB+	Moody's/S&P
Anheuser-Busch	216,010	5%	A	Moody's/S&P
BHP Finance USA	50,452	1%	A+	Moody's/S&P
Bank of America Corp	544,690	11%	A-	Moody's/S&P
Caterpillar Financial	70,926	1%	A	Moody's/S&P
Conoco Philips	317,157	7%	A	Moody's/S&P
Coca Cola Co.	1,007,550	21%	AA	Moody's/S&P
Home Depot, Inc.	221,790	5%	A	Moody's/S&P
Wells Fargo & Co	152,544	3%	A+	Moody's/S&P
Foreign government obligation:				
Royal Bank of Canada (in US dollars)	200,482	4%	AA-	Moody's/S&P
<i>Total</i>	<u>\$ 4,806,720</u>	<u>100.00%</u>		

As of June 30, 2014, allocation by type of investment and credit rating are as follows:

Asset	Fair Value	Percentage of Total	Rating	Agency
Money market accounts:				
TD asset mgmt U.S. Government institutional	\$ 574,973	12%		
Corporate fixed income securities:				
Bank of America Corp	563,960	12%	A-	Moody's/S&P
Conoco Philips	332,400	7%	A	Moody's/S&P
JP Morgan Chase & Co.	808,192	17%	A	Moody's/S&P
SBC Communications	832,135	18%	A-	Moody's/S&P
United Tech Corp	155,739	3%	A	Moody's/S&P
Coca Cola Co.	1,019,215	21%	AA	Moody's/S&P
Foreign government obligation:				
Ontario Province Canada (in US dollars)	461,345	10%	AA-	Moody's/S&P
<i>Total</i>	<u>\$ 4,747,959</u>	<u>100.00%</u>		

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or other counterparty failure, the Authority will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2015 and 2014, the Authority's investments were not subject to custodial credit risk under GASB Cod. Sec. I60.114. The Authority's investments are held under a safekeeping agreement, kept separate from the assets of the bank and from other trust accounts and are held in the Authority's name. As of June 30, 2015, \$153,521 of the Authority's bank balance of \$403,521 was exposed to custodial risk due to FDIC insured limits.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, the Authority's investment policy requires that the portfolio maintain an average maturity of three to five years.

The cost and fair value of investments at June 30, 2015, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without penalties.

	Cost	Fair Value
Due in one year or less	\$ 2,758,219	\$ 2,748,118
Due after one year through five years	<u>2,043,846</u>	<u>2,058,602</u>
	<u>\$ 4,802,065</u>	<u>\$ 4,806,720</u>

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Authority's only foreign investment is a fixed income security issued by The Royal Bank of Canada which is denominated in Canadian dollars.

Note 6. Notes Receivable, Capital Loan Program

The Authority has entered into an agreement with certain banks for purposes of making loans to institutions as described in Note 2. Under this agreement, the Authority will be a co-lender at 30%. Effective December 16, 2010, the Authority reduced the rate of interest on its portion of the loan from 50% to 25% of the bank rate for loans closed after that date.

For each loan, a separate participation agreement shall be entered into by both the bank and the Authority.

As of June 30, 2015 and 2014, the following loans were outstanding under this program (represents Authority's portion only):

	2015	2014
Note receivable, Behavioral Health & Development Services of Strafford County, Inc., with 30% co-lending participation, with monthly payments of \$518, including principal and interest at a rate of .840%, due April 2016	\$ 77,137	\$ 82,631
Note receivable, Behavioral Health & Development Services of Strafford County, Inc., with 30% co-lending participation, with monthly payments of \$235 including principal and interest at a rate of .840%, due April 2016	34,965	37,457

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, Concord Community Music School, with 30% co-lending participation, with monthly payments of \$1,399, including principal and interest at .680%, due May 2016	\$ 181,457	\$ 196,915
Note receivable, The White Mountain School, St. Mary's-in-the-Mountains, with 30% co-lending participation, with monthly payments of \$2,094, including principal and interest at a variable rate	-	313,969
Note receivable, Manchester Community Music School, with 30% co-lending participation, with monthly payments of \$611, including principal and interest at a variable rate (.263% at June 30, 2015), due August 2017	128,957	135,938
Note receivable, Developmental Services of Sullivan County, with 30% co-lending participation, with monthly payments of \$1,609, including principal and interest at a rate of 1.430%, due September 2016	18,626	38,626
Note receivable, Behavioral Health & Development Services of Strafford County, Inc., with 30% co-lending participation, with monthly payments of \$467, including principal and interest at a variable rate (.840% at June 30, 2015), due October 2017	77,438	82,249
Note receivable, Noah's Ark Child Care Center, Inc., with 30% co-lending participation, with monthly payments of \$1,361, including principal and interest at a variable rate (.420% at June 30, 2015), due November 2017	203,860	220,551
Note receivable, Manchester Community Health, with 30% co-lending participation, with monthly payments of \$1,093, including principal and interest at a variable rate (0.550% at June 30, 2015), due December 2018	398,195	409,115
Note receivable, Regional Service & Education Center, with 30% co-lending participation, with monthly payments of \$634, including principal and interest at a variable rate (.530% at June 30, 2015), due December 2018	70,757	77,913
Note receivable, Red River Theatres, Inc., with 30% co-lending participation, with monthly payments of \$773, including principal and interest at a variable rate (0.625% at June 30, 2015), due February 2019	87,735	97,086
Note receivable, Woodside School, with 30% co-lending participation, with monthly payments of \$658, including principal and interest at a variable rate (0.498% at June 30, 2015), due February 2019	119,592	126,805
Note receivable, Learning Skills Academy, with 30% co-lending participation, with monthly payments of \$721, including principal and interest at a rate of 1.880%	-	88,891

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, Regional Services and Education Center, with 30% co-lending participation, with monthly payments of \$3,034, including principal and interest at a rate of 2.250%, due July 2015	\$ 185,488	\$ 219,578
Note receivable, The Community Council of Nashua, with 30% co-lending participation, with monthly payments of \$1,262, including principal and interest at a rate of 1.990%	-	242,545
Note receivable, The PLUS Co., with 30% co-lending participation, with monthly payments of \$1,078, including principal and interest at a rate of 1.785%	-	265,426
Note receivable, Lamprey Health Care, Inc., with 30% co-lending participation, with monthly payments of \$618, including interest at a variable rate (.640% at June 30, 2015), due May 2016	281,509	286,962
Note receivable, Strong Foundations, with 30% co-lending participation, with monthly payments of \$2,755, including principal and interest at a rate of .830%, due April 2017	395,585	425,086
Note receivable, NFI North, Inc., with 30% co-lending participation, with monthly payments of \$1,434, including principal and interest at a rate of .350%, due November 2017	137,884	154,458
Note receivable, Manchester Historical Association, with 30% co-lending participation, with monthly payments of \$998, including principal and interest at a rate of .625%, due April 2018	210,848	221,450
Note receivable, Seacoast Mental Health Center Resource Group, Inc., with 30% co-lending participation, with monthly payments of \$1,400, including principal and interest at a rate of .688%, due December 2018	141,457	157,169
Note receivable, The Granite YMCA, with 30% co-lending participation, with monthly payments of \$2,209, including principal and interest at a rate of .500%, due June 2019	379,908	403,000
Note receivable, Brain Injury Association of New Hampshire, with 30% co-lending participation, with monthly payments of \$326, including principal and interest at a rate of 0.498%, due November 2019	93,968	-
Note receivable, Center for Life Management, with 30% co-lending participation, with monthly payments of \$1,440, including principal and interest at a rate of 0.498%, due November 2019	80,170	-
	<u>3,305,536</u>	<u>4,283,820</u>
Portion receivable within one year	<u>958,695</u>	<u>280,071</u>
<i>Capital Loan Program notes receivable, net of current portion</i>	<u>\$ 2,346,841</u>	<u>\$ 4,003,749</u>

At June 30, 2015 and 2014, no loan guarantees were outstanding.

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2015, there were 20 notes outstanding. Maturities of notes receivable are scheduled as follows:

<u>Year Ending June 30,</u>	
2016	\$ 958,695
2017	516,115
2018	746,063
2019	992,612
2020	92,051
<i>Total</i>	<u>\$ 3,305,536</u>

Note 7. Notes Receivable, Direct Loan Program

The Authority has entered into agreements for purposes of making loans to institutions as described in Note 2. Under these agreements, the Authority loans funds to qualified institutions for the purchase of capital equipment, the acquisition of real estate, construction or renovation of facilities, refinancing of existing debt or other matters as determined by the Board of Directors.

As of June 30, 2015 and 2014, the following loans were outstanding under this program:

	2015	2014
Note receivable, Community Bridges, with monthly payments of \$855, including principal and interest at 1%	\$ -	\$ 2,585
Note receivable, Nashua Center for the Multiply Handicapped, with monthly payments of \$855, including principal and interest at 1%	-	3,447
Note receivable, Rannie Webster Foundation d/b/a/Webster at Rye, with monthly payments of \$855, including principal and interest at 1%	-	3,447
Note receivable, Wediko Children's Services, with monthly payments of \$855, including principal and interest at 1%	-	4,308
Note receivable, Kimi Nichols Center, with monthly payments of \$683, including principal and interest at 1%	-	5,484
Note receivable, Community Support Services, with monthly payments of \$797, including principal and interest at 1%	-	6,398
Note receivable, Nashua Center for the Multiply Handicapped, with monthly payments of \$940, including principal and interest at 1%, due July 2015	945	12,228
Note receivable, Sharon Arts Center, with monthly payments of \$1,709, including principal and interest at 1%, due August 2015	3,437	23,930
Note receivable, Kimi Nichols Center, with monthly payments of \$733, including principal and interest at 1%, due November 2015	3,679	12,444
Note receivable, Goodwin Community Health, with monthly payments of \$1,709, including principal and interest at 1%, due July 2016	22,116	42,298

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, Lakes Region Mental Health Center, Inc. d/b/a/ Genesis Mental Health, with monthly payments of \$1,709, including principal and interest at 1%, due August 2016	\$ 23,791	\$ 43,956
Note receivable, Tilton School, with monthly payments of \$1,709, including principal and interest at 1%, due September 2016	25,482	45,630
Note receivable, Nashua Center for the Multiply Handicapped, with monthly payments of \$462, including principal and interest at 1%, due December 2016	8,247	13,673
Note receivable, The White Mountain School, St. Mary's in the Mountains, with monthly payments of \$855, including principal and interest at 1%, due December 2016	15,263	25,312
Note receivable, Families in Transition, with monthly payments of \$525, including principal and interest of 1%, due February 2017	10,404	16,564
Note receivable, The White Mountain School, St. Mary's in the Mountains, with monthly payments of \$842, including principal and interest at 1%, due April 2017	18,340	28,202
Note receivable, Cocheco Arts and Technology Academy, with interest only monthly payments of \$1,709, interest at 1%, due April 2017	100,000	100,000
Note receivable, The Birchtree Center, with monthly payments of \$1,709, including principal and interest at 1%, due April 2017	37,211	57,243
Note receivable, Cardigan Mountain School, with monthly payments of \$1,709, including principal and interest of 1%, due May 2017	38,877	58,892
Note receivable, Community Bridges, with monthly payments of \$1,111, including principal and interest at 1%, due July 2017	27,488	40,476
Note receivable, Opportunity Networks, Inc., with monthly payments of \$552, including principal and interest of 1%, due July 2017	13,652	20,109
Note receivable, Nashua Center for the Multiply Handicapped, Inc., with monthly payments of \$291, including principal and interest of 1%, due August 2017	7,474	10,867
Note receivable, Manchester Community Music School, with monthly payments of \$769, including principal and interest of 1%, due September 2017	20,529	29,505
Note receivable, Young Men's Christian Association of Concord, NH d/b/a Concord Family YMCA, with monthly payments of \$387, including principal and interest of 1%, due October 2017	10,711	15,225
Note receivable, The Pine Hill Waldorf School, with monthly payments of \$1,709, including principal and interest of 1%, due December 2017	50,645	70,543

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, Surry Village Charter School, with monthly payments of interest only at 1%, due December 2017	\$ 50,000	\$ 60,000
Note receivable, Riverbend Community Mental Health, Inc., with monthly payments of \$1,709, including principal and interest of 1%, due January 2018	52,285	72,167
Note receivable, New Hampshire Odd Fellows' Home d/b/a Presidential Oaks, with monthly payments of \$530, including principal and interest of 1%, due February 2018	16,726	22,884
Note receivable, Monadnock Developmental Services, Inc., with monthly payments of \$970, including principal and interest of 1%, due February 2018	27,748	39,995
Note receivable, Measured Progress, Inc., with monthly payments of \$2,705, including principal and interest of 1%, due April 2018	90,679	122,063
Note receivable, Seacoast Learning Collaborative, with monthly payments of \$1,983, including principal and interest of 1%, due June 2018	70,324	93,291
Note receivable, Mount Washington Observatory, with monthly payments of \$2,137, including principal and interest of 1%, due June 2018	75,724	100,473
Note receivable, Coos County Family Health Services, with monthly payments of \$3,060, including principal and interest of 1%, due August 2018	114,352	149,734
Note receivable, High Mowing School, with monthly payments of \$559, including principal and interest of 1%, due September 2018	21,455	27,914
Note receivable, YMCA of Greater Manchester, with monthly payments of \$2,284, including principal and interest of 1%, due September 2018	87,626	114,009
Note receivable, Nashua Center for the Multiply Handicapped, with monthly payments of \$592, including principal and interest of 1%, due September 2018	22,700	29,537
Note receivable, Young Men's Christian Association of Concord, NH d/b/a Concord Family YMCA, with monthly payments of \$3,077, including principal and interest of 1%, due October 2018	121,027	156,547
Note receivable, Boys & Girls Club of Manchester, with monthly payments of \$770, including principal and interest of 1%, due October 2018	10,193	39,184
Note receivable, Seacoast Learning Collaborative, with monthly payment of \$1,532, including principal and interest of 1%, due December 2018	63,248	80,906
Note receivable, Community Bridges, with monthly payments of \$1,709, including principal and interest of 1%, due December 2018	70,523	90,223

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, New Hampton School, with monthly payments of \$1,709, including principal and interest of 1%, due December 2018	\$ 70,523	\$ 90,223
Note receivable, Opportunity Networks, with monthly payments of \$1,256, including principal and interest of 1%, due December 2018	51,804	66,284
Note receivable, Kimi Nichols Center, with monthly payments of \$792, including principal and interest of 1%, due February 2019	34,204	43,312
Note receivable, White Mountain School, with monthly payments of \$845, including principal and interest of 1%, due March 2019	37,338	47,058
Note receivable, The Granite YMCA, with monthly payments of \$1,376, including principal and interest of 1%, due June 2019	64,712	80,490
Note receivable, Making Community Connections Charter School, with monthly payments of \$1,282, including principal and interest of 1%, due November 2014	75,000	75,000
Note receivable, Manchester Community Music School, with monthly payments of \$342, including principal and interest of 1%, due July 2019	16,408	-
Note receivable, Bishop Guertin High School, with monthly payments of \$2,803, including principal and interest of 1%, due July 2019	134,549	-
Note receivable, Community Bridges, with monthly payments of \$991, including principal and interest of 1%, due August 2019	48,534	-
Note receivable, Brewster Academy, with monthly payments of \$610, including principal and interest of 1%, due August 2019	29,839	-
Note receivable, Kimball Union Academy, with monthly payments of \$4,210, including principal and interest of 1%, due August 2016	58,534	-
Note receivable, YMCA Camp Belknap, with monthly payments of \$3,419, including principal and interest of 1%, due November 2019	177,178	-
Note receivable, Spaulding Youth Center, with monthly payments of \$3,419, including principal and interest of 1%, due November 2019	177,178	-
Note receivable, Kimi Nichols Center, Inc., with monthly payments of \$625, including principal and interest of 1%, due January 2020	33,562	-
Note receivable, Farmsteads of New England, Inc., with monthly payments of \$513, including principal and interest of 1%, due November 2019	26,577	-
Note receivable, Farmsteads of New England, Inc., with monthly payments of \$1,197, including principal and interest of 1%, due December 2019	63,156	-

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	2015	2014
Note receivable, Kimball Union Academy, with monthly payments of \$4,210, including principal and interest of 1%, due January 2017	\$ 79,367	\$ -
Note receivable, Cardigan Mountain School, with monthly payments of \$1,143, including principal and interest of 1%, due March 2020	63,626	-
Note receivable, Community Bridges, with monthly payments of \$410, including principal and interest of 1%, due March 2020	22,828	-
Note receivable, Opportunity Networks, Inc., with monthly payments of \$758, including principal and interest of 1%, due March 2020	42,155	-
Note receivable, Nashua Center for the Multiply Handicapped, Inc., with monthly payments of \$855, including principal and interest of 1%, due March 2020	47,559	-
Note receivable, The Plus Company, Inc., with monthly payments of \$749, including principal and interest of 1%, due April 2020	42,393	-
Note receivable, the Boys & Girls Club of Manchester, with monthly payments of \$2,807, including principal and interest of 1%, due May 2020	161,551	-
Note receivable, Seacoast Learning Collaborative, with monthly payments of \$838, including principal and interest of 1%, due May 2020	48,190	-
Note receivable, The Learning Skills Academy, with monthly payments of \$1,460, including principal and interest of 1%, due June 2020	85,395	-
Note receivable, Concord Family YMCA, with monthly payments of \$1,100, including principal and interest of 1%, due June 2020	64,365	-
Note receivable, The Moore Center, with monthly payments of \$1,709, including principal and interest of 1%, due July 2020	100,000	-
Note receivable, Manchester Community Health Center, with monthly payments of \$513, including principal and interest of 1%, due July 2020	30,000	-
	3,219,426	2,294,060
Portion receivable within one year	1,169,376	831,527
<i>Direct Loan Program notes receivable, net of current portion</i>	\$ 2,050,050	\$ 1,462,533

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2015, there were 62 notes outstanding. Maturities of notes receivable are scheduled as follows:

<u>Year Ending June 30,</u>	
2016	\$ 1,169,376
2017	807,771
2018	645,165
2019	407,712
2020	187,238
Thereafter	<u>2,164</u>
<i>Total</i>	<u>\$ 3,219,426</u>

Note 8. Retirement Plans

The Authority has a simplified employee pension plan (the "Plan") which covers all employees who meet the eligibility requirements of the Plan. For the years ended June 30, 2015 and 2014, the Authority contributed 12% each of salaries for qualified employees, amounting to \$27,824 and \$27,036, respectively. The Authority has a section 457(b) deferred compensation plan which covers all employees who meet the eligibility requirements of the plan. No employer contributions are permitted under the Plan.

Note 9. Commitments

The Authority has employment agreements with its Executive Director and Director of Operations and Finance. As of June 30, 2015, the agreements have two remaining extension terms of one year each. The aggregate commitment under these agreements was approximately \$338,000 at June 30, 2015.

Note 10. Operating Lease

The Authority leases office space under an operating lease from an unrelated party. The lease expires October 31, 2017.

Minimum future rental expenses for the remainder of the lease term under the agreement are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 18,200
2017	18,500
2018	<u>6,200</u>
	<u>\$ 42,900</u>

Rent expense for the years ended June 30, 2015 and 2014 was \$19,237 and \$18,929, respectively.

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 11. Conduit Debt Obligations

Since its inception, the Authority has issued various series of bonds. The Authority has transferred its rights and obligations related to each series of bonds to a bank trustee. Each of the series of bonds is collateralized by a note receivable and security agreement from the institution in respect of which the bonds were issued. The bonds are payable solely from the resources of the recipient institution, and, there can be no claim of payment from the collateral or revenue pledged for the payment of the other series of bonds. Accordingly, the bonds have not been reported in the accompanying financial statements.

As of June 30, 2015, the following series of bonds were outstanding:

Description	Maturing	Original Issue	Outstanding June 30, 2015
Hillcrest Terrace Issue, Series 1994 Interest: 7.50%	Annually July 1, 1998 - 2024	\$ 18,950,000	\$ 11,350,000
Hunt Community Issue, Series 1996 Interest: Variable, not to exceed 12.00%, convertible to fixed	Annually May 1, 1997 - 2026	13,220,000	7,680,000
New Hampshire Catholic Charities Issue, Series 1997 Interest: 4.60% - 5.80%	Annually August 1, 1999 - 2022	7,055,000	3,435,000
Franklin Pierce College Issue, Series 1998 Interest: 4.90% - 5.30%	Annually October 1, 2008 - 2028	33,990,000	27,740,000
St. Paul's School Issue, Series 1998 Interest: 3.50%	January 1, 2028	40,000,000	40,000,000
Exeter Hospital Obligated Group Issue, Series 2001B Interest: Variable	Annually October 1, 2002 - 2023	18,800,000	8,370,000
Bishop Guertin High School Inc. Issue, Series 2002 Interest: Variable	Annually September 1, 2005 - 2032	6,200,000	4,575,000
Dartmouth College Issue, Series 2002 Interest: Variable	June 1, 2032	101,000,000	101,000,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Riverbend Issue, Series 2003 Interest: Variable	July 1, 2033	\$ 6,000,000	\$ 3,745,000
Dartmouth College Issue, Series 2003 Interest: Variable	Annually June 1, 2004 - 2023	113,250,000	69,200,000
Exeter Hospital Issue, Series 2003 Interest: Variable	Annually October 1, 2006 - 2033	20,000,000	15,650,000
Franklin Pierce College Issue, Series 2004 Interest: 6.05%	October 1, 2034	11,000,000	11,000,000
Kendal at Hanover Issue, Series 2004A Interest: 4.00%	Annually October 1, 2005 - 2018	13,725,000	4,875,000
Kendal at Hanover Issue, Series 2004B Interest: Variable	Annually October 1, 2005 - 2030	15,545,000	9,415,000
Easter Seals NH Issue, Series 2004A Interest: Variable	December 1, 2034	16,060,000	13,875,000
Antioch University Issue, Series 2004 Interest: Variable	December 1, 2024	4,320,000	2,575,000
University System of NH Issue, Series 2005A Interest: 3.8445%	July 1, 2035	65,000,000	53,500,000
University System of NH Issue, Series 2005B Interest: Variable	Annually July 1, 2007 - 2033	97,360,000	81,865,000
New Hampshire Institute of Art Issue, Series 2005 Interest: Variable	Annually October 1, 2006 - 2035	7,000,000	5,755,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Tilton School Issue, Series 2006 Interest: Variable	Annually February 1, 2009 - 2036	\$ 17,000,000	\$ 14,635,000
Catholic Medical Center Issue, Series 2006 Interest: 3.50%	Annually July 1, 2007 - 2036	32,910,000	30,430,000
The Memorial Hospital Issue, Series 2006 Interest: 5.00% - 5.25%	Annually June 1, 2007 - 2036	20,955,000	17,775,000
Frisbie Memorial Hospital Issue, Series 2006 Interest: Variable	Annually August 1, 2007 - 2036	25,000,000	21,900,000
Center for Life Management Issue, Series 2006 Interest: Variable	Annually January 1, 2007 - 2030	3,700,000	3,265,000
Havenwood Heritage Heights Issue, Series 2006A Interest: 5.00% - 5.25%	Annually January 1, 2008 - 2030	12,745,000	10,075,000
Southeastern Regional Educational Service Center Issue, Series 2006 Interest: Variable	Annually November 1, 2007 - 2036	5,500,000	4,215,000
University System of New Hampshire Issue, Series 2006B-2 Interest: 5.00%	Annually July 1, 2007 - 2036	60,000,000	2,925,000
Dartmouth College Issue, Series 2007A Interest: Variable	Annually June 1, 2008 - 2031	90,000,000	89,665,000
Dartmouth College Issue, Series 2007B Interest: Variable	June 1, 2012, 2036, 2041	90,000,000	75,000,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Dartmouth College Issue, Series 2007C Interest: Variable	June 1, 2041	\$ 30,000,000	\$ 30,000,000
High Mowing School Issue, Series 2007 Interest: 5.21%	Monthly July 1, 2007 - June 1, 2037	2,000,000	1,212,661
Child and Family Services of New Hampshire Issue, Series 2007 Interest: Variable	Quarterly January 1, April 1, July 1, and October 1, 2010 - 2038	5,540,000	4,665,000
Moore Center Services Inc. Issue, Series 2007 Interest: Variable	Annually September 1, 2008 - 2037	4,295,000	3,715,000
Southern New Hampshire Medical Center Issue, Series 2007A Interest: 5.00% - 5.25%	Annually October 1, 2013 - 2037	89,905,000	86,115,000
Phillips Exeter Academy Issue, Series 2007 Interest: Variable	September 1, 2042	50,000,000	50,000,000
Wediko Children's Services Issue, Series 2007 Interest: 5.42%	Annually September 1, 2008 - 2037	3,800,000	3,304,098
Kimball Union Academy Issue, Series 2007 Interest: 3.602%	Annually July 1, 2011 - 2037	10,000,000	9,140,000
Greater Manchester YMCA Family Issue, Series 2007 Interest: Variable	Annually October 1, 2009 - 2028	3,800,000	2,295,000
Covenant Health Systems Issue, Series 2007A Interest: 5.00% - 5.25%	Annually July 1, 2008 - 2037	17,030,000	15,210,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Covenant Health Systems Issue, Series 2007B Interest: Variable	Annually July 1, 2008 - 2031	\$ 36,650,000	\$ 32,910,000
Lebanon College Issue, Series 2007 Interest: 6.00%	Monthly January 1, 2008 - December 1, 2037	2,860,000	2,142,118
University System of New Hampshire Issue, Series 2007 Interest: 4.975%	July 1, 2018	46,570,000	46,570,000
Rivier College Issue, Series 2008 Interest: Variable	Annually February 1, 2009 - 2038	17,745,000	15,145,000
The Derryfield School Issue, Series 2008 Interest: Variable	Annually July 1, 2012 - 2038	7,000,000	6,530,000
St. Anselm College Issue, Series 2008 Interest: Variable	Annually June 1, 2009 - 2038	62,215,000	53,785,000
Riverbend Community Mental Health Issue, Series 2008 Interest: Variable	Annually July 1, 2009 - 2038	4,100,000	3,540,000
Kendal at Hanover Issue, Series 2008 Interest: Variable	Annually October 1, 2011 - 2038	16,365,000	14,875,000
University System of New Hampshire Issue, Series 2009A Interest: 4.00% - 5.50 %	July 1, 2014, 2016, 2020, and 2023	105,650,000	84,045,000
New Hampshire Institute of Art Issue, Series 2009 Interest: Variable	Quarterly January 1, April 1, July 1, October 1, 2010 - 2038	9,000,000	8,190,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Dartmouth College Issue, Series 2009 Interest: 5.00% - 5.25%	June 1, 2019, 2028, 2029, and 2039	\$ 198,875,000	\$ 198,875,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2009 Interest: 3.00% - 6.00%	Annually August 1, 2010 - 2022, 2033, and 2038	134,920,000	68,970,000
Havenwood Heritage Heights Issue, Series 2009 Interest: Variable	Annually January 1, 2012 - 2035	14,910,000	14,400,000
LRGHealthcare Issue, Series 2009 Interest: 3.00% - 7.00%	Semi-Annually April 1 and October 1, 2012 - 2029 and October 1, 2034 and April 1, 2038	143,520,000	133,265,000
Pinkerton Academy Issue, Series 2010 Interest: 2.00% - 4.875%	Annually June 1, 2012 - 2025 and June 1, 2030 and June 1, 2035	38,380,000	34,205,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2010 Interest: 5.00%	Annually August 1, 2032 - 2040	75,000,000	75,000,000
St. Paul's School Issue, Series 2010 Interest: 3.00% - 4.00%	Semi-Annually April 1 and October 1, 2011 - 2020	13,655,000	13,655,000
New Hampton School Issue, Series 2010 Interest: Variable	Monthly October 1, 2010 - September 1, 2030	6,605,000	5,976,340
Crotched Mountain Rehabilitation Center Issue, Series 2010 Interest: Variable	Monthly January 1, 2011 - December 1, 2030	30,000,000	26,849,405

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Southern New Hampshire Medical Center Issue, Series 2010 Interest: 2.00%	Monthly January 15, 2011 - December 15, 2015	\$ 5,500,000	\$ 575,100
Proctor Academy Issue, Series 2010A Interest: 3.125%	December 1, 2040	10,175,000	9,493,724
Proctor Academy Issue, Series 2010B Interest: Variable	December 1, 2040	518,667	474,772
Brewster Academy Issue, Series 2011 Interest: 4.45% Subject to adjustment February 1, 2021 and February 1, 2031	Monthly March 1, 2013 - February 1, 2041	18,000,000	17,190,007
Concord Hospital Issue, Series 2011 Interest: 1.125% - 5.60%	Annually October 1, 2011 - 2031	49,795,000	37,130,000
Wentworth-Douglass Hospital Issue, Series 2011A Interest: 3.87% - 6.34%	Annually January 1, 2017 - 2041	87,920,000	87,920,000
Wentworth-Douglass Hospital Issue, Series 2011B Interest: Variable	Annually January 1, 2011 - 2041	18,390,000	16,600,000
University System of New Hampshire Issue, Series 2011A Interest: 5.00%	July 1, 2021	6,000,000	6,000,000
University System of New Hampshire Issue, Series 2011B Interest: Variable	Annually July 1, 2012 - 2033	42,570,000	37,780,000
Measured Progress Issue, Series 2011A Interest: 2.269%	Monthly August 1, 2011 - June 1, 2031	12,000,000	10,422,377

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NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Measured Progress Issue, Series 2011B Interest: 2.636%	Monthly August 1, 2011 - June 1, 2031	\$ 6,000,000	\$ 5,265,668
John H. Whitaker Place Issue, Series 2011 Interest: 3.50%	Monthly September 1, 2011 - August 1, 2041	5,500,000	4,975,637
New Hampshire Higher Education Loan Corporation Issue, Series 2011A Interest: Variable	Monthly September 1, 2011 - December 1, 2032	125,400,000	125,400,000
New Hampshire Higher Education Loan Corporation Issue, Series 2011B Interest: Variable	Semi-Annually December 1, 2011 - 2032	10,000,000	10,000,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2011 Interest: Variable	Annually August 1, 2011 - 2031	99,702,215	90,005,000
RiverMead at Peterborough Issue, Series 2011A Interest: 6.625% - 6.875%	Annually July 1, 2029 - 2041	21,670,000	21,670,000
Exeter Hospital Issue, Series 2012 Interest: Variable	Annually October 1, 2012 - 2031	32,565,000	29,655,000
Presidential Oaks Issue, Series 2012 Interest: 3.96%	Monthly May 1, 2012 - April 1, 2032	4,000,000	3,563,386
Androscoggin Valley Hospital Issue, Series 2012A Interest: 2.951%	Monthly May 1, 2012 - April 1, 2019	2,000,000	1,147,098
Androscoggin Valley Hospital Issue, Series 2012B Interest: 3.312%	Monthly May 1, 2012 - April 1, 2022	12,500,000	10,360,232

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
The Holderness School Issue, Series 2012 Interest: 2.39%	Semi-Annually June 1, 2012 - March 1, 2027	\$ 4,500,000	\$ 4,500,000
University System of New Hampshire Issue, Series 2012 Interest: 2.00% - 4.00%	Semi-Annually July 1, 2012 - 2020	23,260,000	18,000,000
Southern New Hampshire University Issue, Series 2012 Interest: 2.50% - 5.00%	Annually January 1, 2013 - January 1, 2042	62,915,000	62,165,000
Colby-Sawyer College Issue, Series 2012 Interest: 1.96%	Monthly July 1, 2012 - June 1, 2042	27,000,000	25,816,215
Covenant Health Systems Obligated Group Issue, Series 2012 Interest: 3.00% - 5.00%	Annually July 1, 2013 - July 1, 2042	27,000,000	26,825,000
Cardigan Mountain School Issue, Series 2012 Interest: Variable	Monthly September 1, 2015 - August 1, 2042	11,000,000	11,000,000
RiverWoods at Exeter Issue, Series 2012A Interest: Variable	Annually October 1 2013 - 2036	33,605,000	31,305,000
RiverWoods at Exeter Issue, Series 2012B Interest: Variable	Annually October 1 2013 - 2038	32,000,000	30,345,000
Cheshire Medical Center Issue, Series 2012 Interest: 2.00% - 5.00%	Annually July 1 2013 - 2039	29,650,000	28,225,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2012A Interest: Variable	Annually August 1 2013 - 2031	75,000,000	73,725,000

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NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Dartmouth-Hitchcock Obligated Group Issue, Series 2012B Interest: Variable	Annually August 1 2013 - 2031	\$ 41,170,000	\$ 40,455,000
Speare Memorial Hospital Issue, Series 2012 Interest: Variable	Monthly January 1, 2013 - December 1, 2037	21,100,000	19,198,656
Catholic Medical Center Issue, Series 2012 Interest: 3.00% - 5.00%	Annually July 1, 2013 - 2032	35,275,000	32,065,000
Concord Hospital Issue, Series 2013A Interest: 2.00% - 5.00%	Annually October 1, 2013 - 2043	45,000,000	43,285,000
New Hampton School Issue, Series 2013 Interest: Variable	Monthly May 1, 2013 - April 1, 2043	5,000,000	4,757,090
Concord Hospital Issue, Series 2013B Interest: 1.714%	Monthly June 1, 2013 - October 1, 2024	32,421,264	25,198,931
The Huntington at Nashua Issue, Series 2013 Interest: 2.534%	Monthly June 1, 2013 - May 1, 2033	23,000,000	21,115,640
Dublin School Issue, Series 2013 Interest: Variable	Monthly June 1, 2013 - May 1, 2033	1,200,000	1,105,595
Coe-Brown Northwood Academy Issue, Series 2013 Interest: 3.05%	Monthly June 1, 2013 - May 1, 2033	3,300,000	3,040,110
Saint Anselm College Issue, Series 2013 Interest: 5.00%	Annually July 1, 2039 - August 1, 2043	12,000,000	12,000,000
Boys & Girls Club of Greater Concord Issue, Series 2013 Interest: Variable	Monthly October 1, 2016 - September 1, 2033	3,000,000	1,456,895

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Elliot Hospital Issue, Series 2013 Interest: 2.05%	Monthly November 1, 2013 - October 1, 2020	\$ 17,021,000	\$ 13,190,206
New London Hospital Issue, Series 2013A Interest: Variable	Monthly November 1, 2013 - October 1, 2043	15,520,000	15,110,258
New London Hospital Issue, Series 2013B Interest: Variable	Monthly November 1, 2013 - October 1, 2043	9,480,000	9,480,000
Havenwood Heritage Heights Issue, Series 2013A Interest: Variable	Monthly December 1, 2015 - November 1, 2016	3,000,000	3,000,000
Havenwood Heritage Heights Issue, Series 2013B Interest: Variable	Monthly December 1, 2016 - November 1, 2041	14,470,000	14,470,000
RiverMead at Peterborough Issue, Series 2013 Interest: Variable	Monthly February 1, 2014 - July 1, 2028	13,550,000	12,433,000
New England College Issue, Series 2014A Interest: 2.16% Subject to adjustment March 1, 2019	Monthly April 1, 2014 - March 1, 2044	3,635,802	3,469,543
New England College Issue, Series 2014B Interest: 2.16% Subject to adjustment March 1, 2019	Monthly March 1, 2017 - March 1, 2044	8,364,198	8,364,198
Holderness School Issue, Series 2014 Interest: 3.00% - 3.375%	Monthly October 1, 2015 - September 1, 2035	4,500,000	4,500,000
University System of New Hampshire Issue, Series 2014 Interest: 1.97%	Annually July 1, 2015 - July 1, 2024	21,760,000	21,760,000

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NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Covenant Health Systems, Inc. Obligated Group Issue, Series 2014 Interest: Variable	Annually July 1, 2015 - July 1, 2034	\$ 16,900,000	\$ 16,900,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2014A Interest: 2.63%	Annually August 1, 2019 - August 1, 2022	26,960,000	26,960,000
Dartmouth-Hitchcock Obligated Group Issue, Series 2014B Interest: 4.00%	Annually August 1, 2032 - August 1, 2033	14,530,000	14,530,000
Southern New Hampshire University Issue, Series 2014A Interest: 2.53%	Semi-Annually January 1, 2015 - January 1, 2039	32,208,000	31,906,000
Southern New Hampshire University Issue, Series 2014B Interest: Variable	Semi-Annually January 1, 2015 - January 1, 2036	19,069,000	18,366,000
Southern New Hampshire University Issue, Series 2014C Interest: 3.25%	Monthly September 1, 2014 - July 1, 2039	15,071,000	14,330,000
Keystone Hall Issue, Series 2014 Interest: Variable	Monthly September 15, 2014 - September 15, 2042	3,963,900	3,904,995
Southern District YMCA Issue, Series 2014A Interest: Variable	Monthly November 1, 2017 - November 1, 2034	2,750,000	2,750,000
Southern District YMCA Issue, Series 2014B Interest: 3.53%	Monthly November 1, 2017 - November 1, 2034	2,904,000	2,904,000

(continued on next page)

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Description	Maturing	Original Issue	Outstanding June 30, 2015
Southern District YMCA Issue, Series 2014C Interest: Variable	Monthly November 1, 2017 - November 1, 2034	\$ 1,250,000	\$ 1,250,000
Exeter Hospital Issue, Series 2015 Interest: 2.13%	Monthly March 26, 2015 - March 26, 2022	6,000,000	5,800,757
University System of New Hampshire Issue, Series 2015 Interest: 1.97%	Semi-Annually July 1, 2015 - July 1, 2045	116,970,000	116,970,000
YMCA of Greater Nashua Issue, Series 2015A Interest: 2.89%	Monthly June 1, 2015 - May 1, 2035	5,700,000	5,699,937
YMCA of Greater Nashua Issue, Series 2015B Interest: 2.89%	Monthly July 1, 2015 - June 1, 2038	3,500,000	3,500,000
St. Paul's School Issue, Series 2015 Interest: 3.05%	Quarterly July 1, 2015 - June 1, 2045	12,000,000	12,000,000
Scott-Farrar Home Issue, Series 2015 Interest: 4.25% - 7.00%	Annually July 1, 2017 - July 1, 2045	16,300,000	16,300,000
<i>Total</i>		<u>\$ 3,672,654,046</u>	<u>\$ 3,231,135,649</u>

As of June 30, 2015, there were 125 bond issues outstanding, excluding the RAN/Capital Note Program described in Note 4. These bonds mature at various dates, with aggregate principal payments due as follows:

<u>Year Ending June 30,</u>	
2015	\$ 82,934,635
2016	112,678,630
2017	89,151,141
2018	147,563,034
2019	94,178,139
Thereafter	<u>2,704,630,070</u>
<i>Total</i>	<u>\$ 3,231,135,649</u>

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 12. Subsequent Events

The Authority has evaluated subsequent events through September 25, 2015; the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended June 30, 2015.

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

STATEMENT OF BUDGETARY COMPARISON

Year Ended June 30, 2015

	Budget	Actual Amounts (Budgetary Basis)	Budgetary Basis to GAAP Basis Differences	Actual Amounts GAAP Basis
Salaries	\$ 247,620	\$ 283,837	\$ 485 (1)	\$ 284,322
Employee benefits	88,563	54,424	- (2)	54,424
Legal fees	40,000	53,376	-	53,376
Rent, electric and cleaning	21,710	20,468	1,294 (2)	21,762
Payroll taxes	16,339	18,802	-	18,802
General insurance	16,650	18,283	(455) (2)	17,828
Accounting fees	15,500	15,000	-	15,000
Bank investment fees	16,000	12,819	-	12,819
Travel and meetings	21,500	10,347	(34) (2)	10,313
Office supplies and postage	8,630	6,352	(68) (2)	6,284
Telephone	5,220	5,210	(74) (2)	5,136
Outside services	14,960	5,010	(134) (2)	4,876
Dues and subscriptions	4,430	4,034	-	4,034
Miscellaneous	1,200	278	-	278
Bad debt expense	-	-	(1,578) (3)	(1,578)
	<u>\$ 518,322</u>	<u>\$ 508,240</u>	<u>\$ (564)</u>	<u>\$ 507,676</u>

- (1) The Authority budgets for compensated absences only to the extent expected to be paid, rather than on the accrual basis.
- (2) The Authority budgets expenditures on a cash basis rather than on the accrual basis.
- (3) The Authority budget does not include an expense for bad debts because the budget is prepared on the basis of cash expenditures.

NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY

STATEMENT OF BUDGETARY COMPARISON

Year Ended June 30, 2014

	Budget	Actual Amounts (Budgetary Basis)	Budgetary Basis to GAAP Basis Differences		Actual Amounts GAAP Basis
Salaries	\$ 232,080	\$ 270,362	\$ (3,063)	(1)	\$ 267,299
Employee benefits	83,139	56,946	609	(2)	57,555
Legal fees	20,000	600	-		600
Rent, electric and cleaning	21,360	21,208	106	(2)	21,314
Payroll taxes	15,255	18,183	-		18,183
General insurance	15,520	16,226	(269)	(2)	15,957
Accounting fees	15,000	10,000	4,500	(2)	14,500
Bank investment fees	16,500	15,445	-		15,445
Travel and meetings	21,500	13,408	34	(2)	13,442
Office supplies and postage	12,850	8,664	22	(2)	8,686
Telephone	5,200	4,758	17	(2)	4,775
Outside services	17,850	11,362	134	(2)	11,496
Dues and subscriptions	5,400	5,340	-		5,340
Miscellaneous	1,200	413	-		413
Bad debt expense	-	-	18,592	(4)	18,592
Depreciation	-	-	54	(3)	54
	<u>\$ 482,854</u>	<u>\$ 452,915</u>	<u>\$ 20,736</u>		<u>\$ 473,651</u>

- (1) The Authority budgets for compensated absences only to the extent expected to be paid, rather than on the accrual basis.
- (2) The Authority budgets expenditures on a cash basis rather than on the accrual basis.
- (3) The Authority budget does not include an expense for depreciation because the budget is prepared on the basis of cash expenditures.
- (4) The Authority budget does not include an expense for bad debts because the budget is prepared on the basis of cash expenditures.