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FORM 10-Q

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 0-24843

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.
(Exact name of registrant as specified in its charter)

Delaware 47-0810385
(State or other jurisdiction (IRS Employer
of incorporation or organization) Identification No.)

Suite 400, 1004 Farnam Street, Omaha, Nebraska 68102
(Address of principal executive offices) (Zip Code)

(402) 444-1630
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

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Part I. Financial Information

Item 1. **Financial Statements**

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

BALANCE SHEETS

	Mar. 31, 2002 (Unaudited)	Dec. 31, 2001
Assets		
Cash and cash equivalents	$ 8,123,464	$ 8,590,489
Investment in tax-exempt mortgage bonds, at estimated fair value (Amortized cost of $114,811,000)	118,405,000	118,405,000
Investment in other tax-exempt bonds, at estimated fair value (Amortized cost of $3,900,000)	3,939,000	3,939,000
Interest receivable	1,404,287	944,531
Other assets	6,441,189	6,273,224
	$ 138,312,940	$ 138,152,244
Liabilities and Partners' Capital		
Liabilities		
Accounts payable and accrued expenses	$ 530,610	$ 901,821
Distribution payable	1,341,536	1,341,536
Debt financing	59,755,000	59,755,000
	61,627,146	61,998,357
Partners' Capital		
General Partner	18,532	13,213
Beneficial Unit Certificate Holders	76,667,262	76,140,674
($7.79 per BUC in 2002 and $7.74 in 2001)	76,685,794	76,153,887
	$ 138,312,940	$ 138,152,244

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

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(UNAUDITED)

	For the Three Months Ended Mar. 31, 2002	For the Three Months Ended Mar. 31, 2001
Income		
Mortgage bond investment income	$ 2,277,776	$ 2,359,323
Other bond investment income	80,437	61,875
Other interest income	129,538	161,067
Contingent interest income	-	10,000
	2,487,751	2,592,265
Expenses		
Interest expense	341,664	562,468
Amortization expense	6,243	6,974
General and administrative expenses	266,401	194,681
	614,308	764,123
Net income	1,873,443	1,828,142
Other comprehensive income:		
Unrealized gains on securities		
Net unrealized holding gains arising during the period	-	-
Net comprehensive income	$ 1,873,443	$ 1,828,142
Net income allocated to:		
General Partner	$ 18,734	$ 20,681
BUC holders	1,854,709	1,807,461
	$ 1,873,443	$ 1,828,142
Net income, basic and diluted, per BUC	$ 0.19	$ 0.18
Weighted average number of BUCs outstanding, basic and diluted	9,837,928	9,837,928

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

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

STATEMENT OF PARTNERS' CAPITAL

FOR THE THREE MONTHS ENDED MARCH 31, 2002

(UNAUDITED)

	General Partner	Beneficial Unit Certificate Holders # of BUCs	Beneficial Unit Certificate Holders Amount	Total
Partners' Capital (excluding accumulated other comprehensive income)				
Balance at December 31, 2001	$ 13,213	9,837,928	72,507,674	$ 72,520,887
Net income	18,734	-	1,854,709	1,873,443
Cash distributions paid or accrued	(13,415)	-	(1,328,121)	(1,341,536)
Balance at March 31, 2002	18,532	9,837,928	73,034,262	73,052,794
Accumulated Other Comprehensive Income				
Balance at December 31, 2001	-	-	3,633,000	3,633,000
Other comprehensive income	-	-	-	-
Balance at March 31, 2002	-	-	3,633,000	3,633,000
Balance at March 31, 2002	$ 18,532	9,837,928	$ 76,667,262	$ 76,685,794

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

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the Three Months Ended Mar. 31, 2002	For the Three Months Ended Mar. 31, 2001
Cash flows from operating activities		
Net income	$ 1,873,443	$ 1,828,142
Adjustments to reconcile net income to net cash from operating activities		
Amortization expense	6,243	6,974
(Increase) in interest receivable	(459,756)	(265,812)
(Increase) decrease in other assets	(64,498)	206
(Decrease) increase in accounts payable and accrued expenses	(371,211)	160,085
Net cash provided by operating activities	984,221	1,729,595
Cash flows from investing activities		
Debt financing and bond issuance costs paid	(16,802)	(1,365)
Increase in other assets	(92,908)	(288,110)
Net cash used in investing activities	(109,710)	(289,475)
Cash flows from financing activities		
Distributions paid	(1,341,536)	(1,341,536)
Net cash used in financing activities	(1,341,536)	(1,341,536)
Net increase (decrease) in cash and cash equivalents	(467,025)	98,584
Cash and cash equivalents at beginning of period	8,590,489	5,858,216
Cash and cash equivalents at end of period	$ 8,123,464	$ 5,956,800
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 177,375	$ 341,455

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

1. Basis of Presentation

The accompanying interim unaudited financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted according to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2001. In the opinion of management, all normal and recurring adjustments necessary to present fairly the financial position at March 31, 2002, and the results of operations for all periods presented have been made. The results of operations for the three-month period ended March 31, 2002 are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Debt Financing

The Partnership's debt financing bears interest at a weekly floating bond rate which was 2.29% and 4.57% for the three months ended March 31, 2002 and 2001, respectively.

3. New Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard (FAS) No. 141, "Business Combinations" and FAS No. 142, "Goodwill and Other Intangible Assets" which provide guidance on how entities are to account for business combinations and for the goodwill and other intangible assets that arise from those combinations or are acquired otherwise. The adoption of these standards on January 1, 2002 did not have an impact on the financial statements of the Partnership.

In October 2001, the FASB issued FAS No. 144, "Accounting for the Impairment of Long-Lived Assets", which provides guidance on the accounting of long-lived assets to be held and used or to be disposed of and the reporting of discontinued operations. The adoption of this standard on January 1, 2002, did not have an impact on the financial statements of the Partnership.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

The Partnership was formed for the purpose of acquiring, holding, operating, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments. The Partnership's business objectives are to: (i) preserve and protect its capital; (ii) provide regular cash distributions to BUC holders; and, (iii) provide a potential for an enhanced federally tax-exempt yield as a result of a participation interest in the net cash flow and net capital appreciation of the real estate financed by the tax-exempt mortgage bonds held by the Partnership. The Partnership is pursuing a business strategy to: (i) increase the amount of tax-exempt interest available for distribution to its BUC holders; (ii) reduce risk through asset diversification and (iii) achieve economies of scale. The Partnership seeks to achieve its objectives through the acquisition of additional tax-exempt mortgage bonds and taking advantage of attractive financing structures available in the tax-exempt securities market.

Results of Operations

The Partnership's primary assets are its tax-exempt mortgage bonds which provide permanent financing for nine multifamily housing properties. Each bond provides payment of interest at a base rate and the payment of contingent interest out of the net operating income of the underlying property. A description of the multifamily housing properties collateralizing the tax-exempt mortgage bonds owned by the Partnership at March 31, 2002 is as follows:

Property Name	Location	Number of Units	Number of Units Occupied	Percentage of Units Occupied	Economic Occupancy (1)
Woodbridge Apts. of Bloomington III	Bloomington, IN	280	272	97%	94%
Ashley Point at Eagle Crest	Evansville, IN	150	146	97%	88%
Woodbridge Apts. of Louisville II	Louisville, KY	190	168	88%	84%
Northwoods Lake Apartments	Duluth, GA	492	453	92%	88%
Ashley Square	Des Moines, IA	144	139	97%	93%
Iona Lakes Apartments	Ft. Myers, FL	350	303	87%	81%
Clear Lake Colony Apartments	West Palm Beach, FL	316	301	95%	94%
Bent Tree Apartments	Columbia, SC	232	203	88%	82%
Lake Forest Apartments	Daytona Beach, FL	240	222	93%	89%
		2,394	2,207	92%	88%

(1) Economic occupancy is presented for the three months ended March 31, 2002, and is defined as the net rental income received during the period divided by the maximum amount of rental income to be derived from each property. This statistic is reflective of vacancy losses, rental concessions, delinquent rents and non-revenue units such as model units and employee untis.

Three Months Ended March 31, 2002 Compared to Three Months Ended March 31, 2001

Mortgage bond investment income decreased $81,547 (3%) for the three months ended March 31, 2002 compared to the three months ended March 31, 2001, due to: (i) a decrease of approximately $346,000 of past-due base interest earned in 2001 on the Partnership's formerly owned Arama Apartments tax-exempt mortgage bond; (ii) a decrease of $85,000 of past-due base interest earned in 2001 on the Northwoods Lake tax-exempt mortgage bond; (iii) an increase of approximately $165,000 of past due base interest earned in 2002 on the formerly owned Shoal's Crossing tax-exempt bond and (IV) an increase of approximately $183,000 earned in 2002 on the Lake Forest Apartments tax-exempt mortgage bond acquired in December 2001.

The Partnership earned substantially all of its base interest due in the first quarter of 2002 on all of its tax-exempt mortgage bonds held at March 31, 2002.

Other bond investment income represents income earned on the Partnership's investment in other tax-exempt bonds and increased $18,562 (30%) from the quarter ended March 31, 2002 compared to the quarter ended March 31, 2001 due to a full quarter of interest earned on the Partnership's $900,000 investment acquired in the first quarter of 2001.

Other interest income represents income earned on the Partnership's taxable loans and on its cash and cash equivalents. The decrease of $31,529 (20%) for the three months ended March 31, 2002 compared to the same period in 2001 is primarily due to decreases in the interest rates earned on its cash and cash equivalents.

The Partnership did not earn any contingent interest income in the first quarter of 2002. During the first quarter of 2001, the Partnership earned $10,000 of contingent interest income from the Ashley Pointe at Eagle Crest tax-exempt mortgage bond.

Interest expense on the Partnership's debt financing to acquire certain tax-exempt mortgage bonds decreased $220,804 (39%) for the three months ended March 31, 2002 compared to the same period in 2001, due to a decline in the short term tax-exempt interest rates. The Partnership's average effective interest rate on the debt financing was 2.29% for the three months ended March 31, 2002 compared to 4.57 % for the three months ended March 31, 2001.

Amortization expense decreased $731 for the first quarter of 2002 compared to the first quarter of 2001, primarily due to the Shoals Crossing tax-exempt mortgage bond, which was sold in December 2001.

General and administrative expenses increased $71,720 (37%) for the three months ended March 31, 2002 compared to the same period in 2001, due to increases in salaries and legal expenses.

Liquidity and Capital Resources

Cash provided by operating activities for the three months ended March 31, 2002 decreased $745,374 compared to the same period a year earlier mainly due to a decrease in accounts payable and accrued expenses. Cash used in investing activities decreased $179,765 for the three months ended March 31, 2002 compared to the same period in 2001 mainly due to decreases in advances for the taxable loans offset by a slight increase in debt financing and bond reissue costs paid Cash used in financing activities for the three months ended March 31, 2002 is consistent with the prior year and consists of distributions to BUC holders.

Tax-exempt interest earned on the mortgage bonds represents the Partnership's principal source of cash flow. The Partnership also earns tax-exempt and taxable interest on certain other investments. The Partnership's principal uses of cash are the payment of interest on debt financing, operating expenses and distributions to BUC holders. The following table sets forth information relating to cash distributions paid to BUC holders for the periods shown:

		For the Three Months Ended Mar. 31, 2002		For the Three Months Ended Mar. 31, 2001
Cash Distributions	$	0.1350	$	0.1350

Future distributions to BUC holders will depend upon the amount of base and contingent interest received on the tax-exempt mortgage bonds and other investments, the effective interest rate on the Partnership's variable rate debt financing, the size of the reserve established by the Partnership and the extent to which withdrawals are made from the reserve.

The Partnership believes that cash provided by net interest income from its tax-exempt mortgage bonds and other investments will be adequate to meet its projected short-term and long-term liquidity requirements, including the payment of expenses and distributions to BUC holders.

Forward Looking Statements

This report contains forward looking statements that reflect management's current beliefs and estimates of future economic circumstances, industry conditions, the Partnership's performance and financial results. All statements, trend analysis and other information concerning possible or assumed future results of operations of the Partnership and the investments it has made (including, but not limited to, the information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations"), constitute forward looking statements. BUC holders and others should understand that these forward looking statements are subject to numerous risks and uncertainties and a number of factors could affect the future results of the Partnership and could cause those results to differ materially from those expressed in the forward looking statements contained herein.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Partnership's primary market risk exposures are interest rate risk related primarily to its variable rate debt financing which it has used to securitize acquisitions of tax-exempt mortgage bonds and credit risk related to its investments in tax-exempt mortgage bonds. The Partnership does not enter into derivative instrument transactions for speculative purposes.

Interest Rate Risk

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations and other factors beyond the Partnership's control. The potential for significant volatility in the interest rate markets was especially displayed during 2001, when the Federal Reserve Board decreased the federal funds rate eleven times.

At March 31, 2002, the Partnership had total variable-rate debt financing with a principal amount of $59,755,000. The weighted average interest rate of the variable-rate financing was 2.29%, including fees, for the three months ended March 31, 2002

The stated maturity dates of the Partnership's debt financing are as follows:

Stated Maturity	Amount
2002	$ 27,335,000
2003	220,000
2004	16,970,000
2005	135,000
2006 and thereafter	15,095,000
Total	$ 59,755,000

If the average BMA rate had increased or decreased by 100 basis points during the first quarter of 2002, the interest expense recognized on the variable-rate debt financing would have increased or decreased by approximately $150,000, respectively. In the event of an unfavorable fluctuation in interest rates, the Partnership may collapse each of the financing transactions based upon the terms of its call feature in the respective debt financing securitization. In the event that short-term tax-exempt interest rates rise dramatically and exceed the base rate of the securitized tax-exempt mortgage bond, the trust may be collapsed as a result of insufficient interest from the underlying fixed rate tax-exempt mortgage bond to service the floating rate senior interest obligations of the P-Float. The Partnership has pledged additional tax-exempt mortgage bonds as collateral in the P-Float transactions whose interest income may also be used to service the P-Float obligations to avoid a collapse of the trust. In general, an increase in debt financing costs would decrease net interest income and cash available for distributions.

Credit Risk

The Partnership's primary credit risk is the risk of default on its portfolio of tax-exempt mortgage bonds and taxable loans collateralized by the multifamily properties. The tax-exempt mortgage bonds are not direct obligations of the governmental authorities that issued the bonds and are not guaranteed by such authorities or any insurer or other party. In addition, the mortgage bonds and the associated taxable loans are nonrecourse obligations of the property owner. As a result, the sole source of principal and interest payments (including both base and contingent interest) on the tax-exempt mortgage bonds and the taxable loans is the net rental revenues generated by these properties or the net proceeds from the sale of these properties. Additionally, some of our income may come from additional interest (contingent interest) on participating tax-exempt bonds. The collection of additional interest may decrease in times of economic slow down due to lower cash available from the properties.

If a property is unable to sustain net rental revenues at a level necessary to pay current debt service obligations on the Partnership's mortgage bond or taxable loan on such property, a default may occur. A property's ability to generate net rental income is subject to a wide variety of factors, including, rental and occupancy rates of the property and the level of operating expenses. Occupancy rates and rents are directly affected by the supply of, and demand for, apartments in the market areas in which a property is located. This, in turn, is affected by several factors such as local or national economic conditions, the amount of new apartment construction and the affordability of single-family homes as an alternative to renting. In addition, factors such as government regulation (such as zoning laws), inflation, real estate and other taxes, labor problems and natural disasters can affect the economic operations of an apartment property.

Defaults on its tax-exempt mortgage bonds and taxable loans may reduce the amount of cash available for distribution to BUC holders. In addition, if a property's net rental income declines, it may affect the market value of the property. If the market value of a property deteriorates, the amount of net proceeds from the ultimate sale or refinancing of the property may be insufficient to repay the entire principal balance of the mortgage bond and taxable loan secured by the property.

The Partnership's primary method of managing the credit risks associated with its mortgage bonds and taxable loans is to perform a complete due diligence and underwriting process of the properties securing these mortgage bonds and loans and to carefully monitor the performance of such property on a continuous basis.

The Partnership is also exposed to a credit risk with respect to its debt financing. All of the Partnership's debt financing has been obtained using securitizations issued through the Merrill Lynch P-Float program. In this program, the senior interests sold are credit enhanced by Merrill Lynch or its affiliate. The liquidity and credit enhancement facilities are generally for one-year terms and are renewable annually by the credit enhancer. To the extent that the credit enhancer is downgraded below "AA", either an alternative credit enhancement provider would be substituted to reinstate the desired investment rating or the senior interests would be marketed to other accredited investors. In either case, it is anticipated that the net return on the residual interests would decrease, which would negatively impact the Partnerships income. If the credit enhancer does not renew the liquidity or credit enhancement facilities, the Partnership would be forced to find alternative liquidity or credit enhancement facilities, repurchase the underlying bonds or liquidate the underlying bond and its investment in the residual interests. The Partnership recognizes the concentration of financing with this institution and periodically monitors its ability to continue to perform.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following documents are filed as part of this report. Exhibit numbers refer to the paragraph numbers under Item 601 of Regulation S-K:

3. Articles of Incorporation and Bylaws of America First Fiduciary Corporation Number Five (incorporated herein by reference to Form S-11 Registration Statement filed August 30, 1985, with the Securities and Exchange Commission by America First Tax Exempt Mortgage Fund Limited Partnership (Commission File No. 2-99997)).

4(a) Form of Certificate of Beneficial Unit Certificate (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-4 (Commission File No. 333-50513) filed by the Partnership on April 17, 1998).

4(b) Agreement of Limited Partnership of the Partnership (incorporated by reference to Form 10-K dated December 31, 1998 filed pursuant to Section 13 or 15(d) of the Securities Act of 1934 by America First Tax Exempt Investors, L.P. (Commission File No. 000-24843)).

4(c) Amended Agreement of Merger, dated June 12, 1998, between the Partnership and America First Tax Exempt Mortgage Fund Limited Partnership (incorporated by reference to Exhibit 4.3 to Amendment No. 3 to Registration Statement on Form S-4 (Commission File No. 333-50513) filed by the Partnership on September 14, 1998).

(b) Reports on Form 8-K

The Partnership did not file any reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Partnership has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

By America First Capital
Associates Limited
Partnership Two, General
Partner of the Partnership

By America First Companies L.L.C.,
General Partner of
America First Capital
Associates Limited
Partnership Two

By /s/ Michael Thesing
Michael Thesing, Vice
President and
Principal Financial Officer

Date: May 13, 2002