

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries**  
**And**  
**Legally-Separate Controlled Entities**

Consolidated Financial Statements,  
Supplementary Information  
And  
Independent Auditors' Report  
December 31, 2020 and 2019

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries**  
**And**  
**Legally-Separate Controlled Entities**

December 31, 2020 and 2019

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**DANIEL DENNIS & Co**  
Certified Public Accountants

*Independent Auditors' Report*

To the Board of Directors of  
**Massachusetts Housing Investment Corporation**

We have audited the accompanying consolidated financial statements of Massachusetts Housing Investment Corporation (a nonprofit corporation), its wholly owned subsidiaries and its legally-separate controlled entities (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of several legally-separate controlled entities (the Entities), in which these statements reflect total assets of \$148,197,129 and \$151,654,218, as of December 31, 2020 and 2019, respectively, and total losses of \$27,462,181 and \$10,144,409, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Entities, is based solely on the reports of the other auditors. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 33 through 43 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Daniel Dennis & Company LLP". The script is fluid and cursive, with the ampersand and "LLP" being more stylized.

*November 10, 2021*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Financial Position  
December 31, 2020 and 2019

*Assets*

	<i>2020</i>	<i>2019</i>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 38,271,597	\$ 35,032,976
Restricted cash	4,172,200	6,386,877
Fees receivable - LIHTC Partnerships	737,955	806,619
Fees receivable - NMTC CDEs	1,095,966	648,532
Current portion of program related loans	42,301,646	19,234,350
Program loan interest receivable	1,365,783	1,143,212
Accounts receivable	598,999	568,718
Total current assets	<u>88,544,146</u>	<u>63,821,284</u>
<i>Other Assets</i>		
Investment in marketable securities	59,607	148,562
Investment in capital stock	365,600	361,500
Program related loans	36,350,885	42,702,470
Equity interest in operating partnerships	270,113,550	265,940,425
Other assets	271,026	384,484
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$422,360 and \$329,098	113,187	177,880
Capitalized costs, net of accumulated amortization	23,862	26,589
Total other assets	<u>307,297,717</u>	<u>309,741,910</u>
Total assets	<u>\$ 395,841,863</u>	<u>\$ 373,563,194</u>

*See accompanying notes to consolidated financial statements.*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Financial Position - *continued*  
December 31, 2020 and 2019

***Liabilities and Net Assets***

	2020	2019
<i>Current Liabilities</i>		
Current portion of notes payable	\$ 13,126,391	\$ 9,874,605
Deferred grant revenue	1,143,822	2,737,149
Accrued expenses and other liabilities	<u>3,021,335</u>	<u>2,288,939</u>
Total current liabilities	<u>17,291,548</u>	<u>14,900,693</u>
<i>Long-Term Liabilities</i>		
Unearned fees	956,219	1,012,835
Notes payable	<u>26,914,359</u>	<u>17,515,749</u>
Total long-term liabilities	<u>27,870,578</u>	<u>18,528,584</u>
Total liabilities	<u>45,162,126</u>	<u>33,429,277</u>
<i>Net Assets</i>		
Non-controlling interest	329,614,873	318,439,238
Without donor restrictions	19,249,864	19,894,679
With donor restrictions	<u>1,815,000</u>	<u>1,800,000</u>
Total net assets	<u>350,679,737</u>	<u>340,133,917</u>
Total liabilities and net assets	<u><u>\$ 395,841,863</u></u>	<u><u>\$ 373,563,194</u></u>

*See accompanying notes to consolidated financial statements.*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Activities  
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Operating Revenue and Support</i>						
Interest on deposits	\$ 133,333	\$ -	\$ 133,333	\$ 433,770	\$ -	\$ 433,770
Interest on project loans	3,352,325	-	3,352,325	2,595,337	-	2,595,337
Unrealized gain on investments	348	-	348	1,653	-	1,653
Loan program revenue	133,318	-	133,318	407,139	-	407,139
NMTC program revenue	2,827,277	-	2,827,277	3,083,928	-	3,083,928
LIHTC program revenue	1,734,258	-	1,734,258	1,045,509	-	1,045,509
Other program revenue	473,566	-	473,566	434,446	-	434,446
Grant revenue	911,100	-	911,100	20,000	-	20,000
Total operating revenue and support	9,565,525	-	9,565,525	8,021,782	-	8,021,782
<i>Operating Expenses</i>						
Salaries and employee benefits	7,260,391	-	7,260,391	6,523,812	-	6,523,812
Occupancy, equipment and furniture	543,248	-	543,248	556,861	-	556,861
Professional services	1,891,005	-	1,891,005	1,317,371	-	1,317,371
Depreciation and amortization	93,263	-	93,263	115,596	-	115,596
Grant expense	160,243	-	160,243	7,700	-	7,700
Interest expense	622,727	-	622,727	273,173	-	273,173
Other office expenses and support	1,287,112	-	1,287,112	1,249,471	-	1,249,471
Total operating expenses	11,857,989	-	11,857,989	10,043,984	-	10,043,984
Change in net assets from operations	(2,292,464)	-	(2,292,464)	(2,022,202)	-	(2,022,202)
<i>Non - Operating Revenue/(Expenses)</i>						
Federal grant revenue	123,213	15,000	138,213	455,351	589,878	1,045,229
Federal grant expenses	(123,213)	-	(123,213)	(557,285)	-	(557,285)
Other grant revenue	2,580,114	-	2,580,114	-	-	-
Other grant expenses	(2,580,114)	-	(2,580,114)	-	-	-
Loss from investment in operating partnerships	(47,058,124)	-	(47,058,124)	(40,882,310)	-	(40,882,310)
Total change in net assets	(49,350,588)	15,000	(49,335,588)	(43,006,446)	589,878	(42,416,568)
Less amounts attributed to non-controlling interest	(48,705,773)	-	(48,705,773)	(42,534,422)	-	(42,534,422)
Change in net assets, controlling interest	<u>\$ (644,815)</u>	<u>\$ 15,000</u>	<u>\$ (629,815)</u>	<u>\$ (472,024)</u>	<u>\$ 589,878</u>	<u>\$ 117,854</u>

*See accompanying notes to consolidated financial statements.*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Changes in Net Assets  
For the Years Ended December 31, 2020 and 2019

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Non-Controlling Interest</i>	<i>Total</i>
Net assets at January 1, 2019	\$ 20,366,703	\$ 1,210,122	\$ 314,072,388	\$ 335,649,213
Contributions	-	-	48,414,732	48,414,732
Distributions	-	-	(1,513,460)	(1,513,460)
Change in net assets	<u>(472,024)</u>	<u>589,878</u>	<u>(42,534,422)</u>	<u>(42,416,568)</u>
Net assets at December 31, 2019	19,894,679	1,800,000	318,439,238	340,133,917
Contributions	-	-	62,450,741	62,450,741
Distributions	-	-	(2,569,333)	(2,569,333)
Change in net assets	<u>(644,815)</u>	<u>15,000</u>	<u>(48,705,773)</u>	<u>(49,335,588)</u>
Net assets at December 31, 2020	<u>\$ 19,249,864</u>	<u>\$ 1,815,000</u>	<u>\$ 329,614,873</u>	<u>\$ 350,679,737</u>

*See accompanying notes to consolidated financial statements.*



**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Functional Expenses  
For the Years Ended December 31, 2020 and 2019

	<i>Program Services</i>				
	<i>Loan and Other Programs</i>	<i>NMTC</i>	<i>LIHTC</i>	<i>Management and General</i>	<i>2020 Total</i>
<b>2020</b>					
Salaries and employee benefits	\$ 3,311,676	\$ 1,324,014	\$ 1,922,083	\$ 702,618	\$ 7,260,391
Occupancy, equipment and furniture	247,792	99,067	143,817	52,572	543,248
Professional services	1,005,351	260,556	378,372	246,726	1,891,005
Depreciation and amortization	42,540	17,008	24,690	9,025	93,263
Grant expenses	160,243	-	-	-	160,243
Interest expense	622,727	-	-	-	622,727
Other office expenses and support	431,672	165,187	601,811	88,442	1,287,112
Total expenses	<u>\$ 5,822,001</u>	<u>\$ 1,865,832</u>	<u>\$ 3,070,773</u>	<u>\$ 1,099,383</u>	<u>\$ 11,857,989</u>
	<i>Program Services</i>				
	<i>Loan and Other Programs</i>	<i>NMTC</i>	<i>LIHTC</i>	<i>Management and General</i>	<i>2019 Total</i>
<b>2019</b>					
Salaries and employee benefits	\$ 1,962,573	\$ 1,685,290	\$ 2,034,167	\$ 841,782	\$ 6,523,812
Occupancy, equipment and furniture	167,522	143,853	173,633	71,853	556,861
Professional services	521,883	340,655	385,428	69,405	1,317,371
Depreciation and amortization	29,948	25,717	47,086	12,845	115,596
Grant expenses	7,700	-	-	-	7,700
Interest expense	273,173	-	-	-	273,173
Other office expenses and support	295,758	230,683	612,215	110,815	1,249,471
Total expenses	<u>\$ 3,258,557</u>	<u>\$ 2,426,198</u>	<u>\$ 3,252,529</u>	<u>\$ 1,106,700</u>	<u>\$ 10,043,984</u>

*See accompanying notes to consolidated financial statements.*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	2020	2019
<i>Operating activities:</i>		
Change in net assets	\$ (49,335,588)	\$ (42,416,568)
<i>Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:</i>		
Depreciation and amortization expense	93,263	115,596
Unrealized gain on investments	(348)	(1,653)
Loss from investments in operating partnerships	47,058,124	40,882,310
Bad debt expense	587,259	742,042
<i>Change in operating assets and liabilities:</i>		
Amounts receivable and other assets	78,589	(264,087)
Interest receivable	(222,571)	(567,029)
Unearned fees	(56,616)	(12,494)
Accrued expenses and other liabilities	732,396	(282,563)
Deferred grant revenue	(1,593,327)	2,147,271
Fees receivable—LIHTC Partnerships	68,664	21,424
Fees receivable—NMTC CDEs	(447,434)	(97,421)
Net cash (used in)/provided by operating activities	<u>(3,037,589)</u>	<u>266,828</u>
<i>Investing activities:</i>		
Funds advanced under project loans	(62,457,804)	(47,473,870)
Collection of funds from project loans	44,210,351	20,604,997
Redemption of marketable securities	88,955	67,501
Sales/(purchases) of other investments, net	(7,469)	(148,400)
Investments in project partnerships	(51,867,146)	(36,013,063)
Distributions and project loan repayments from project partnerships	1,591,064	1,505,697
Purchase of fixed assets and capitalized costs	(28,570)	(3,296)
Net cash used in investing activities	<u>(68,470,619)</u>	<u>(61,460,434)</u>
<i>Financing activities:</i>		
Repayment of notes payable	(25,924,256)	(5,145,380)
Proceeds from notes payable	38,575,000	18,863,190
Capital contributions received	62,450,741	48,414,732
Distributions	(2,569,333)	(1,513,460)
Net cash provided by financing activities	<u>72,532,152</u>	<u>60,619,082</u>
Net change in cash, cash equivalents and restricted cash	1,023,944	(574,524)
Cash, cash equivalents and restricted cash, beginning of year	<u>41,419,853</u>	<u>41,994,377</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 42,443,797</u>	<u>\$ 41,419,853</u>
<i>Reconciliation of cash, cash equivalents and restricted cash:</i>		
Cash and cash equivalents	\$ 38,271,597	\$ 35,032,976
Restricted cash	<u>4,172,200</u>	<u>6,386,877</u>
Total cash, cash equivalents and restricted cash	<u>\$ 42,443,797</u>	<u>\$ 41,419,853</u>
<i>Supplemental information:</i>		
Interest paid	<u>\$ 628,669</u>	<u>\$ 484,978</u>

*See accompanying notes to consolidated financial statements.*

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

**1. *Background and Accounting Policies***

*Purpose*

On July 1, 1990, the Massachusetts Housing Investment Corporation (MHIC) was formally established as a Massachusetts-chartered, Chapter 180, not-for-profit corporation. MHIC's mission is to pool the resources of Massachusetts' lenders and investors to improve and expand the financing of affordable housing and community development throughout New England.

*Program Activities*

MHIC has established five main financing programs to carry out its mission:

*Loan Program*

The loan program focuses on providing debt financing to developers of affordable housing. From its inception in 1990 through December 2000, MHIC utilized a loan pool structure to extend this financing. The loan-pool was funded with the proceeds from below market rate loans (member loans) made to MHIC from participating member corporations. In January 2001, MHIC converted the loan pool to a limited liability company structure. As a result, the member loans were converted to equity interests in a new entity, MHIC, LLC (the LLC). In addition, the various project loans, deposit accounts and reserves owned by MHIC were transferred to the LLC in exchange for extinguishing the member loans. MHIC is the manager of the LLC (see Note 6).

*Low Income Housing Tax Credit (LIHTC) Program*

The LIHTC program utilizes the federal low-income housing tax credit to provide equity financing to developers of affordable housing. The initial role of the program was to assist member corporations in underwriting low-income housing tax credit investments. The program, through MHIC's wholly-owned subsidiary MHEF, Inc., is now a full-service syndicator of limited partnerships or limited liability companies (LIHTC Funds) structured for investment in low-income housing projects (Operating Partnerships) in Massachusetts. MHEF was formed in June 1993 and is currently the general partner/managing member of forty-three LIHTC Funds (see Note 2).

*New Markets Tax Credit (NMTC) Program*

The NMTC program utilizes the federal new markets tax credit to provide debt and equity financing to businesses that serve or operate in low-income communities. As of December 31, 2020, MHIC has received twelve allocations of new markets tax credits totaling \$907,000,000.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Program Activities - continued*

*New Markets Tax Credit (NMTC) Program - continued*

MHIC has utilized these allocations to syndicate investment companies (NMTC Funds) that are structured for investment in community development entities (MHIC-CDEs), which in turn provide financing to qualifying businesses. MHIC has also utilized these allocations for single investor funds in which the sole investor creates a NMTC Fund to invest in MHIC-CDEs, which in turn provide financing to qualifying businesses. In aggregate, MHIC has made cumulative investments totaling \$903,520,750, of which \$270,702,624 and \$305,627,772 was outstanding as of December 31, 2020 and 2019, respectively.

*Neighborhood Stabilization Program (NSP)*

The NSP utilizes federal grant funds to enhance the feasibility of acquiring and rehabilitating foreclosed residential properties in targeted neighborhoods in Massachusetts. The foreclosed properties are typically acquired and rehabilitated with a combination of financing from NSLF (see Note 3) and federal subsidy in the form of subordinate loans or non-interest bearing loans from MHIC.

MHIC is a sub-recipient of \$10,000,000 of NSP1 grant funds from the City of Boston. In addition, MHIC is the lead member of a consortium that received an award of \$21,822,940 of NSP2 grant funds in February 2011. Each grant is governed by a specific contract that stipulates the various federal program requirements.

*HomeCorps Community Restoration Grant Program (HCRG)*

The HCRG program utilizes state grant funds to enhance the feasibility of acquisition and rehabilitation of foreclosed residential properties in targeted neighborhoods in Massachusetts. The foreclosed properties are typically acquired and rehabilitated with a combination of financing from NSLF (see Note 3) and state subsidy in the form of subordinate loans or non-interest bearing loans from MHIC.

*Basis of Accounting*

MHIC's consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Principles of Consolidation*

The consolidated financial statements include the accounts of MHIC and its wholly-owned subsidiaries, Massachusetts Housing Equity Fund, Inc. (MHEF), MHIC HNEF Investor LLC (HNEF Investor), MHIC HNEF Manager LLC (HNEF Manager), MHIC HNEF Class B Investor LLC (HNEF Class B), MHIC New Markets Manager LLC (MHIC NMM LLC), MHIC New Markets Investor LLC (MHIC NMILLC), MHIC CMF Affordable Housing Fund I LLC (CMF), MHIC Neighborhood Commerce Fund I LLC (NCF) and Neighborhood Stabilization Loan Fund LLC (NSLF). MHIC is also the majority owner of MHIC NE New Markets CDE I LLC (MHIC NM CDE I).

In addition, MHIC and some of its wholly owned subsidiaries are the general partner/managing member in the LLC, Healthy Neighborhoods Equity Fund I Limited Partnership (HNEF) and various LIHTC Funds. Under GAAP, a not-for-profit corporation that owns or controls the general partner/managing member is presumed to have control of that related limited partnership/limited liability company unless certain circumstances exist that overcome that presumption of control.

Accordingly, MHIC is deemed to have control over the LLC, HNEF and the following LIHTC Funds. The limited partner/member interests are reflected as non-controlling interests in the net assets section of the consolidated financial statements.

***LIHTC Funds:***

Massachusetts Housing Equity Fund 2001, LLC	Massachusetts Housing Equity Fund XVIII, LLC
Massachusetts Housing Equity Fund 2002, LLC	Massachusetts Housing Equity Fund XIX, LLC
Massachusetts Housing Equity Fund X, LLC	Massachusetts Housing Equity Fund XX, LLC
Massachusetts Housing Equity Fund XI, LLC	Massachusetts Housing Equity Fund XXI, LLC
Massachusetts Housing Equity Fund XII, LLC	Massachusetts Housing Equity Fund XXII, LLC
Massachusetts Housing Equity Fund XIII, LLC	Massachusetts Housing Equity Fund XXIII, LLC
Massachusetts Housing Equity Fund XIV, LLC	Massachusetts Housing Equity Fund XXIV, LLC
Massachusetts Housing Equity Fund XVI, LLC	Massachusetts Housing Equity Fund XXV, LLC
Massachusetts Housing Equity Fund XVII, LLC	Massachusetts Housing Equity Fund XXVI, LLC

For financial reporting purposes, the financial position and activities of MHIC and the entities listed above have been consolidated and all significant intercompany accounts and transactions have been eliminated. All entities listed above will be collectively referred to as the Organization.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Basis of Presentation*

Under GAAP, the Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Board of Directors has discretionary control over all of these assets and may elect to designate such resources for specific purposes.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions of cash and other assets are reported as increases to net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions. Contributions with donor restrictions received where related restrictions are met in the same reporting period are classified as contributions without donor restrictions. Board and external source designated funds are recorded as such in net assets without donor restrictions.

*Reclassification*

Certain 2019 amounts have been reclassified to conform to the 2020 financial statement presentation.

*Revenue Recognition*

Loan program revenue reflects fees earned on a contractual basis for services provided to the LLC (see Note 6). The Organization recognizes revenue from the loan program as the services are provided.

LIHTC program revenue reflects fees earned on a contractual basis for services that include organization, syndication, underwriting, long-term asset management and partnership administration. The fees for syndicating and organizing the LIHTC Funds are recognized when syndication is complete. Fees for underwriting investments are recognized at the time the underlying properties are acquired (see Note 9).

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Revenue Recognition - continued*

The fees for asset management and partnership administration are recognized over the life of the LIHTC Funds (estimated to be approximately 15 years). Certain refundable fees are deferred until the potential obligation lapses (see Note 9).

NMTC program revenue reflects fees earned on a contractual basis for services provided to the MHIC-CDEs (see Note 8). The Organization recognizes revenue from the NMTC program as the services are provided.

Other program revenue includes fees for services under programs administered by MHIC, which are received from unrelated third parties. This revenue is recorded on a monthly basis as the services are provided, and payment is expected within thirty days of billing. At December 31, 2020 and 2019, receivables related to the additional fees totaled \$344,047 and \$151,250 and there were no contract liabilities.

In general, grant income is derived from cost-reimbursable federal, state and local government contracts, which are conditioned upon certain performance requirements and/or the incurrence of qualifying expenditures. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant or contract provisions. Amounts received prior to costs being incurred are recorded as deferred revenue in the accompanying consolidated financial statements.

*Cash and Cash Equivalents*

The Organization considers highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2020 and 2019, the Organization held cash equivalents of \$4,315,138 and \$5,413,615, respectively.

*Furniture, Equipment and Leasehold Improvements*

Furniture, equipment and leasehold improvements are stated at cost, less accumulated depreciation. Depreciation is computed by the straight-line method using rates based on estimated useful lives that range from 3 to 5 years. Assets with a cost of greater than \$1,000 and a useful life of greater than one year are capitalized.

*Use of Estimates*

Financial statements prepared in accordance with GAAP require the use of management estimates that affect the amounts and disclosures recorded in the consolidated financial statements. Actual results may differ from those estimates.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Project Loans and Allowance for Possible Project Loan Losses*

Loans are stated at the amount of unpaid principal. Interest on project loans is recognized as income by applying the interest rates in effect to the principal amount outstanding. Accrual of interest income on project loans receivable is suspended when a loan is contractually delinquent for ninety days. The accrual is resumed when the loan becomes contractually current. An allowance for project loan losses is maintained based upon the evaluation of the risks associated with the outstanding loan assets. Any losses or recoveries subsequently realized are charged or credited to the allowance.

*Off Balance Sheet Credit Exposure*

As a financial services provider, the Organization routinely extends credit in the form of loan commitments. The funded portion of these commitments is reflected on the accompanying consolidated statements of financial position as program related loans. The unfunded portions of these commitments, which represent contractual obligations that may require the use of cash in the future, are considered off-balance sheet liabilities. They involve, to varying degrees, elements of credit and interest rate risk that are not recognized in the accompanying consolidated statements of financial position.

Unfunded loan commitments represent the maximum possible credit risk should the borrowers fully draw down their loans. They are subject to the provisions of the underlying loan agreements and are cancellable only if the borrower is in default or in violation of any loan covenants. As of December 31, 2020 and 2019, unfunded loan commitments totaled \$33,413,053 and \$121,991,952, respectively. These commitments have been established pursuant to the Organization's loan policy.

Since the Organization's loan portfolio is heavily concentrated with loans for affordable housing that contain limited market risk, an allowance for loan losses for unfunded commitments is only established for specific borrowers on a case by case basis. At December 31, 2020 and 2019, there were no reserves for unfunded loan commitments.

*Below Market Loans*

The Organization's mission is to pool the resources of Massachusetts' lenders and investors to improve and expand the financing of affordable housing and community development throughout the state. Other not-for-profit and governmental entities having a similar policy have lent money to the Organization at advantageous terms. The Organization has not discounted these below market interest rate loans as they were made at arm's length and to further those entities' policies.



**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Functional Expenses*

Expenses are charged directly to program services or management and general based on specific identification. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and employee benefits, occupancy, equipment and furniture, depreciation, and other office expenses and support, which are allocated on the basis of time and effort. The consolidated statements of functional expenses disclose expenses by functional and natural classification, and excludes non-operating expenses related to the grant activity as described above.

*Income Tax Status*

In February 1993, MHIC was granted tax-exempt status as a 501(c)(3) corporation under federal and state tax law. MHEF and MHIC NMILLC are for-profit corporations and therefore are subject to federal and state income taxes. HNEF, MHIC NM CDE I, the LLC and the LIHTC Funds are limited partnerships and any taxable income or loss passes through to, and is reportable by, the partners individually. NSLF, HNEF Investor, HNEF Manager, HNEF Class B, CMF, NCF and MHIC NMM LLC are disregarded entities for tax purposes.

MHIC's for-profit corporate subsidiaries account for income taxes, whereby deferred taxes are recognized using the liability method. This method calculates deferred tax assets and liabilities based on tax rates that are expected to apply when temporary differences reverse.

The Organization evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are *more-likely-than-not* of being sustained by the applicable tax authority. Tax positions not deemed to meet the *more-likely-than-not* threshold, along with accrued interest and penalty thereon would be recorded as an expense in the current year consolidated financial statements. At December 31, 2020, the Organization believes that it has no uncertain tax positions within any of its open tax years, (2017-2019).

*Measure of Operations*

In its consolidated statements of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes gains and losses from its investments in operating partnerships, federal and other non-operating grant revenue, and federal and other non-operating grant expenditures.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Investments and Investment Income*

*Investments in Operating Partnerships*

The Organization accounts for its investments in Operating Partnerships using the equity method of accounting. Under the equity method, the investments are carried at cost and adjusted for the Organization's share of income, losses, additional investments and cash distributions from the program related investments. As a limited partner in the Operating Partnerships, with no further funding obligations, the Organization ceases recognition of losses for financial statement purposes once the cost of an investment is reduced to zero. Changes in the value of the investments, which are other than temporary, are recognized as necessary.

*Investments in Capital Stock*

During 2020 and 2019, the Organization owned capital stock in the Federal Home Loan Bank of Boston (FHLBB). The investment in FHLBB is valued at cost due to the lack of information that can be used to approximate the fair value. At December 31, 2020 and 2019, the Organization's investment in the FHLBB totaled \$365,600 and \$361,500, respectively. Management annually performs an assessment of any possible impairment. As of December 31, 2020 and 2019, management has determined that no such impairment exists.

*Investments in Marketable Securities*

Marketable securities are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See below for discussion of fair value measurements.

Dividends, interest and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless a donor or law temporarily or permanently restrict their use.

*Fair Value Measurements*

Fair value measurements are reported using a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**1. *Background and Accounting Policies - continued***

*Fair Value Measurements - continued*

The three levels of the fair value hierarchy are described as follows:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2            Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**2. *Massachusetts Housing Equity Fund, Inc. (MHEF)***

MHEF, as general partner/managing member of the aforementioned LIHTC Funds, has a de minimis interest in their respective profits, losses and distributions. However, MHEF accounts for its investment in the LIHTC Funds it is deemed to control, using the consolidation method. There are also several single investor LIHTC funds that MHEF does not control which are accounted for under the equity method. Under the equity method, the investments are carried at cost and adjusted for MHEF's share of income or loss from the single investor LIHTC Funds, additional investments and cash distributions.

The LIHTC Funds, as limited partners in the various Operating Partnerships, are subject to risks inherent in the ownership of property which is beyond their control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance of facilities and continued eligibility for tax credits. If the cost of operating a property exceeds the rental income earned thereon, the LIHTC Fund, or MHEF acting independently as an investor, may deem it in its best interest to voluntarily invest additional funds in order to protect its investment

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**2. *Massachusetts Housing Equity Fund, Inc. (MHEF) - continued***

As of December 31, 2020 and 2019, MHEF had total assets of \$1,480 and \$491,629, and MHIC's investment in MHEF amounted to \$1,480 and \$491,629, respectively.

**3. *Neighborhood Stabilization Loan Fund LLC (NSLF)***

NSLF is organized as a single-member Massachusetts limited liability company, with MHIC as the sole member and program administrator. The purpose of NSLF is to provide loans to local organizations whose goal is the purchase and rehabilitation of foreclosed residential properties in neighborhoods in Massachusetts with a concentration of foreclosed properties. NSLF has secured debt as its primary source of capital, which is used to provide financing for the acquisition and rehabilitation of foreclosed properties.

At December 31, 2020 and 2019, NSLF had total assets of \$3,937 and \$263,692, and MHIC's investment amounted to \$3,937 and \$263,692, respectively.

**4. *MHIC CMF Affordable Housing Fund I LLC (CMF)***

During 2017, MHIC received \$1,800,000 in grant funds from the Community Development Financial Institutions Fund (CDFI) to capitalize CMF, a single member Massachusetts limited liability company, with MHIC as the sole member and program administrator. The purpose of CMF is to provide loans to affordable rental housing developments within Massachusetts, particularly those located in areas of high housing need and/or those with at least twenty percent of units reserved for households earning no more than fifty percent of area median income.

At December 31, 2020 and 2019, CMF had total assets of \$4,250,970 and \$14,387,586, and MHIC's investment amounted to \$2,101,988 and \$1,916,120, respectively.

**5. *Healthy Neighborhoods Equity Fund I Limited Partnership (HNEF)***

HNEF is organized as a Massachusetts limited partnership for the purpose of investing in or making loans to entities that intend to engage in the construction or rehabilitation of mixed-income, mixed-use commercial and residential developments.

At December 31, 2020 and 2019, HNEF had total assets of \$15,921,500 and \$17,321,169, respectively, and HNEF Investor, HNEF Manager and HNEF Class B (the HNEF LLC's) investment amounted to \$4,285,762 and \$5,210,610, respectively. At December 31, 2020 and 2019, partners' equity of \$11,216,673 and \$10,494,225, respectively, is reported as non-controlling interest on the accompanying consolidated statements of financial position.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**5. *Healthy Neighborhoods Equity Fund I Limited Partnership (HNEF) - continued***

The HNEF LLCs' are organized as single-member Massachusetts limited liability companies, with MHIC as the sole member and administrator. The purpose of the HNEF LLCs' is to acquire partnership interests in and provide management services to HNEF. HNEF Manager is the general partner of HNEF and under GAAP, is deemed to have control over that entity.

At December 31, 2020 and 2019, the HNEF LLCs' had total assets of \$4,285,762 and \$5,210,610, and MHIC's investment amounted to \$4,285,762 and \$5,210,610, respectively.

**6. *The LLC***

The LLC is a Massachusetts limited liability company that was established on January 2, 2001, to pool the resources of members to provide financing for the creation and preservation of affordable housing and community development activities that serve lower income populations, distressed communities or other community development needs not well served by conventional financing. The LLC will continue in existence until December 31, 2099, unless terminated earlier in accordance with the dissolution provisions of the LLC's operating agreement. The LLC has fourteen members who combined own 100% of the interest in the income, gain, losses and deductions of the LLC. MHIC is the manager member of the LLC and under GAAP, is deemed to have control over this entity.

At December 31, 2020 and 2019, the LLC had total assets of \$55,093,800 and \$47,263,456, respectively. At December 31, 2020 and 2019, members' equity of \$34,888,228 and \$35,052,693, respectively, is reported as non-controlling interest on the accompanying consolidated statements of financial position.

**7. *MHIC Neighborhood Commerce Fund I LLC (NCF)***

During 2019, MHIC received \$612,000 in grant funds from CDFI to capitalize NCF, a single member Massachusetts limited liability company, with MHIC as the sole member and program administrator. The purpose of NCF is to provide working capital loans or fit-out loans to small businesses that are tenants in MHIC financed properties.

At December 31, 2020 and 2019, NCF had total assets of \$4,835,445 and \$2,759,486, and MHIC's investment amounted to \$832,761 and \$778,072, respectively.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**8. *NMTC Program Revenue***

MHIC has entered into agreements with various single investor NMTC Funds, of which it does not control, to provide various professional, administrative and management services. The fees for these services were determined by MHIC. These services include all administrative and management support in connection with the formation of the MHIC-CDEs, legal and professional services required to close loans to or investments in qualifying businesses, and asset management services to monitor business and compliance aspects of MHIC-CDEs loans and investments. These fees are earned on a monthly basis as the services are provided and payment is anticipated within thirty days of billing based on available cash flow.

During the years ended December 31, 2020 and 2019, MHIC earned total fees for services to the MHIC-CDEs of \$2,827,277 and \$3,083,928, respectively. Amounts receivable in connection with these fees totaled \$1,095,966, \$648,532 and \$551,111 at December 31, 2020, 2019 and 2018, respectively.

**9. *LIHTC Funds and Program Revenue***

*LIHTC Funds*

As described in Note 1, MHIC through a wholly owned subsidiary, as the managing member, is deemed to have control over eighteen LIHTC Funds at December 31, 2020 and 2019. The LIHTC Funds were formed in order to acquire, rehabilitate, construct, operate and manage multifamily properties located in Massachusetts that are expected to qualify for federal low income housing tax credits. These tax credits along with the LIHTC Fund's share of income and losses from the Operating Partnerships are then allocated to the LIHTC Funds' members. The LIHTC Funds will continue in existence in accordance with each respective operating agreement.

At December 31, 2020 and 2019, the LIHTC Funds controlled by MHIC had total assets of \$285,966,759 and \$274,883,452, respectively. At December 31, 2020 and 2019, partners'/members' equity of \$283,509,972 and \$272,892,320, respectively, is reported as non-controlling interest on the accompanying consolidated statements of financial position.

*LIHTC Program Revenue*

MHIC has entered into agreements with various single investor LIHTC Funds, of which it does not control, to provide investment and management services. The fees for these services were determined by MHIC. These services include underwriting and administrative support in connection with syndicating investments, legal and professional services required to close loans to or investments in qualifying businesses and long term asset management services to monitor business and compliance aspects of the portfolio of investments. These fees are earned on a monthly basis as the services are provided and payment is anticipated within thirty days of billing based on available cash flow.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**9. LIHTC Funds and Program Revenue - continued**

During the years ended December 31, 2020 and 2019, MHIC earned total fees for services to the single investor LIHTC Funds of \$1,734,258 and \$1,045,509, respectively. Amounts receivable in connection with these fees totaled \$737,955, \$806,619 and \$828,043 at December 31, 2020, 2019 and 2018, respectively.

Unearned equity fees reflect MHIC's obligation to provide future services to the LIHTC Funds as consideration for the fees received in advance. This obligation is reduced as services are provided, according to the revenue recognition methodology as described above.

The following table provides information about significant changes in the unearned fees for the years ended December 31, 2020 and 2019:

	2020	2019
Unearned fees, beginning balance	\$ 1,012,835	\$ 1,025,329
Investor servicing fees recognized	(125,607)	(125,447)
Collection of advanced fees	<u>68,991</u>	<u>112,953</u>
Unearned fees, ending balance	<u>\$ 956,219</u>	<u>\$ 1,012,835</u>

**10. Liquidity and Availability**

The following represents the Organization's financial assets at December 31, 2020 and 2019:

	2020	2019
<i>Financial assets at year end:</i>		
Cash and cash equivalents	\$ 38,271,597	\$ 35,032,976
Restricted cash	4,172,200	6,386,877
Fee receivable - LIHTC Partnerships	737,955	806,619
Fee receivable - NMTC CDEs'	1,095,966	648,532
Current portion of program related loans	42,301,646	19,234,350
Program loan interest receivable	1,365,783	1,143,212
Accounts receivable	<u>598,999</u>	<u>568,718</u>
Total financial assets	<u>88,544,146</u>	<u>63,821,284</u>
<i>Less amounts not available to be used within one year:</i>		
Net assets with donor restrictions	<u>(1,815,000)</u>	<u>(1,800,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 86,729,146</u>	<u>\$ 62,021,284</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**10. *Liquidity and Availability - continued***

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. In addition, cash in excess of daily requirements is invested in overnight funding deposits and money market accounts. The Board of Directors occasionally designates a portion of any operating surplus to provide for additional cash needs. Additionally, any proceeds received from the program related loans may be used to repay current obligations on notes payable, make new program related loans or be appropriated to support other aspects of the Organization's general operations.

**11. *Program Loans***

Program loans are loans made to low-income housing and community development projects and are offered in conjunction with financing provided by affiliates of the Organization. The Organization typically provides the predevelopment or high loan-to-value component of the financing for a given transaction. Program related loans earn interest at either fixed or variable rates that range from 0% to 17.5% and are secured, in a subordinated position, by the underlying real estate.

At December 31, 2020 and 2019, the activity in the program loans was as follows:

	<i>2020</i>	<i>2019</i>
Beginning balance	\$ 63,183,474	\$ 39,006,688
Loan disbursements	62,457,804	47,473,870
Loans assigned/distributed	(944,483)	(2,692,087)
Loan repayments	<u>(44,210,351)</u>	<u>(20,604,997)</u>
Project loans outstanding	80,486,444	63,183,474
Allowance for loan losses	<u>(1,833,913)</u>	<u>(1,246,654)</u>
Ending balance	<u><u>\$ 78,652,531</u></u>	<u><u>\$ 61,936,820</u></u>

Program loans consist of the following:

<i>Loan category</i>	<i>2020</i>	<i>2019</i>
Construction	\$ 42,416,149	\$ 18,552,535
Line of credit	470,000	586,978
Acquisition	17,416,910	23,191,543
Amortizing	14,074,364	9,376,198
Mini perm	3,445,330	4,357,469
Bridge	1,820,613	5,092,651
Predevelopment	<u>843,078</u>	<u>2,026,100</u>
Project loans outstanding	80,486,444	63,183,474
Allowance for loan losses	<u>(1,833,913)</u>	<u>(1,246,654)</u>
Project loans, net	<u><u>\$ 78,652,531</u></u>	<u><u>\$ 61,936,820</u></u>



**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**11. Program Loans - continued**

At December 31, 2020, contract maturities of the above loans are as follows:

2021	\$ 42,301,646
2022	15,806,034
2023	25,012
2024	80,664
2025	3,500,193
Thereafter	18,772,895
Total	<u>\$ 80,486,444</u>

The amount of loans on which the Organization has ceased accruing interest totaled \$1,117,747 and \$1,293,000 at December 31, 2020 and 2019, respectively. The amount of interest not recorded on nonaccrual loans was approximately \$36,493 and \$30,994 for the years ended December 31, 2020 and 2019, respectively.

The following tables present informative data by class of financing receivables regarding their age and interest accrual status at December 31, 2020 and 2019:

	<u>Past Due</u>				<u>Total Financing Receivables</u>	<u>Status of Interest Accruals</u>	
						Financing Receivables	Past Days +90 still accruing interest
<b>December 31, 2020</b>	Current	30-59 Days	60-89 Days	90 + days		Non- Accrual Status	
Construction	\$ 42,416,149	\$ -	\$ -	\$ -	\$ 42,416,149	\$ -	\$ -
Line of credit	470,000	-	-	-	470,000	-	-
Acquisition	17,416,910	-	-	-	17,416,910	-	-
Amortizing	12,956,617	-	-	1,117,747	14,074,364	1,117,747	-
Mini perm	3,445,330	-	-	-	3,445,330	-	-
Bridge	1,820,613	-	-	-	1,820,613	-	-
Predevelopment	843,078	-	-	-	843,078	-	-
Total	<u>\$ 79,368,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,117,747</u>	<u>\$ 80,486,444</u>	<u>\$ 1,117,747</u>	<u>\$ -</u>

	<u>Past Due</u>				<u>Total Financing Receivables</u>	<u>Status of Interest Accruals</u>	
						Financing Receivables	Past Days +90 still accruing interest
<b>December 31, 2019</b>	Current	30-59 Days	60-89 Days	90 + days		Non- Accrual Status	
Construction	\$ 18,552,535	\$ -	\$ -	\$ -	\$ 18,552,535	\$ -	\$ -
Line of credit	586,978	-	-	-	586,978	-	-
Acquisition	23,191,543	-	-	-	23,191,543	-	-
Amortizing	8,083,198	-	-	1,293,000	9,376,198	1,293,000	-
Mini perm	4,357,469	-	-	-	4,357,469	-	-
Bridge	5,092,651	-	-	-	5,092,651	-	-
Predevelopment	2,026,100	-	-	-	2,026,100	-	-
Total	<u>\$ 61,890,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,293,000</u>	<u>\$ 63,183,474</u>	<u>\$ 1,293,000</u>	<u>\$ -</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**11. *Program Loans – continued***

Program loans do not include loans made under the NSP1, NSP2 and HCRG programs. Such loans made for the acquisition and rehabilitation of foreclosed properties require deeded affordability restrictions and provide for the forgiveness of outstanding loan balances based on compliance with those restrictions. During 2020 and 2019, no NSP and HCRG loan funds were disbursed and recorded as grant expense. Program regulations require that the recovery of loan funds, if any, be recorded as program income when received. As of December 31, 2020 and 2019, no program was earned and recorded in the consolidated statements of activities.

Program related loans do not include loans made utilizing Federal Realty Investment Trust (FRIT) subsidy grant funds. Such loans made for the development of 49 scattered site units of permanent affordable housing in the City of Somerville are fully reserved and expected to be forgiven. During 2020 and 2019, FRIT loan funds disbursed and recorded as grant expense totaled \$2,580,114 and zero, respectively.

**12. *Investments in Marketable Securities***

Investments in marketable securities consist of Ginnie Mae pass-through securities. The Ginnie Mae securities were purchased as collateral for certain borrowing transactions with the Federal Home Loan Bank of Boston. There is an active secondary market for these securities and management considers them held “for-sale”. The underlying assets consist of mortgage loans that are insured by the federal government.

At December 31, 2020 and 2019, the securities were valued at \$59,607 and \$148,562, respectively. During 2020 and 2019, MHIC recorded unrealized gains of \$348 and \$1,653, respectively.

All investment assets have been valued using the market approach. There have been no changes in the methodologies used at December 31, 2020 and 2019.

The Ginnie Mae’s securities are backed by U.S. Government securities and estimated based on quoted market prices for securities of similar maturity in markets that are not active and are considered level 2 investments.

**13. *Investments in Operating Partnerships***

HNEF and the LIHTC Funds (the Investment Companies) invest in Operating Partnerships by providing equity financing in exchange for limited partner interests, cash flows, low income housing tax credits, new markets tax credits and other benefits.

As of December 31, 2020, the Investment Companies have advanced \$469,164,513, to 99 Operating Partnerships and had outstanding commitments of \$64,942,066. As of December 31, 2019, the Investment Companies have advanced \$429,697,276, to 95 Operating Partnerships and had outstanding commitments of \$75,749,625.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**13. Investments in Operating Partnerships - continued**

Because the Investment Companies do not have the ability to exercise significant influence over the investments as the limited partner and due to the lack of information that can be used to approximate the fair value, these investments are accounted for under the equity method.

The summarized financial information for the investments in Operating Partnerships as of December 31, 2020 and 2019, is as follows:

*Condensed Combined Balance Sheets*

	2020	2019
<i>Assets</i>		
Current assets	\$ 46,240,623	\$ 38,525,748
Investment property, net	1,345,234,806	1,277,635,411
Other assets	<u>105,384,420</u>	<u>80,210,700</u>
Total assets	<u>\$ 1,496,859,849</u>	<u>\$ 1,396,371,859</u>
<i>Liabilities and Partners' Capital</i>		
Current liabilities	\$ 58,387,911	\$ 72,613,597
Other liabilities	1,875,503	2,039,480
Long-term debt	<u>1,161,428,520</u>	<u>1,083,083,597</u>
Total liabilities	<u>1,221,691,934</u>	<u>1,157,736,674</u>
Investment companies share of combined capital	246,151,860	254,340,047
Other partners' share of combined capital	<u>29,016,055</u>	<u>(15,704,862)</u>
Total partners' capital	<u>275,167,915</u>	<u>238,635,185</u>
Total liabilities and partners' capital	<u>\$ 1,496,859,849</u>	<u>\$ 1,396,371,859</u>

*Condensed Combined Statements of Operations*

	2020	2019
<i>Revenue</i>		
Rent revenue	\$ 118,274,052	\$ 120,872,555
Interest and other revenue	<u>1,735,633</u>	<u>2,610,432</u>
Total revenue	<u>120,009,685</u>	<u>123,482,987</u>
<i>Expenses</i>		
Operating expenses	79,209,002	73,734,792
Interest expense	36,188,573	40,135,444
Depreciation and amortization	<u>40,815,623</u>	<u>41,142,068</u>
Total expenses	<u>156,213,198</u>	<u>155,012,304</u>
Combined net loss	<u>\$ (36,203,513)</u>	<u>\$ (31,529,317)</u>
Investment companies share of combined net loss	\$ (31,914,937)	\$ (26,147,238)
Other partners' share of combined net loss	<u>(4,288,576)</u>	<u>(5,382,079)</u>
Total combined net loss	<u>\$ (36,203,513)</u>	<u>\$ (31,529,317)</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**13. Investments in Operating Partnerships - continued**

*Reconciliation of Investments at Equity*

	2020	2019
Investment companies share of capital at December 31, as shown above	\$ 246,151,860	\$ 254,340,047
Cumulative losses in excess of investment in individual operating partnerships	8,299,144	4,261,818
Excess basis of acquisition and financing costs	<u>15,662,546</u>	<u>7,338,560</u>
Investment at equity at December 31	<u><u>\$ 270,113,550</u></u>	<u><u>\$ 265,940,425</u></u>
Investment companies share of operations as of December 31, as shown above	\$ (31,914,937)	\$ (26,147,238)
Losses in excess of investment in individual operating partnerships	5,536,554	5,084,468
Loss on assignment of interests in operating partnerships	<u>(20,679,741)</u>	<u>(19,819,540)</u>
Investment companies share of operations	<u><u>\$ (47,058,124)</u></u>	<u><u>\$ (40,882,310)</u></u>

Management annually performs an assessment of any possible impairment of the investments in Operating Partnerships. As of December 31, 2020 and 2019, management has determined that no such impairment exists.

**14. Notes Payable**

*MHIC*

MHIC has borrowed \$1,000,000 from the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute. The loan bears no interest and the entire amount is payable in full on December 31, 2030. At December 31, 2020 and 2019, the outstanding balance was \$1,000,000.

MHIC has borrowed \$1,000,000 from the Boston Foundation. The loan bears interest at 1.5% and matures on December 15, 2025. At December 31, 2020 and 2019, the outstanding balance was \$1,000,000.

MHIC has borrowed \$3,600,000 from the Northern Trust Company. The loan bears interest at 1.5% and matures on December 14, 2025. At, December 31, 2020 and 2019, the outstanding balance was \$3,600,000.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**14. Notes Payable - continued**

*MHIC - continued*

MHIC has borrowed \$2,672,778 from the Federal Home Loan Bank under the Jobs for New England program (JNE) for the purpose of making commercial loans to two specific projects. In addition, MHIC borrowed \$3,734,500 under the Affordable Housing Program (AHP) for the purpose of making permanent loans to two specific projects. The loans bear interest at rates ranging from 0% to 1% and have maturity dates that range from April 2025 to February 2039. At December 31, 2020 and 2019, the outstanding balance of notes payable to the Federal Home Loan Bank was \$6,096,347 and \$6,235,622, respectively.

MHIC borrowed \$5,000,000 from the Kresge Foundation for the purpose of making commercial loans to specific projects. The loan bears interest at 1% and matures November 27, 2028. At December 31, 2020 and 2019, the outstanding balance was \$2,563,900.

MHIC borrowed \$1,000,000 from the Boston Medical Center for the purpose of making commercial loans to specific projects. The loan bears no interest and matures December 18, 2026. At December 31, 2020 and 2019, the outstanding balance was \$1,000,000.

During 2020, MHIC borrowed \$1,625,000 from Mass General Brigham Incorporated for the purpose of making a commercial loan to a specific project. The loan bears interest at 1% and matures May 14, 2026. At December 31, 2020, the outstanding balance was \$1,625,000.

During 2020, MHIC borrowed \$150,000 from the Small Business Administration (SBA) under the Economic Injury Disaster Loan (EIDL) program. The loan bears interest at 2.75% and matures June 8, 2050. At December 31, 2020, the outstanding balance was \$150,000.

MHIC has entered into an Equity Equivalent Investment Agreement (EQ2 Agreement) with Citizens Bank for up to \$5,000,000 to facilitate investments evaluated under the provisions of the Community Reinvestment Act (CRA). During 2020, MHIC borrowed \$3,000,000 under the EQ2 Agreement. The subordinated debt instrument bears interest at 2% and matures October 1, 2025, with automatic three-year extensions at each renewal date. The note also contains various restrictions and covenants as required under the EQ2 Agreement. At December 31, 2020, the outstanding balance was \$3,000,000.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**14. Notes Payable - continued**

*The LLC*

*Revolving*

The LLC has established revolving credit facilities totaling \$15,000,000 to provide leverage for funding its portfolio of floating rate loans. During 2020, the revolving credit facilities were amended and increased to \$35,000,000. These revolving credit facilities are guaranteed by MHIC. Each advance under the respective facilities has a separate maturity date and interest rate, which is determined on the date of the advance. The LLC has the option of selecting from several methods for determining the rate at which interest will accrue on a given advance. All of the advances to date accrue interest at the 30-day LIBOR rate plus 125 basis points.

The LLC has pledged various first mortgages from its loan portfolio as collateral for the facilities. During 2020, the LLC received five advances totaling \$25,950,000, maturing on various dates during 2021 and 2022. During 2019, the LLC received three advances totaling \$19,150,000, all of which were paid in full during 2020. At December 31, 2020 and 2019, the outstanding balance was \$17,750,000 and \$9,700,000, respectively.

*MacArthur Foundation Note*

The LLC had indebtedness to a not-for-profit corporation for \$500,000. The note bears interest of 2% and matures April 1, 2021. At December 31, 2020 and 2019, outstanding principal totaled \$500,000.

*FHLBB Note*

During 2019, the LLC borrowed \$1,810,513 from the FHLBB. The note bears interest of 3.48%, requires monthly payment of principal and interest of \$8,162 and matures May 2, 2039. At December 31, 2020 and 2019, the outstanding principal balance was \$1,755,503 and \$1,790,832, respectively.

Scheduled payments of principal for the next five years and thereafter is as follows:

<i>Year</i>	<i>Amount</i>
2021	\$ 13,126,391
2022	5,478,229
2023	180,115
2024	181,700
2025	9,059,197
Thereafter	<u>12,015,118</u>
Total	<u>\$ 40,040,750</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**15. *Cash and Credit Risk***

At December 31, 2020 and 2019, cash balances are held at financial institutions with federally insured limits of up to \$250,000 for each financial institution. Balances held at these institutions during the year can exceed this limit. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on its cash balances.

**16. *Leases***

MHIC leases its facilities and certain furniture and equipment under operating leases that expire over future periods and require various minimum rental payments.

MHIC incurred lease expenses associated with office space and equipment of \$543,248 and \$556,861, for the years ended December 31, 2020 and 2019, respectively. MHIC's current office lease expires on December 31, 2025 with one five year option to extend.

Future minimum payments under these non-cancelable operating leases consist of the following at December 31, 2020:

<i>Year</i>	<i>Amount</i>
2021	\$ 479,629
2022	489,812
2023	499,995
2024	554,984
2025	565,167
Total	<u>\$ 2,589,587</u>

**17. *Employee Benefit Plan***

As a tax-exempt 501(c)(3) corporation, MHIC established a noncontributory, defined contribution plan under Section 401(a) of the Internal Revenue Code covering all full-time employees. The employer contribution has multiple components that are based upon a percentage of employee salary. These components include 4% profit sharing, a 100% match of employee contributions up to 3% of a given employee's salary and a safe harbor match of up to an additional 1% of a given employee's salary. MHIC contributed and charged to expense \$377,038 and \$329,808 for the years ended December 31, 2020 and 2019, respectively. These amounts are reflected in salaries and employee benefits in the accompanying consolidated statements of activities.

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**18. Guarantees Provided for Borrowing Facilities of Affiliates**

As of December 31, 2020 and 2019, MHIC is the guarantor on several borrowing facilities of its affiliates, for which there is no outstanding balance. These credit facilities are primarily secured by pledges of first mortgage loans, unconditional investor notes, or partnership interests. In the event that the borrowings of the affiliates cannot be repaid as scheduled and the above mentioned primary collateral is not sufficient to cover the outstanding balance, MHIC would assure the obligation. MHIC has not recognized any obligations relative to the guarantees.

**19. Fixed Assets**

Property and equipment consists of the following:

	2020	2019
Furniture	\$ 248,803	\$ 248,803
Equipment	182,910	182,910
Leasehold improvements	<u>103,834</u>	<u>75,265</u>
Total fixed assets	535,547	506,978
Accumulated depreciation	<u>(422,360)</u>	<u>(329,098)</u>
Total	<u>\$ 113,187</u>	<u>\$ 177,880</u>

**20. Restricted Cash**

At December 31, 2020 and 2019, restricted cash consists of the following:

	2020	2019
FRIT subsidy grant advances	\$ 5,722	\$ 2,580,500
CDFI conditional grant advances	1,143,822	156,649
CDFI unadvanced program income	846,144	85,262
Other program lending funds	<u>2,176,512</u>	<u>3,564,466</u>
Total	<u>\$ 4,172,200</u>	<u>\$ 6,386,877</u>

**21. Capital Contributions**

The Investment Companies have entered into subscription agreements with several investors for limited partnership interest. At December 31, 2020 and 2019, outstanding committed capital contributions totaled \$121,817,405 and \$124,268,146, respectively.



**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Notes to Consolidated Financial Statements - *continued*  
December 31, 2020 and 2019

**22. Net Assets with Donor Restrictions**

Net assets with donor restrictions for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
<i>Specific Purpose and Passage of Time</i>		
CDFI Capital Magnets Grant restricted for use in a revolving loan fund	\$ 1,800,000	\$ 1,800,000
CDFI Neighborhood Commerce Grant restricted for use towards loan loss reserves	<u>15,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 1,815,000</u>	<u>\$ 1,800,000</u>

**23. COVID-19**

On March 11, 2020, the World Health Organization has characterized the outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. The COVID-19 outbreak has and may continue to negatively impact construction costs and timelines, as well as lease-up and cash flows for projects financed by the Organization, which in turn could affect the valuation of those assets and the liquidity associated with the collection of those accounts. During 2020, MHIC received \$761,100 in loan funds from Citizens Bank under the Paycheck Protection Program (PPP) funded by the SBA to support its programs and employees. MHIC used these funds for expenditures that qualified for loan forgiveness under the PPP. The loan was forgiven by the SBA on December 22, 2020.

As of December 31, 2020, MHIC has accounted for the PPP loan proceeds as a conditional contribution, the conditions of which, have been met in accordance with U.S. GAAP. Additionally, MHIC received an EIDL loan from the SBA described in Note 14.

The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on specific developments, including the duration and spread of the outbreak, impact on its customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may continue to impact the Organization's financial condition or results of operations is unknown.

**24. Subsequent Events**

The Organization has performed an evaluation of subsequent events through November 10, 2021, which is the date the Organization's consolidated financial statements were available to be issued. No material subsequent events have occurred since December 31, 2020, that require recognition or disclosure in these consolidated financial statements.

## **Supplemental Schedules**

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Consolidating Schedule of Financial Position  
December 31, 2020

<i>Assets</i>	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF LP</i>	<i>MHIC LLC</i>	<i>LIHTC Funds</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Current Assets</i>										
Cash and cash equivalents	\$ 8,843,114	\$ 1,480	\$ 3,937	\$ 215,556	\$ 749,812	\$ 677,641	\$ 4,595,232	\$ 23,184,825	\$ -	\$ 38,271,597
Restricted cash	1,792,620	-	-	831,144	1,548,436	-	-	-	-	4,172,200
Fees receivable - LIHTC Partnerships	2,105,146	-	-	-	-	-	-	-	(1,367,191)	737,955
Fees receivable - NMTC CDEs'	1,095,966	-	-	-	-	-	-	-	-	1,095,966
Current portion of program related loans	2,484,000	-	-	2,692,482	140,330	-	36,984,834	-	-	42,301,646
Program loan interest receivable	186,981	-	-	53,931	21,961	945,378	157,532	-	-	1,365,783
Accounts receivable	824,150	-	-	-	-	-	-	60,986	(286,137)	598,999
Due from affiliates	6,689,913	-	-	-	-	-	-	62,808	(6,752,721)	-
Total current assets	24,021,890	1,480	3,937	3,793,113	2,460,539	1,623,019	41,737,598	23,308,619	(8,406,049)	88,544,146
<i>Other Assets</i>										
Investment in marketable securities	59,607	-	-	-	-	-	-	-	-	59,607
Investment in capital stock	266,500	-	-	-	-	-	99,100	-	-	365,600
Program related loans	15,623,211	-	-	457,857	2,365,575	2,900,000	13,204,602	1,799,640	-	36,350,885
Loans to affiliates	-	-	-	-	-	-	-	416,921	(416,921)	-
Investment in subsidiaries	7,225,928	-	-	-	-	-	-	-	(7,225,928)	-
Equity interest in operating partnerships	30,018	-	-	-	-	11,369,032	-	258,714,500	-	270,113,550
Other assets	203,608	-	-	-	9,331	5,587	52,500	1,727,079	(1,727,079)	271,026
Furniture, equipment and leasehold improvements, net of accumulated depreciation	113,187	-	-	-	-	-	-	-	-	113,187
Capitalized costs, net of accumulated amortization	-	-	-	-	-	23,862	-	-	-	23,862
Total other assets	23,522,059	-	-	457,857	2,374,906	14,298,481	13,356,202	262,658,140	(9,369,928)	307,297,717
Total assets	<u>\$ 47,543,949</u>	<u>\$ 1,480</u>	<u>\$ 3,937</u>	<u>\$ 4,250,970</u>	<u>\$ 4,835,445</u>	<u>\$ 15,921,500</u>	<u>\$ 55,093,800</u>	<u>\$ 285,966,759</u>	<u>\$ (17,775,977)</u>	<u>\$ 395,841,863</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Consolidating Schedule of Financial Position - *continued*  
December 31, 2020

<i><b>Liabilities and Net Assets</b></i>	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF LP</i>	<i>MHIC LLC</i>	<i>LIHTC Funds</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Current Liabilities</i>										
Current portion of notes payable	\$ 139,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,986,595	\$ 416,921	\$ (416,921)	\$ 13,126,391
Due to affiliates	-	-	-	2,148,982	4,002,684	419,065	-	1,523,193	(8,093,924)	-
Deferred grant revenue	1,143,822	-	-	-	-	-	-	-	-	1,143,822
Accrued expenses and other liabilities	2,607,947	-	-	-	-	-	200,069	516,673	(303,354)	3,021,335
Total current liabilities	<u>3,891,565</u>	<u>-</u>	<u>-</u>	<u>2,148,982</u>	<u>4,002,684</u>	<u>419,065</u>	<u>13,186,664</u>	<u>2,456,787</u>	<u>(8,814,199)</u>	<u>17,291,548</u>
<i>Long-term Liabilities</i>										
Unearned fees	2,692,069	-	-	-	-	-	-	-	(1,735,850)	956,219
Notes payable	19,895,451	-	-	-	-	-	7,018,908	-	-	26,914,359
Total long-term liabilities	<u>22,587,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,018,908</u>	<u>-</u>	<u>(1,735,850)</u>	<u>27,870,578</u>
Total liabilities	<u>26,479,085</u>	<u>-</u>	<u>-</u>	<u>2,148,982</u>	<u>4,002,684</u>	<u>419,065</u>	<u>20,205,572</u>	<u>2,456,787</u>	<u>(10,550,049)</u>	<u>45,162,126</u>
<i>Net Assets</i>										
Non-controlling interest	-	-	-	-	-	11,216,673	34,888,228	283,509,972	-	329,614,873
Without donor restrictions	19,249,864	1,480	3,937	2,101,988	832,761	4,285,762	-	-	(7,225,928)	19,249,864
With donor restrictions	1,815,000	-	-	-	-	-	-	-	-	1,815,000
Total net assets	<u>21,064,864</u>	<u>1,480</u>	<u>3,937</u>	<u>2,101,988</u>	<u>832,761</u>	<u>15,502,435</u>	<u>34,888,228</u>	<u>283,509,972</u>	<u>(7,225,928)</u>	<u>350,679,737</u>
Total liabilities and net assets	<u>\$ 47,543,949</u>	<u>\$ 1,480</u>	<u>\$ 3,937</u>	<u>\$ 4,250,970</u>	<u>\$ 4,835,445</u>	<u>\$ 15,921,500</u>	<u>\$ 55,093,800</u>	<u>\$ 285,966,759</u>	<u>\$ (17,775,977)</u>	<u>\$ 395,841,863</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Consolidating Schedule of Activities  
For the Year Ended December 31, 2020

	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF LP</i>	<i>MHIC LLC</i>	<i>LIHTC Funds</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Operating Revenue and Support</i>										
Interest on deposits	\$ 43,692	\$ -	\$ -	\$ 1,207	\$ 498	\$ 1,369	\$ 15,282	\$ 71,285	\$ -	\$ 133,333
Interest on project loans	507,086	-	-	605,928	172,071	306,484	2,189,356	-	(428,600)	3,352,325
Unrealized gain on investments	348	-	-	-	-	-	-	-	-	348
Loan program revenue	1,100,716	-	-	-	-	-	-	-	(967,398)	133,318
NMTC program revenue	2,827,277	-	-	-	-	-	-	-	-	2,827,277
LIHTC program revenue	4,104,748	-	-	-	-	-	-	-	(2,370,490)	1,734,258
Other program revenue	1,080,679	-	-	-	-	154	100,000	22,731	(729,998)	473,566
Grant revenue	911,100	-	-	-	-	-	-	-	-	911,100
Total operating revenue and support	10,575,646	-	-	607,135	172,569	308,007	2,304,638	94,016	(4,496,486)	9,565,525
<i>Operating Expenses</i>										
Salaries and employee benefits	7,260,391	-	-	-	-	-	-	-	-	7,260,391
Occupancy, equipment and furniture	543,248	-	-	-	-	-	-	-	-	543,248
Professional services	1,537,244	-	-	-	-	456,804	1,283,299	993,347	(2,379,689)	1,891,005
Depreciation and amortization	93,263	-	-	-	-	-	-	-	-	93,263
Grant expenses	160,243	-	-	-	-	-	-	-	-	160,243
Interest expense	135,942	-	-	407,890	5,696	-	501,794	5	(428,600)	622,727
Other office expenses and support	913,903	149	-	13,377	3,971	18,500	-	392,008	(54,796)	1,287,112
Total operating expenses	10,644,234	149	-	421,267	9,667	475,304	1,785,093	1,385,360	(2,863,085)	11,857,989
Change in net assets from operations	(68,588)	(149)	-	185,868	162,902	(167,297)	519,545	(1,291,344)	(1,633,401)	(2,292,464)
<i>Non - Operating Revenue/(Expenses)</i>										
Federal grant revenue	123,213	-	-	-	15,000	-	-	-	-	138,213
Federal grant expenses	-	-	-	-	(123,213)	-	-	-	-	(123,213)
Other grant revenue	2,580,114	-	-	-	-	-	-	-	-	2,580,114
Other grant expenses	(2,580,114)	-	-	-	-	-	-	-	-	(2,580,114)
Loss from investment in operating partnerships	(684,440)	-	-	-	-	(1,745,465)	-	(46,346,060)	1,717,841	(47,058,124)
Syndication costs	-	-	-	-	-	-	-	(600,000)	600,000	-
Total change in net assets	\$ (629,815)	\$ (149)	\$ -	\$ 185,868	\$ 54,689	\$ (1,912,762)	\$ 519,545	\$ (48,237,404)	\$ 684,440	\$ (49,335,588)
Net assets at beginning of year	\$ 21,694,679	\$ 491,629	\$ 263,692	\$ 1,916,120	\$ 778,072	\$ 15,704,835	\$ 35,052,693	\$ 272,892,320	\$ (8,660,123)	\$ 340,133,917
Capital contributions	-	-	-	-	-	2,749,862	-	59,700,879	-	62,450,741
Distributions	-	(490,000)	(259,755)	-	-	(1,039,500)	(684,010)	(845,823)	749,755	(2,569,333)
Change in net assets	(629,815)	(149)	-	185,868	54,689	(1,912,762)	519,545	(48,237,404)	684,440	(49,335,588)
Net assets at end of year	\$ 21,064,864	\$ 1,480	\$ 3,937	\$ 2,101,988	\$ 832,761	\$ 15,502,435	\$ 34,888,228	\$ 283,509,972	\$ (7,225,928)	\$ 350,679,737

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships  
December 31, 2020

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>MHEF XI LLC</i>	Brunswick Holborn Two LP	99.99%	\$ 5,890,812	\$ 5,890,812	\$ -
<i>MHEF XI LLC</i>	Columbia Wood Two LP	99.99%	6,574,743	6,574,743	-
<i>MHEF XII LLC</i>	Dudley Village North LP	99.99%	4,038,767	4,038,767	-
<i>MHEF XII LLC</i>	Lazarus Hope, LLC	99.99%	2,850,915	2,850,915	-
<i>MHEF XII LLC</i>	Long-Glen Rental, LLC	99.99%	7,718,628	7,718,628	-
<i>MHEF XII LLC</i>	Till Chelsea LP	99.99%	4,669,240	4,669,240	-
<i>MHEF XIII LLC</i>	Bridle Path Preservation Associates	99.99%	5,143,028	5,143,028	-
<i>MHEF XIII LLC</i>	Chestnut Gardens Preservation Assoc LP	99.99%	3,403,229	3,403,229	-
<i>MHEF XIII LLC</i>	Church Street School LP	91.64%	4,752,100	4,752,100	-
<i>MHEF XIII LLC</i>	Dom Narodowy Polski PA LP	99.99%	1,681,806	1,681,806	-
<i>MHEF XIII LLC</i>	EA Fish Ashers Path, LLC	99.99%	7,466,968	7,466,968	-
<i>MHEF XIII LLC</i>	Eastgate Preservation Associates LP	99.99%	5,262,611	5,262,611	-
<i>MHEF XIII LLC</i>	Fairweather Preservation Associates LP	99.99%	10,105,015	10,105,015	-
<i>MHEF XIII LLC</i>	Irving Square Redeveloper, LLC	99.98%	2,474,512	2,474,512	-
<i>MHEF XIV LLC</i>	Canal Bluffs Rental LP	99.99%	4,812,020	4,812,020	-
<i>MHEF XIV LLC</i>	Church Street School LP	8.35%	400,000	400,000	-
<i>MHEF XIV LLC</i>	New Lithgow Residential, LLC	99.99%	1,369,040	1,369,040	-
<i>MHEF XIV LLC</i>	Sanford Apartments LP	99.98%	3,861,996	3,861,996	-
<i>MHEF XIV LLC</i>	Schoolhouse Brookledge Cummins LP	99.98%	6,248,844	6,248,844	-
<i>MHEF XIV LLC</i>	West Barnstable Communities LP	99.99%	5,795,420	5,795,420	-
<i>MHEF XVI LLC</i>	School House Kenilworth Williams LP	99.98%	6,459,989	6,459,989	-
<i>MHEF XVI LLC</i>	Lebaron Phase II Rental, LLC	59.99%	4,491,191	4,491,191	-
<i>MHEF XVII LLC</i>	ACDC Fort Street, LLC	99.99%	5,727,460	5,727,460	-
<i>MHEF XVII LLC</i>	Stevens Corner LP	99.98%	4,341,678	4,341,678	-
<i>MHEF XVII LLC</i>	2Life Shillman LP	50.00%	3,240,641	3,240,641	-
<i>MHEF XVII LLC</i>	Bloomfield Gardens LP	99.99%	4,824,089	4,824,089	-
<i>MHEF XVIII LLC</i>	142 Water Street LP	88.77%	6,959,904	6,959,904	-
<i>MHEF XVIII LLC</i>	Cromwell Court Preservation Assoc LP	51.00%	1,558,068	1,558,068	-
<i>MHEF XVIII LLC</i>	KGH LP	99.99%	3,128,087	3,128,087	-
<i>MHEF XVIII LLC</i>	UE Apartments, LLC	99.99%	6,006,689	6,006,689	-
<i>MHEF XVIII LLC</i>	Unity Place, LLC	99.99%	3,517,599	3,517,599	-
<i>MHEF XVIII LLC</i>	Sitkowski LP	7.00%	693,844	693,844	-
<i>MHEF XVIII LLC</i>	Winter Gardens, LLC	99.99%	4,049,595	4,049,595	-
<i>MHEF XIX LLC</i>	Austin Corridor II LP	99.99%	2,940,741	2,940,741	-
<i>MHEF XIX LLC</i>	Peters Grove Preservation Assoc LP	52.10%	2,000,952	2,000,952	-
<i>MHEF XIX LLC</i>	Franklin Preservation Associates LP	68.80%	14,267,222	14,267,222	-
<i>MHEF XIX LLC</i>	LBB Apartments, LLC	99.99%	7,352,005	7,352,005	-
<i>MHEF XIX LLC</i>	108 Newbury Street, LLC	99.99%	3,314,088	3,314,088	-
<i>MHEF XIX LLC</i>	CC Station Lofts, LLC	99.99%	2,903,343	2,903,343	-
<i>MHEF XIX LLC</i>	Olympia Amherst LP	71.18%	6,041,283	6,041,283	-
<i>MHEF XX LLC</i>	Cross Town Corners, LLC	99.99%	8,643,944	8,643,944	-
<i>MHEF XX LLC</i>	MHIC - NAHT Kenmore Abbey, LLC	99.99%	9,000,000	9,000,000	-
<i>MHEF XX LLC</i>	Olympia Oaks LP	28.81%	2,445,541	2,445,541	-
<i>MHEF XX LLC</i>	BC Edmands House, LLC	99.97%	7,528,004	7,528,004	-
<i>MHEF XX LLC</i>	ACDC Tremont Village, LLC	99.99%	2,397,092	2,397,092	-
<i>MHEF XX LLC</i>	Sitkowski LP	92.00%	8,592,732	8,592,732	-

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships - *continued*  
December 31, 2020

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
MHEF XX LLC	Founders Court	99.99%	1,400,574	1,390,394	10,180
MHEF XXI LLC	Commonwealth Glenville, LLC	76.99%	9,506,804	9,506,804	-
MHEF XXI LLC	Caritas Project Place Cortes, LLC	99.99%	3,531,352	3,531,352	-
MHEF XXI LLC	KenQuad LP	99.99%	4,252,852	4,252,852	-
MHEF XXI LLC	CranCarp LP	99.99%	3,028,645	3,028,645	-
MHEF XXI LLC	HRI Putnam Square II, LLC	99.99%	7,857,757	7,857,757	-
MHEF XXI LLC	Bishop Allen Apartments, LLC	51.53%	1,921,555	1,921,555	-
MHEF XXI LLC	TND Homes I, LLC	99.99%	3,115,128	3,115,128	-
MHEF XXI LLC	Welcome Home Housing, LLC	99.99%	2,502,951	2,502,951	-
MHEF XXII LLC	Briston Arms Preservation Assoc LP	99.99%	13,204,053	13,204,053	-
MHEF XXII LLC	Port Landing Tenant, LLC	99.99%	3,795,069	3,795,069	-
MHEF XXII LLC	MM Picker, LLC	99.99%	14,002,014	14,002,014	-
MHEF XXII LLC	Auburn Court LLC	99.99%	10,112,100	10,112,100	-
MHEF XXII LLC	Tribune Preservation Associates LP	99.99%	5,710,178	5,710,178	-
MHEF XXII LLC	Nuestras Casas LP	99.99%	2,435,212	2,435,212	-
MHEF XXII LLC	Live Pleasant LP	99.99%	8,449,154	8,449,154	-
MHEF XXII LLC	Lyman School LP	99.99%	3,654,673	3,654,673	-
MHEF XXII LLC	Lenox Schoolhouse LLC	99.99%	5,070,884	5,070,884	-
MHEF XXII LLC	Coppersmith Village LP	75.99%	6,072,570	6,072,570	-
MHEF XXII LLC	BC Quincy Tower LLC	25.00%	4,783,168	4,783,168	-
MHEF XXII LLC	BH Chestnut Crossing LLC	21.00%	1,143,927	1,143,927	-
MHEF XXIII LLC	AKFH Renovations LLC	99.99%	6,962,367	6,962,367	-
MHEF XXIII LLC	Egleston Infill LLC	99.99%	6,137,126	6,137,126	-
MHEF XXIII LLC	BH EHT 2 LLC	77.30%	6,418,974	6,418,974	-
MHEF XXIII LLC	St. James Commons Apartments LP	99.99%	8,365,015	8,365,015	-
MHEF XXIII LLC	Blanchard School LLC	99.99%	6,237,028	6,237,028	-
MHEF XXIII LLC	BC Quincy Tower LLC	74.97%	14,343,765	14,343,765	-
MHEF XXIII LLC	Burbank Gardens Apartments LLC	99.99%	4,861,704	4,861,704	-
MHEF XXIII LLC	AHSC Essex Street Associates LLC	65.87%	9,018,053	9,018,053	-
MHEF XXIV LLC	Bedford Village Preservation Associates LP	66.99%	5,289,550	4,738,364	551,186
MHEF XXIV LLC	Moseley Apartments LLC	99.99%	4,513,402	4,287,732	225,670
MHEF XXIV LLC	Carter School LP	64.99%	6,034,367	6,027,847	6,520
MHEF XXIV LLC	BH Chestnut Crossing LLC	78.99%	4,303,344	4,303,344	-
MHEF XXIV LLC	MacArthur Terrace LLC	99.99%	7,144,042	7,144,042	-
MHEF XXIV LLC	Sergeant House LP	99.99%	5,164,046	568,045	4,596,001
MHEF XXIV LLC	Library Commons LP	81.99%	8,561,559	428,078	8,133,481
MHEF XXIV LLC	LP Granite LLC	8.75%	1,586,078	237,912	1,348,166
MHEF XXV LLC	Historic Riviera LLC	99.99%	4,489,081	673,362	3,815,719
MHEF XXV LLC	S.C. Hamilton Apartments LLC	99.99%	5,248,242	787,236	4,461,006
MHEF XXV LLC	Trinity Worcester Courthouse LP	96.74%	20,683,562	12,410,138	8,273,424
MHEF XXV LLC	LP Granite LLC	91.24%	16,538,713	2,480,807	14,057,906
MHEF XXV LLC	Glen Brook Way	N/A	8,998,200	-	8,998,200
MHEF XXV LLC	Dudley Terrace Apartments LLC	99.99%	4,742,037	474,204	4,267,833
MHEF XXV LLC	Yarmouth Gardens	99.99%	1,426,366	242,482	1,183,884
MHEF XXVI LLC	CCD Yarmouth Gardens LLC	79.99%	5,704,751	969,808	4,734,943
MHEF XXVI LLC	Trinity Worcester Courthouse LP	3.25%	694,868	416,921	277,947

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships - *continued*  
December 31, 2020

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>HNEF</i>	Gerrish LLC	32.00%	894,536	894,536	-
<i>HNEF</i>	Landing Apartments LLC	37.00%	5,000,000	5,000,000	-
<i>HNEF</i>	Melnea Residences LLP	68.00%	3,850,000	3,850,000	-
<i>HNEF</i>	Barnat Beverly LLC	90.00%	4,937,634	4,937,634	-
<i>HNEF</i>	87 Washington MM LLC	90.00%	1,358,324	1,358,324	-
<i>HNEF</i>	191 Talbot Ave	90.00%	1,203,750	1,203,750	-
<i>HNEF</i>	Uhomes LLC	90.00%	900,000	900,000	-
<i>Total</i>			<u>\$ 534,106,579</u>	<u>\$ 469,164,513</u>	<u>\$ 64,942,066</u>



**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships  
December 31, 2019

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>MHEF X LLC</i>	Acushnet Commons LP	99.99%	\$ 2,047,111	\$ 2,047,111	\$ -
<i>MHEF X LLC</i>	147 Essex Avenue LLC	99.99%	6,302,826	6,302,826	-
<i>MHEF XI LLC</i>	Brunswick Holborn Two LP	99.99%	5,890,812	5,890,812	-
<i>MHEF XI LLC</i>	Columbia Wood Two LP	99.99%	6,574,743	6,574,743	-
<i>MHEF XI LLC</i>	Egleston Crossing UE LP	7.88%	580,000	580,000	-
<i>MHEF XI LLC</i>	Trolley Rental LLC	99.99%	4,414,455	4,414,455	-
<i>MHEF XII LLC</i>	Dudley Village North LP	99.99%	4,038,767	4,038,767	-
<i>MHEF XII LLC</i>	Lazarus Hope, LLC	99.99%	2,850,915	2,850,915	-
<i>MHEF XII LLC</i>	Long-Glen Rental, LLC	99.99%	7,718,628	7,718,628	-
<i>MHEF XII LLC</i>	Till Chelsea LP	99.99%	4,669,240	4,669,240	-
<i>MHEF XIII LLC</i>	Bridle Path Preservation Associates	99.99%	5,143,028	5,143,028	-
<i>MHEF XIII LLC</i>	Chestnut Gardens Preservation Assoc LP	99.99%	3,403,229	3,403,229	-
<i>MHEF XIII LLC</i>	Church Street School LP	91.64%	4,752,100	4,752,100	-
<i>MHEF XIII LLC</i>	Dom Narodowy Polski PA LP	99.99%	1,681,806	1,681,806	-
<i>MHEF XIII LLC</i>	EA Fish Ashers Path, LLC	99.99%	7,466,968	7,466,968	-
<i>MHEF XIII LLC</i>	Eastgate Preservation Associates LP	99.99%	5,262,611	5,262,611	-
<i>MHEF XIII LLC</i>	Fairweather Preservation Associates LP	99.99%	10,105,015	10,105,015	-
<i>MHEF XIII LLC</i>	Irving Square Redeveloper, LLC	99.98%	2,474,512	2,474,512	-
<i>MHEF XIV LLC</i>	Canal Bluffs Rental LP	99.99%	4,812,020	4,812,020	-
<i>MHEF XIV LLC</i>	Church Street School LP	8.35%	400,000	400,000	-
<i>MHEF XIV LLC</i>	New Lithgow Residential, LLC	99.99%	1,369,040	1,369,040	-
<i>MHEF XIV LLC</i>	Sanford Apartments LP	99.98%	3,861,996	3,861,996	-
<i>MHEF XIV LLC</i>	Schoolhouse Brookledge Cummins LP	99.98%	6,248,844	6,248,844	-
<i>MHEF XIV LLC</i>	West Barnstable Communities LP	99.99%	5,795,420	5,795,420	-
<i>MHEF XVI LLC</i>	School House Kenilworth Williams LP	99.98%	6,459,989	6,459,989	-
<i>MHEF XVI LLC</i>	Lebaron Phase II Rental, LLC	59.99%	4,491,191	4,491,191	-
<i>MHEF XVII LLC</i>	ACDC Fort Street, LLC	99.99%	5,727,460	5,727,460	-
<i>MHEF XVII LLC</i>	Stevens Corner LP	99.98%	4,341,678	4,341,678	-
<i>MHEF XVII LLC</i>	2Life Shillman LP	50.00%	3,240,641	3,240,641	-
<i>MHEF XVII LLC</i>	Bloomfield Gardens LP	99.99%	4,824,089	4,824,089	-
<i>MHEF XVIII LLC</i>	142 Water Street LP	88.77%	6,959,904	6,959,904	-
<i>MHEF XVIII LLC</i>	Cromwell Court Preservation Assoc LP	51.00%	1,558,068	1,558,068	-
<i>MHEF XVIII LLC</i>	KGH LP	99.99%	3,128,087	3,128,087	-
<i>MHEF XVIII LLC</i>	UE Apartments, LLC	99.99%	6,006,689	6,006,689	-
<i>MHEF XVIII LLC</i>	Unity Place, LLC	99.99%	3,517,599	3,517,599	-
<i>MHEF XVIII LLC</i>	Sitkowski LP	7.00%	693,844	693,844	-
<i>MHEF XVIII LLC</i>	Winter Gardens, LLC	99.99%	4,049,595	4,049,595	-
<i>MHEF XIX LLC</i>	Austin Corridor II LP	99.99%	2,940,741	2,940,741	-
<i>MHEF XIX LLC</i>	Peters Grove Preservation Assoc LP	52.10%	2,000,952	2,000,952	-
<i>MHEF XIX LLC</i>	Franklin Preservation Associates LP	68.80%	14,267,222	14,267,222	-
<i>MHEF XIX LLC</i>	LBB Apartments, LLC	99.99%	7,352,005	7,352,005	-
<i>MHEF XIX LLC</i>	108 Newbury Street, LLC	99.99%	3,314,088	3,314,088	-

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships - *continued*  
December 31, 2019

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
MHEF XIX LLC	CC Station Lofts, LLC	99.99%	2,903,343	2,903,343	-
MHEF XIX LLC	Olympia Amherst LP	71.18%	6,041,283	6,041,283	-
MHEF XX LLC	Cross Town Corners, LLC	99.99%	8,643,944	8,643,944	-
MHEF XX LLC	MHIC - NAHT Kenmore Abbey, LLC	99.99%	9,000,000	9,000,000	-
MHEF XX LLC	Olympia Oaks LP	28.81%	2,445,541	2,445,541	-
MHEF XX LLC	BC Edmands House, LLC	99.97%	7,528,004	7,528,004	-
MHEF XX LLC	ACDC Tremont Village, LLC	99.99%	2,397,092	2,397,092	-
MHEF XX LLC	Sitkowski LP	92.00%	8,592,732	8,592,732	-
MHEF XX LLC	Founders Court	99.99%	1,400,574	1,390,394	10,180
MHEF XXI LLC	Commonwealth Glenville, LLC	76.99%	9,506,804	9,506,804	-
MHEF XXI LLC	Caritas Project Place Cortes, LLC	99.99%	3,531,352	3,531,352	-
MHEF XXI LLC	KenQuad LP	99.99%	4,252,852	4,252,852	-
MHEF XXI LLC	CranCarp LP	99.99%	3,028,645	3,028,645	-
MHEF XXI LLC	HRI Putnam Square II, LLC	99.99%	7,857,757	7,857,757	-
MHEF XXI LLC	Bishop Allen Apartments, LLC	51.53%	1,921,555	1,921,555	-
MHEF XXI LLC	TND Homes I, LLC	99.99%	3,115,128	3,115,128	-
MHEF XXI LLC	Welcome Home Housing, LLC	99.99%	2,502,951	2,502,951	-
MHEF XXII LLC	Briston Arms Preservation Assoc LP	99.99%	13,204,053	13,204,053	-
MHEF XXII LLC	Port Landing Tenant, LLC	99.99%	3,795,069	3,795,069	-
MHEF XXII LLC	MM Picker, LLC	99.99%	14,002,014	14,002,014	-
MHEF XXII LLC	Auburn Court LLC	99.99%	10,112,100	10,112,100	-
MHEF XXII LLC	Tribune Preservation Associates LP	99.99%	5,710,178	5,710,178	-
MHEF XXII LLC	Nuestras Casas LP	99.99%	2,435,212	2,435,212	-
MHEF XXII LLC	Live Pleasant LP	99.99%	8,449,154	8,449,154	-
MHEF XXII LLC	Lyman School LP	99.99%	3,654,673	3,654,673	-
MHEF XXII LLC	Lenox Schoolhouse LLC	99.99%	5,070,884	5,070,884	-
MHEF XXII LLC	Coppersmith Village LP	75.99%	5,779,979	1,907,394	3,872,585
MHEF XXII LLC	BC Quincy Tower LLC	25.00%	4,783,168	4,783,168	-
MHEF XXII LLC	BH Chestnut Crossing LLC	21.00%	1,160,307	174,046	986,261
MHEF XXIII LLC	AKFH Renovations LLC	99.99%	6,748,003	5,061,002	1,687,001
MHEF XXIII LLC	Egleston Infill LLC	99.99%	5,818,892	4,073,224	1,745,668
MHEF XXIII LLC	BH EHT 2 LLC	77.30%	6,270,253	6,270,253	-
MHEF XXIII LLC	St. James Commons Apartments LP	99.99%	8,362,795	7,610,142	752,653
MHEF XXIII LLC	Blanchard School LLC	99.99%	6,212,979	6,202,979	10,000
MHEF XXIII LLC	BC Quincy Tower LLC	74.97%	14,343,765	14,343,765	-
MHEF XXIII LLC	Burbank Gardens Apartments LLC	99.99%	4,861,704	4,861,704	-
MHEF XXIII LLC	AHSC Essex Street Associates LLC	65.87%	8,977,712	2,052,953	6,924,759
MHEF XXIV LLC	Bedford Village Preservation Associates LP	66.99%	4,577,571	915,514	3,662,057
MHEF XXIV LLC	Moseley Apartments LLC	99.99%	4,513,402	1,128,350	3,385,052
MHEF XXIV LLC	Carter School LP	64.99%	5,957,395	1,489,349	4,468,046
MHEF XXIV LLC	BH Chestnut Crossing LLC	78.99%	4,364,964	654,745	3,710,219
MHEF XXIV LLC	MacArthur Terrace LLC	99.99%	6,787,588	1,357,518	5,430,070

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedule of Investments in Operating Partnerships - *continued*  
December 31, 2019

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>MHEF XXIV LLC</i>	Sergeant House LP	N/A	5,164,046	-	5,164,046
<i>MHEF XXIV LLC</i>	Library Commons LP	N/A	8,561,559	-	8,561,559
<i>MHEF XXV LLC</i>	Historic Riviera LLC	99.99%	4,489,081	673,362	3,815,719
<i>MHEF XXV LLC</i>	S.C. Hamilton Apartments LLC	99.99%	5,248,242	787,236	4,461,006
<i>MHEF XXV LLC</i>	Trinity Worcester Courthouse LP	99.99%	21,378,430	4,275,686	17,102,744
<i>HNEF</i>	Gerrish LLC	32.00%	894,536	894,536	-
<i>HNEF</i>	Landing Apartments LLC	37.00%	5,000,000	5,000,000	-
<i>HNEF</i>	Melnea Residences LLP	68.00%	3,850,000	3,850,000	-
<i>HNEF</i>	Barnat Beverly LLC	90.00%	4,937,634	4,937,634	-
<i>HNEF</i>	87 Washington MM LLC	90.00%	1,358,324	1,358,324	-
<i>HNEF</i>	191 Talbot Ave	90.00%	1,203,750	1,203,750	-
<i>Total</i>			<u>\$ 505,446,901</u>	<u>\$ 429,697,276</u>	<u>\$ 75,749,625</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedules of Financial Position – MHIC Only  
December 31, 2020 and 2019

<i>Assets</i>	<i>2020</i>	<i>2019</i>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 8,843,114	\$ 12,418,381
Restricted cash	1,792,620	2,737,149
Fees receivable - LIHTC Partnerships	2,105,146	2,458,691
Fees receivable - NMTC CDEs'	1,095,966	648,532
Current portion of program related loans	2,484,000	3,126,260
Program loan interest receivable	186,981	211,564
Accounts receivable	824,150	570,088
Due from affiliates	6,689,913	4,329,102
Total current assets	<u>24,021,890</u>	<u>26,499,767</u>
<i>Other Assets</i>		
Investment in marketable securities	59,607	148,562
Investment in capital stock	266,500	266,500
Program related loans	15,623,211	7,340,033
Investment in subsidiaries	7,225,928	8,660,123
Equity interest in operating partnerships	30,018	33,654
Other assets	203,608	357,314
Furniture, equipment and leasehold improvements, net of accumulated depreciation	<u>113,187</u>	<u>177,880</u>
Total other assets	<u>23,522,059</u>	<u>16,984,066</u>
Total assets	<u>\$ 47,543,949</u>	<u>\$ 43,483,833</u>
<i>Liabilities and Net Assets</i>	<i>2020</i>	<i>2019</i>
<i>Current Liabilities</i>		
Current portion of notes payable	\$ 139,796	\$ 139,276
Deferred grant revenue	1,143,822	2,737,149
Accrued expenses and other liabilities	<u>2,607,947</u>	<u>1,928,415</u>
Total current liabilities	<u>3,891,565</u>	<u>4,804,840</u>
<i>Long-term Liabilities</i>		
Unearned fees	2,692,069	1,724,068
Notes payable	<u>19,895,451</u>	<u>15,260,246</u>
Total long-term liabilities	<u>22,587,520</u>	<u>16,984,314</u>
Total liabilities	<u>26,479,085</u>	<u>21,789,154</u>
<i>Net Assets</i>		
Without donor restrictions	19,249,864	19,894,679
With donor restrictions	<u>1,815,000</u>	<u>1,800,000</u>
Total net assets	<u>21,064,864</u>	<u>21,694,679</u>
Total liabilities and net assets	<u>\$ 47,543,949</u>	<u>\$ 43,483,833</u>

**Massachusetts Housing Investment Corporation**  
**Wholly Owned Subsidiaries and Legally-Separate Controlled Entities**  
Supplemental Schedules of Activities – MHIC Only  
For the Years Ended December 31, 2020 and 2019

	<i>2020</i>	<i>2019</i>
<i>Operating Revenue and Support</i>		
Interest on deposits	\$ 43,692	\$ 128,672
Interest on project loans	507,086	402,996
Unrealized gain on investments	348	1,653
Loan program revenue	1,100,716	1,115,067
NMTC program revenue	2,827,277	3,083,928
LIHTC program revenue	4,104,748	3,721,303
Other program revenue	1,080,679	850,891
Grant revenue	911,100	20,000
	<u>10,575,646</u>	<u>9,324,510</u>
Total operating revenue and support		
<i>Operating Expenses</i>		
Salaries and employee benefits	7,260,391	6,523,812
Occupancy, equipment and furniture	543,248	556,861
Professional services	1,537,244	1,217,938
Depreciation and amortization	93,263	99,550
Grant expenses	160,243	7,700
Interest expense	135,942	98,662
Other office expenses and support	913,903	858,819
	<u>10,644,234</u>	<u>9,363,342</u>
Total operating expenses		
Change in net assets from operations	(68,588)	(38,832)
<i>Non - Operating Revenue/(Expenses)</i>		
Federal grant revenue	123,213	1,045,229
Other grant revenue	2,580,114	-
Other grant expenses	(2,580,114)	-
Loss from investment in subsidiaries	(684,440)	(888,543)
	<u>(629,815)</u>	<u>(888,543)</u>
Total change in net assets	<u>\$ (629,815)</u>	<u>\$ 117,854</u>
Net assets at beginning of year	\$ 21,694,679	\$ 21,576,825
Change in net assets	<u>(629,815)</u>	<u>117,854</u>
Net assets at end of year	<u>\$ 21,064,864</u>	<u>\$ 21,694,679</u>