

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

Consolidated Financial Statements,
Supplementary Information
And
Independent Auditors' Report
December 31, 2022 and 2021

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

December 31, 2022 and 2021

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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Massachusetts Housing Investment Corporation

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

We did not audit the financial statements of several legally-separate controlled entities (the Entities), in which these statements reflect totals assets of \$117,061,970 and \$103,171,652, as of December 31, 2022 and 2021, respectively, and total losses of \$26,210,972 and \$21,388,635 for the years then ended, respectively. 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1 to the consolidated financial statements, the Organization has adopted Accounting Standards Update 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 36 through 46 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.

Daniel Dennis & Company LLP

January 29, 2024

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Consolidated Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
<i>Current Assets</i>		
Cash and cash equivalents	\$ 60,223,885	\$ 43,176,434
Restricted cash	5,780,411	4,017,328
Fees receivable - LIHTC Partnerships	2,227,649	925,871
Fees receivable - NMTC CDEs	816,321	864,610
Current portion of program related loans	38,468,353	21,575,168
Program loan interest receivable	1,366,320	1,344,570
Factoring advance receivables, net	1,184,713	391,338
Accounts receivable	994,603	708,052
Total current assets	<u>111,062,255</u>	<u>73,003,371</u>
<i>Other Assets</i>		
Investment in marketable securities	5,431	26,037
Investment in capital stock	485,400	485,400
Program related loans	36,428,597	42,200,062
Equity interest in operating partnerships	198,237,075	188,168,610
Other assets	283,819	269,155
Operating lease right of use asset	1,359,733	-
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$572,408 and \$509,022	93,502	150,156
Capitalized costs, net of accumulated amortization	18,408	21,135
Total other assets	<u>236,911,965</u>	<u>231,320,555</u>
Total assets	<u><u>\$ 347,974,220</u></u>	<u><u>\$ 304,323,926</u></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, 2022 and 2021

Liabilities and Net Assets

	2022	2021
<i>Current Liabilities</i>		
Current portion of notes payable	\$ 327,162	\$ 283,857
Deferred grant revenue	4,204,581	1,492,765
Line of credit	9,200,000	-
Operating lease liability, current	468,125	-
Accrued expenses and other liabilities	2,867,103	1,551,857
Total current liabilities	<u>17,066,971</u>	<u>3,328,479</u>
<i>Long-Term Liabilities</i>		
Unearned fees	826,409	815,892
Operating lease liability	1,086,523	-
Notes payable	29,461,228	27,273,765
Total long-term liabilities	<u>31,374,160</u>	<u>28,089,657</u>
Total liabilities	<u>48,441,131</u>	<u>31,418,136</u>
<i>Net Assets</i>		
Non-controlling interest	270,892,171	249,982,027
Without donor restrictions	25,885,918	20,608,901
With donor restrictions	2,755,000	2,314,862
Total net assets	<u>299,533,089</u>	<u>272,905,790</u>
Total liabilities and net assets	<u>\$ 347,974,220</u>	<u>\$ 304,323,926</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, 2022 and 2021

	2022			2021		
	<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	\$ 277,357	\$ -	\$ 277,357	\$ 41,974	\$ -	\$ 41,974
Interest on project loans	2,488,604	-	2,488,604	3,112,297	-	3,112,297
Loan program revenue	291,378	-	291,378	209,666	-	209,666
NMTC program revenue	1,609,069	-	1,609,069	1,485,113	-	1,485,113
LIHTC program revenue	4,633,377	-	4,633,377	1,190,160	-	1,190,160
Other program revenue	1,316,797	-	1,316,797	739,796	-	739,796
Grant revenue	12,000	-	12,000	80,805	-	80,805
Net assets released from restrictions	514,862	(514,862)	-	-	-	-
Total operating revenue and support	11,143,444	(514,862)	10,628,582	6,859,811	-	6,859,811
<i>Operating Expenses</i>						
Salaries and employee benefits	8,507,562	-	8,507,562	6,081,615	-	6,081,615
Occupancy, equipment and furniture	532,308	-	532,308	583,181	-	583,181
Professional services	1,841,769	-	1,841,769	1,574,468	-	1,574,468
Depreciation and amortization	63,386	-	63,386	86,662	-	86,662
Interest expense	407,074	-	407,074	521,509	-	521,509
Other office expenses and support	1,534,162	-	1,534,162	1,421,067	-	1,421,067
Total operating expenses	12,886,261	-	12,886,261	10,268,502	-	10,268,502
Change in net assets from operations	(1,742,817)	(514,862)	(2,257,679)	(3,408,691)	-	(3,408,691)
<i>Non - Operating Revenue/(Expenses)</i>						
Federal grant revenue	1,333,184	955,000	2,288,184	1,160,485	499,862	1,660,347
Other grant revenue	1,500,000	-	1,500,000	7,708,739	-	7,708,739
Other grant expenses	(1,500,000)	-	(1,500,000)	(7,708,739)	-	(7,708,739)
Impairment loss on investments	(18,562,298)	-	(18,562,298)	(15,193,961)	-	(15,193,961)
Loss from investment in operating partnerships	(17,725,168)	-	(17,725,168)	(27,800,345)	-	(27,800,345)
Total change in net assets	(36,697,099)	440,138	(36,256,961)	(45,242,512)	499,862	(44,742,650)
Less amounts attributed to non-controlling interest	(41,974,116)	-	(41,974,116)	(46,601,549)	-	(46,601,549)
Change in net assets, controlling interest	\$ 5,277,017	\$ 440,138	\$ 5,717,155	\$ 1,359,037	\$ 499,862	\$ 1,858,899

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, 2022 and 2021

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Non-Controlling Interest</i>	<i>Total</i>
Net assets at January 1, 2021	\$ 19,249,864	\$ 1,815,000	\$ 264,131,485	\$ 285,196,349
Contributions	-	-	36,355,265	36,355,265
Distributions	-	-	(3,903,174)	(3,903,174)
Change in net assets	<u>1,359,037</u>	<u>499,862</u>	<u>(46,601,549)</u>	<u>(44,742,650)</u>
Net assets at December 31, 2021	20,608,901	2,314,862	249,982,027	272,905,790
Contributions	-	-	78,615,007	78,615,007
Distributions	-	-	(15,730,747)	(15,730,747)
Change in net assets	<u>5,277,017</u>	<u>440,138</u>	<u>(41,974,116)</u>	<u>(36,256,961)</u>
Net assets at December 31, 2022	<u>\$ 25,885,918</u>	<u>\$ 2,755,000</u>	<u>\$ 270,892,171</u>	<u>\$ 299,533,089</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, 2022 and 2021

	<i>Program Services</i>				
	<i>Loan and Other Programs</i>	<i>NMTC</i>	<i>LIHTC</i>	<i>Management and General</i>	<i>Total</i>
2022					
Salaries and employee benefits	\$ 3,283,288	\$ 746,168	\$ 3,380,356	\$ 1,097,750	\$ 8,507,562
Occupancy, equipment and furniture	205,432	46,687	211,505	68,684	532,308
Professional services	804,731	163,800	750,399	122,839	1,841,769
Depreciation and amortization	24,462	5,560	25,185	8,179	63,386
Interest expense	362,963	-	44,111	-	407,074
Other office expenses and support	711,691	79,018	627,207	116,246	1,534,162
Total expenses	<u>\$ 5,392,567</u>	<u>\$ 1,041,233</u>	<u>\$ 5,038,763</u>	<u>\$ 1,413,698</u>	<u>\$ 12,886,261</u>
	<i>Program Services</i>				
	<i>Loan and Other Programs</i>	<i>NMTC</i>	<i>LIHTC</i>	<i>Management and General</i>	<i>Total</i>
2021					
Salaries and employee benefits	\$ 3,526,140	\$ 418,984	\$ 1,351,766	\$ 784,725	\$ 6,081,615
Occupancy, equipment and furniture	338,131	40,177	129,624	75,249	583,181
Professional services	1,011,274	109,642	358,197	95,355	1,574,468
Depreciation and amortization	50,248	5,970	19,262	11,182	86,662
Interest expense	521,427	-	82	-	521,509
Other office expenses and support	829,058	40,297	476,223	75,489	1,421,067
Total expenses	<u>\$ 6,276,278</u>	<u>\$ 615,070</u>	<u>\$ 2,335,154</u>	<u>\$ 1,042,000</u>	<u>\$ 10,268,502</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, 2022 and 2021

	2022	2021
<i>Operating activities:</i>		
Change in net assets	\$ (36,256,961)	\$ (44,742,650)
<i>Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:</i>		
Depreciation and amortization expense	63,386	86,662
Amortization of operating lease right of use asset	434,007	-
Unrealized gain on investments	-	262
Impairment loss	18,562,298	15,193,961
Loss from investments in operating partnerships	17,725,168	27,800,345
Other income	(461,725)	(482,855)
Bad debt expense	-	332,712
<i>Change in operating assets and liabilities:</i>		
Amounts receivable and other assets	(1,094,590)	(498,520)
Interest receivable	(21,750)	21,213
Unearned fees	10,517	(140,327)
Accrued expenses and other liabilities	1,373,624	(1,469,478)
Operating lease liability	(448,743)	-
Deferred grant revenue	2,711,816	348,943
Fees receivable—LIHTC Partnerships	(1,301,778)	(187,916)
Fees receivable—NMTC CDEs	48,289	231,356
Net cash provided by/(used in) operating activities	<u>1,343,558</u>	<u>(3,506,292)</u>
<i>Investing activities:</i>		
Funds advanced under project loans	(49,704,387)	(34,733,939)
Collection of funds from project loans	36,856,925	47,968,920
Redemption of marketable securities	20,606	33,570
Sales/(purchases) of other investments, net	-	(134,907)
Investments in project partnerships	(60,331,423)	(29,246,520)
Distributions and project loan repayments from project partnerships	16,316,959	4,524,063
Purchase of fixed assets and capitalized costs	(6,732)	(123,631)
Net cash used in investing activities	<u>(56,848,052)</u>	<u>(11,712,444)</u>
<i>Financing activities:</i>		
Repayment of notes payable	(1,269,232)	(43,415,890)
Proceeds from notes payable	3,500,000	30,932,500
Proceeds from line of credit	9,200,000	-
Capital contributions received	78,615,007	36,355,265
Distributions	(15,730,747)	(3,903,174)
Net cash provided by financing activities	<u>74,315,028</u>	<u>19,968,701</u>
Net change in cash, cash equivalents and restricted cash	18,810,534	4,749,965
Cash, cash equivalents and restricted cash, beginning of year	<u>47,193,762</u>	<u>42,443,797</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 66,004,296</u>	<u>\$ 47,193,762</u>
<i>Reconciliation of cash, cash equivalents and restricted cash:</i>		
Cash and cash equivalents	\$ 60,223,885	\$ 43,176,434
Restricted cash	<u>5,780,411</u>	<u>4,017,328</u>
Total cash, cash equivalents and restricted cash	<u>\$ 66,004,296</u>	<u>\$ 47,193,762</u>
<i>Supplemental information:</i>		
Interest paid	<u>\$ 592,705</u>	<u>\$ 521,509</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, 2022 and 2021

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 four 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-one 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, 2022, MHIC has received thirteen allocations of new markets tax credits totaling \$942,000,000.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

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 \$907,000,000, of which \$176,297,900 and \$235,411,096 was outstanding as of December 31, 2022 and 2021, respectively.

Healthy Neighborhood Equity Funds (HNEF)

The HNEF program uses private equity to finance mixed-use, mixed-income transit-oriented development with the potential to be transformative in terms of jobs, health, and climate impacts. Investor returns are generated from project cash flow, along with priority distributions from refinancing or equity take-outs. MHIC is the manager of two HNEF investment funds, Healthy Neighborhoods Equity Fund I Limited Partnership (HNEF I LP) and Healthy Neighborhoods Equity Fund II Limited Partnership (HNEF II LP), and also provides top-loss capital through subordinate investment in those entities.

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).

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), MHIC HNEF II Manager LLC (HNEF II Manager) 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).

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

Principles of Consolidation - continued

In addition, MHIC and some of its wholly owned subsidiaries are the general partner/managing member in the LLC, HNEF I LP, HNEF II LP 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 I LP, HNEF II LP 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 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
Massachusetts Housing Equity Fund XVIII, LLC	Massachusetts Housing Equity Fund XXVII, LLC
Massachusetts Housing Equity Fund XIX, LLC	Massachusetts Housing Equity Fund XXVIII, 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.

Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 consolidated financial statement presentation.

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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

Basis of Presentation - continued

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.

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. 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 8).

NMTC program revenue reflects fees earned on a contractual basis for services provided to the MHIC-CDEs (see Note 7). The Organization recognizes revenue from the NMTC program as the services are provided.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

Revenue Recognition – continued

Other program revenue consists of the following:

State Tax Credit Fees: Fees earned on a contractual basis where MHIC acts as an intermediary between not-for-profit community development corporations (CDC) and for-profit agencies. MHIC works directly with a not-for-profit CDC that is allocated State Tax Credits and facilitates the assignment and sale of State Tax Credits to for-profit agencies which in turn will help finance the development of affordable housing. MHIC recognizes this revenue when the credits are sold based on its contractual agreement with a not-for-profit CDC and payment is expected within thirty to ninety days. For the years ended December 31, 2022 and 2021, revenue earned was \$493,418 and zero, respectively. At December 31, 2022 and 2021, receivables related to these fees totaled \$435,293 and zero, respectively, and there were no contractual liabilities.

In addition, remaining other program revenue includes additional fees for services under housing 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, 2022 and 2021, receivables related to these fees totaled \$46,009 and \$23,374, respectively, and there were no contractual 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, 2022 and 2021, the Organization held cash equivalents of \$5,145,619 and \$2,995,020, respectively. For purposes of the consolidated statements of cash flows, the Organization had noncash investing and finance activities for converting project loans receivables to equity investments totaling \$3,696,190 and zero for the years ended December 31, 2022 and 2021, 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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

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.

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.

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.

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.

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, 2022 and 2021

1. *Background and Accounting Policies - continued*

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, 2022 and 2021, unfunded loan commitments totaled \$28,326,663 and \$25,507,775, 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, 2022 and 2021, there were no reserves for unfunded loan commitments.

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 II 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, 2022, the Organization believes that it has no uncertain tax positions within any of its open tax years, (2019-2021).

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

Investments and Investment Income

Investments in Capital Stock

During 2022 and 2021, 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, 2022 and 2021, the Organization's investment in the FHLBB totaled \$485,400. Management annually performs an assessment of any possible impairment. As of December 31, 2022 and 2021, 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.

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.

Declines in the fair value of the Organization's investments in Operating Partnerships below their carrying value that are deemed to be other than temporary are reflected in the consolidated statement of activities as impairment loss. In estimating other than temporary losses, management considers many factors which include: the length of time and the extent to which the fair value has been less than the carrying value, the financial condition of the Operating Partnership and the ability of the Organization to retain its investment in the Operating Partnerships for a period of time sufficient to allow for any anticipated recovery in fair value as calculated based primarily on the remaining tax benefits. Accordingly, an impairment loss of \$18,562,298 and \$15,193,961 was recognized for the years ended December 31, 2022 and 2021.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

1. *Background and Accounting Policies - continued*

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes existing guidance. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize the ROU assets and lease liabilities on the consolidated statements of financial position.

MHIC adopted the leasing standards effective January 1, 2022 using the modified retrospective approach with January 1, 2022 as the initial date of application. MHIC elected to use all available practical expedients provided in the transition guidance. These allowed MHIC to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and ROU asset impairment. As of January 1, 2022, adoption of Topic 842 did not result in any change to beginning net assets or any material adjustments to consolidated statement of financial position accounts related to lessor accounting, but it did result in an increase in operating lease ROU asset and in operating lease liabilities of \$1,793,740 and \$2,003,391, respectively.

Fees and Accounts Receivable

Fees and accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on collection experience and other circumstances that may affect the ability of agencies and partnerships to meet their obligations. It is the Organization's policy to charge off uncollectible fees and accounts receivable when management determines the receivable will not be collected. As of December 31, 2022 and 2021, there was no allowance for doubtful accounts.

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, 2022 and 2021

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 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• 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. <p>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.</p> |
| 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.

Leases

MHIC determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and operating lease liabilities on the consolidated statement of financial position, except for leases with an initial term of less than twelve months, for which MHIC made the short-term lease election. At lease commencement, ROU assets and operating lease liabilities reflect the present value of the future minimum payments over the lease term and discounted using the risk-free rate. Operating lease expense is recognized on a straight-line basis over the lease term. MHIC does not report ROU assets and operating lease liabilities for its short-term leases (leases with a term of twelve months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

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.

At December 31, 2022 and 2021, MHEF had total assets of \$1,222, and MHIC's investment in MHEF amounted to \$1,222.

3. *Healthy Neighborhoods Equity Fund (HNEF)*

HNEF I LP and HNEF II LP are organized as Massachusetts limited partnerships 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, 2022 and 2021, HNEF I LP had total assets of \$9,757,233 and \$14,302,724, respectively, HNEF II LP had total assets of \$9,424,926 and zero, respectively, and HNEF Investor, HNEF Manager, and HNEF Class B (the HNEF LLC's) investment amounted to \$5,041,629 and \$4,125,652, respectively. At December 31, 2022 and 2021, partners' equity of \$4,441,928 and \$9,756,187, respectively, is reported as non-controlling interest on the accompanying consolidated statements of financial position.

4. *Capital Magnet Fund Program*

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. During 2022, MHIC received \$5,000,000 in grant funds from the CDFI to finance homeownership, affordable housing, and economic development activities. The primary purpose of the CMF awards are 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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

4. *Capital Magnet Fund Program - continued*

At December 31, 2022 and 2021, CMF had total assets of \$2,652,074 and \$2,251,279, and MHIC's investment amounted to \$2,252,074 and \$2,225,279, respectively.

At December 31, 2022, MHIC has committed and closed \$805,000 of financing using its second CMF award.

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

During 2019, MHIC received \$612,000 in grant funds from the Community Development Financial Institutions Fund (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, 2022 and 2021, NCF had total assets of \$4,843,644 and \$4,719,590, and MHIC's investment amounted to \$1,303,098 and \$1,219,590, 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, 2022 and 2021, the LLC had total assets of \$44,692,632 and \$38,873,382, respectively. At December 31, 2022 and 2021, members' equity of \$41,002,387 and \$35,023,938, respectively, is reported as non-controlling interest on the accompanying consolidated statements of financial position.

7. *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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

7. *NMTC Program Revenue - continued*

During the years ended December 31, 2022 and 2021, MHIC earned total fees for services to the MHIC CDEs of \$1,609,069 and \$1,485,113, respectively. Amounts receivable in connection with these contractual fees totaled \$816,321, \$864,610 and \$1,095,966 at December 31, 2022, 2021 and 2020, respectively, and there were no contract liabilities.

8. *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 the LIHTC Funds at December 31, 2022 and 2021. 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, 2022 and 2021, the LIHTC Funds controlled by MHIC had total assets of \$230,824,476 and \$206,861,407, respectively. At December 31, 2022 and 2021, partners'/members' equity of \$225,447,856 and \$205,201,902, 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.

During the years ended December 31, 2022 and 2021, MHIC earned total fees for services to the single investor LIHTC Funds of \$4,633,377 and \$1,190,160, respectively. Amounts receivable in connection with these fees totaled \$2,227,649, \$925,871, and \$737,955 at December 31, 2022, 2021 and 2020, respectively.

Unearned equity fees reflect MHIC's obligation to provide future services to the single investor 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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

8. *LIHTC Funds and Program Revenue - continued*

The following table provides information about significant changes in the unearned fees for the years ended December 31, 2022 and 2021:

	2022	2021
Unearned fees, beginning balance	\$ 815,892	\$ 956,219
Investor servicing fees recognized	(134,591)	(140,327)
Collection of advanced fees	145,108	-
Unearned fees, ending balance	<u>\$ 826,409</u>	<u>\$ 815,892</u>

9. *Liquidity and Availability*

The following represents the Organization's financial assets at December 31, 2022 and 2021:

	2022	2021
<i>Financial assets at year end:</i>		
Cash and cash equivalents	\$ 60,223,885	\$ 43,176,434
Restricted cash	5,780,411	4,017,328
Fee receivable - LIHTC Partnerships	2,227,649	925,871
Fee receivable - NMTC CDEs'	816,321	864,610
Current portion of program related loans	38,468,353	21,575,168
Program loan interest receivable	1,366,320	1,344,570
Factoring advance receivables	1,184,713	391,338
Accounts receivable	<u>994,603</u>	<u>708,052</u>
Total financial assets	<u>111,062,255</u>	<u>73,003,371</u>
<i>Less amounts not available to be used within one year:</i>		
Net assets with donor restrictions	<u>(2,755,000)</u>	<u>(2,314,862)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 108,307,255</u>	<u>\$ 70,688,509</u>

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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

10. Factoring Advance Receivables

The factoring program is designed to provide working capital to minority-owned businesses faced with growth constraints due to lack of liquidity and insufficient access to debt capital through banks. MHIC provides receivables financing to expedite receipt of construction requisition funds on MHIC-financed projects, which is primarily funded by grant programs MHIC administers on behalf of the CDFI.

At December 31, 2022 and 2021, factoring advance receivables totaled \$1,184,713 and \$391,338, respectively, net of reserves for losses of \$10,779 and zero, respectively.

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, 2022 and 2021, the activity in the program loans was as follows:

	2022	2021
Beginning balance	\$ 65,034,902	\$ 80,486,444
Loan disbursements	49,704,387	34,733,939
Loans assigned/distributed	(1,896,550)	(2,216,561)
Loan repayments	<u>(36,856,925)</u>	<u>(47,968,920)</u>
Project loans outstanding	75,985,814	65,034,902
Allowance for loan losses	<u>(1,088,864)</u>	<u>(1,259,672)</u>
Ending balance	<u>\$ 74,896,950</u>	<u>\$ 63,775,230</u>

Program loans consist of the following:

<i>Loan category</i>	2022	2021
Construction	\$ 21,789,751	\$ 20,007,806
Line of credit	150,000	150,000
Acquisition	15,420,405	13,461,640
Amortizing	14,438,613	15,192,107
Mini perm	4,967,965	3,196,846
Bridge	14,089,163	8,545,774
Predevelopment	<u>5,129,917</u>	<u>4,480,729</u>
Project loans outstanding	75,985,814	65,034,902
Allowance for loan losses	<u>(1,088,864)</u>	<u>(1,259,672)</u>
Project loans, net	<u>\$ 74,896,950</u>	<u>\$ 63,775,230</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

11. Program Loans - continued

At December 31, 2022, contract maturities of the above loans are as follows:

2023	\$ 38,468,353
2024	5,563,004
2025	4,898,460
2026	3,666,502
2027	2,974,848
Thereafter	20,414,647
Total	<u>\$ 75,985,814</u>

The amount of loans on which the Organization has ceased accruing interest totaled \$3,765,892 and \$2,997,618 at December 31, 2022 and 2021, respectively. The amount of interest not recorded on nonaccrual loans was approximately \$490,515 and \$44,597 for the years ended December 31, 2022 and 2021, respectively.

The following tables present informative data by class of financing receivables regarding their age and interest accrual status at December 31, 2022 and 2021:

	<u>Past Due</u>					<u>Status of Interest Accruals</u>		
						Financing Receivables	Past Days +90 still	Accruing interest
December 31, 2022	Current	30-59 Days	60-89 Days	90 + days	Total Financing Receivables	Non-Accrual Status		
Construction	\$ 18,889,751	\$ -	\$ -	\$ 2,900,000	\$ 21,789,751	\$ 2,900,000	\$ -	-
Line of credit	150,000	-	-	-	150,000	-	-	-
Acquisition	15,420,405	-	-	-	15,420,405	-	-	-
Amortizing	13,572,721	-	-	865,892	14,438,613	865,892	-	-
Mini perm	4,967,965	-	-	-	4,967,965	-	-	-
Bridge	14,089,163	-	-	-	14,089,163	-	-	-
Predevelopment	5,129,917	-	-	-	5,129,917	-	-	-
Total	<u>\$ 72,219,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,765,892</u>	<u>\$ 75,985,814</u>	<u>\$ 3,765,892</u>	<u>\$ -</u>	<u>-</u>

	<u>Past Due</u>					<u>Status of Interest Accruals</u>		
						Financing Receivables	Past Days +90 still	Accruing interest
December 31, 2021	Current	30-59 Days	60-89 Days	90 + days	Total Financing Receivables	Non-Accrual Status		
Construction	\$ 18,170,210	\$ -	\$ -	\$ 1,837,596	\$ 20,007,806	\$ 1,837,596	\$ -	-
Line of credit	150,000	-	-	-	150,000	-	-	-
Acquisition	13,461,640	-	-	-	13,461,640	-	-	-
Amortizing	14,032,085	-	-	1,160,022	15,192,107	1,160,022	-	-
Mini perm	3,196,846	-	-	-	3,196,846	-	-	-
Bridge	8,545,774	-	-	-	8,545,774	-	-	-
Predevelopment	4,480,729	-	-	-	4,480,729	-	-	-
Total	<u>\$ 62,037,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,997,618</u>	<u>\$ 65,034,902</u>	<u>\$ 2,997,618</u>	<u>\$ -</u>	<u>-</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

11. *Program Loans – continued*

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. HRCI loans were made to one project with the purpose of improving health and well-being of children and families disproportionately impacted by inequities in health and the social determinants of health, and are fully reserved and expected to be forgiven. During 2022 and 2021, loan funds disbursed and recorded as grant expense totaled \$1,500,000 and \$7,708,739, 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, 2022 and 2021, the securities were valued at \$5,431 and \$26,037, respectively. During 2022 and 2021, MHIC recorded unrealized gains of \$235 and unrealized losses of \$262, respectively.

All investment assets have been valued using the market approach. There have been no changes in the methodologies used at December 31, 2022 and 2021.

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, 2022, the Investment Companies have advanced \$539,135,457 to 111 Operating Partnerships and had outstanding commitments of \$99,124,169. As of December 31, 2021, the Investment Companies have advanced \$500,210,673 to 108 Operating Partnerships and had outstanding commitments of \$111,029,806.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

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, 2022 and 2021, is as follows:

Condensed Combined Balance Sheets

	2022	2021
<i>Assets</i>		
Current assets	\$ 36,946,245	\$ 43,811,132
Investment property, net	1,460,694,181	1,420,862,965
Other assets	<u>163,970,369</u>	<u>136,569,136</u>
Total assets	<u>\$ 1,661,610,795</u>	<u>\$ 1,601,243,233</u>
<i>Liabilities and Partners' Capital</i>		
Current liabilities	\$ 73,926,023	\$ 95,958,622
Other liabilities	20,104,756	3,008,669
Long-term debt	<u>1,274,934,000</u>	<u>1,254,446,989</u>
Total liabilities	<u>1,368,964,779</u>	<u>1,353,414,280</u>
Investment companies share of combined capital	271,355,685	247,961,624
Other partners' share of combined capital	<u>21,290,331</u>	<u>(132,671)</u>
Total partners' capital	<u>292,646,016</u>	<u>247,828,953</u>
Total liabilities and partners' capital	<u>\$ 1,661,610,795</u>	<u>\$ 1,601,243,233</u>

Condensed Combined Statements of Operations

	2022	2021
<i>Revenue</i>		
Rent revenue	\$ 126,033,407	\$ 114,722,538
Interest and other revenue	<u>2,860,548</u>	<u>2,164,514</u>
Total revenue	<u>128,893,955</u>	<u>116,887,052</u>
<i>Expenses</i>		
Operating expenses	87,631,673	80,727,788
Interest expense	39,433,036	35,099,258
Depreciation and amortization	<u>46,158,815</u>	<u>42,604,597</u>
Total expenses	<u>173,223,524</u>	<u>158,431,643</u>
Combined net loss	<u>\$ (44,329,569)</u>	<u>\$ (41,544,591)</u>
Investment companies share of combined net loss	\$ (34,023,857)	\$ (31,715,150)
Other partners' share of combined net loss	<u>(10,305,712)</u>	<u>(9,829,441)</u>
Total combined net loss	<u>\$ (44,329,569)</u>	<u>\$ (41,544,591)</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

13. Investments in Operating Partnerships - continued

Reconciliation of Investments at Equity

	2022	2021
Investment companies share of capital at December 31, as shown above	\$ 271,355,685	\$ 247,961,624
Cumulative losses in excess of investment, impairment loss and excess basis of acquisition costs	<u>(73,118,610)</u>	<u>(59,793,014)</u>
Investment at equity at December 31	<u>\$ 198,237,075</u>	<u>\$ 188,168,610</u>
Investment companies share of operations as of December 31, as shown above	\$ (34,023,857)	\$ (31,715,150)
Gain/(loss) on disposal of investments	11,269,788	-
Losses in excess of investment, impairment loss and excess basis of acquisition costs	<u>5,028,901</u>	<u>3,914,805</u>
Investment companies share of operations	<u>\$ (17,725,168)</u>	<u>\$ (27,800,345)</u>

Management annually performs an assessment of any possible impairment of the investments in Operating Partnerships. For the years ended December 31, 2022 and 2021, impairment losses totaled \$18,562,298 and \$15,193,961, respectively.

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021

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 \$5,115,500 under the Affordable Housing Program (AHP) for the purpose of making permanent loans to three specific projects. The loans bear interest at rates ranging from 0% to 1% and have maturity dates that range from April 2025 to July 2041. At December 31, 2022 and 2021, the outstanding balance of notes payable to the Federal Home Loan Bank was \$7,118,976 and \$7,314,535, respectively.

MHIC has 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, 2022 and 2021, the outstanding balance was \$2,787,616 and \$3,183,668, respectively.

MHIC has 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, 2022 and 2021, the outstanding balance was \$1,000,000.

MHIC has 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, 2022 and 2021, the outstanding balance was \$758,631.

MHIC has borrowed \$150,000 from the U.S. 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, 2022 and 2021, the outstanding balance was zero and \$150,000, respectively.

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 at various dates between October 1, 2025 and October 1, 2030, 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, 2022 and 2021, the outstanding balance was \$5,000,000.

MHIC has borrowed \$600,000 from Tufts Health Plan Foundation, Inc. to be used for the purpose of making a commercial loan to a specific project. The loan bears interest at 1% and matures August 19, 2028. At December 31, 2022 and 2021, the outstanding balance was \$600,000.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

14. Notes Payable - continued

MHIC - continued

MHIC has borrowed \$455,000 from Blue Cross & Blue Shield of Rhode Island to be used for the purpose of making a commercial loan to a specific project. The loan bears interest at 1% and matures October 6, 2028. At December 31, 2022 and 2021, the outstanding balance was \$245,339 and \$455,000, respectively.

During 2022, MHIC borrowed \$500,000 from Neighborhood Health Plan of Rhode Island to be used for the purpose of making a commercial loan to a specific project. The loan bears interest at 1% and matures October 1, 2028. At December 31, 2022, the outstanding balance was \$269,603.

During 2022, MHIC borrowed \$3,000,000 from a charitable foundation to support healthy neighborhoods. The loan bears interest at 1% and matures November 16, 2027. At December 31, 2022, the outstanding balance was \$3,000,000.

The LLC

Revolving

The LLC has established revolving credit facilities with Eastern Bank totaling \$35,000,000 to provide leverage for funding its portfolio of floating rate loans. 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 will accrue interest at the one month term SOFR rate plus 136 basis points.

The LLC has pledged various first mortgages from its loan portfolio as collateral for the facilities. During 2021, the LLC received advances totaling \$23,300,000, all of which were paid in full during 2021.

FHLBB Notes

The LLC received indebtedness of \$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.

The LLC received additional indebtedness totaling \$1,797,000. The note bears interest of 2.96%, requires monthly payments of principal and interest of \$8,525 and matures July 1, 2041.

At December 31, 2022 and 2021, the total outstanding principal balance was \$3,408,225 and \$3,495,788, respectively.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

14. Notes Payable - continued

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

<i>Year</i>	<i>Amount</i>
2023	\$ 327,162
2024	370,810
2025	6,250,719
2026	4,536,494
2027	3,384,718
Thereafter	<u>14,918,487</u>
Total	<u>\$ 29,788,390</u>

15. Cash and Credit Risk

At December 31, 2022 and 2021, 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. 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 \$379,689 and \$377,884 for the years ended December 31, 2022 and 2021, respectively. These amounts are reflected in salaries and employee benefits in the accompanying consolidated statements of activities.

17. Guarantees Provided for Borrowing Facilities of Affiliates

As of December 31, 2022 and 2021, 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.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

18. Leases

MHIC leases its office facilities under an operating lease that expires on December 31, 2025 with one five-year option to extend.

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$1,359,733, as shown in other assets on the consolidated statement of financial position and the lease liability is included in current liabilities and long-term liabilities with a balance of \$468,125 and \$1,086,523, respectively. The lease asset and liability were calculated utilizing the risk-free discount rate of 1.04%, according to MHIC's elected policy. The option to extend the lease was not considered when assessing the value of the ROU asset because management is not reasonably certain that it will exercise its option to renew the lease as of the date of these consolidated financial statements.

Additional information about MHIC's operating lease is as follows:

Lease costs (included in occupancy, equipment and furniture):

Operating lease cost	\$ 475,077
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Other Information:

Cash paid for amounts included in measuring operating lease liabilities:

Operating cash flows from operating leases	\$ 489,812
Weighted average remaining lease term (years)	3
Weighted average discount rate	1.04%

Maturities of operating lease liabilities as of December 31, 2022 are as follows:

<i>Year</i>	<i>Amount</i>
2023	\$ 499,995
2024	554,984
2025	<u>565,167</u>
Total lease payments	1,620,146
Less: interest	<u>(65,498)</u>
Present value of lease liabilities	<u>\$ 1,554,648</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

19. Fixed Assets

Property and equipment consists of the following:

	2022	2021
Furniture	\$ 249,762	\$ 249,553
Equipment	286,314	279,791
Leasehold improvements	<u>129,834</u>	<u>129,834</u>
Total fixed assets	665,910	659,178
Accumulated depreciation	<u>(572,408)</u>	<u>(509,022)</u>
Total	<u>\$ 93,502</u>	<u>\$ 150,156</u>

20. Capital Contributions

The Investment Companies have entered into subscription agreements with several investors for limited partnership interest. At December 31, 2022 and 2021, outstanding committed capital contributions totaled \$163,189,238 and \$140,962,140, respectively.

21. Restricted Cash

At December 31, 2022 and 2021, restricted cash consists of the following:

CDFI conditional grant advances	\$ 4,205,979	\$ 1,493,476
CDFI unadvanced program income	1,042,667	767,497
Other program lending funds	<u>531,765</u>	<u>1,756,355</u>
Total	<u>\$ 5,780,411</u>	<u>\$ 4,017,328</u>

22. Line of Credit

During 2022, HNEF II LP obtained a non-revolving line of credit at Rockland Trust Company in the amount of \$20,000,000. The interest rate applied to the outstanding principal balance is based on the lender's prime rate at the time of the advance. The line is collateralized by substantially all of HNEF II LP's assets and is guaranteed by MHIC. All outstanding principal and interest is due no later than June 21, 2023. At December 31, 2022, the outstanding balance was \$9,200,000. Subsequent to year end on March 31, 2023, the outstanding balance was paid in full.

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Notes to Consolidated Financial Statements - *continued*
December 31, 2022 and 2021

23. Net Assets with Donor Restrictions

Net assets with donor restrictions for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
<i>Specific Purpose and Passage of Time</i>		
CDFI Capital Magnets Grant restricted for use in a revolving loan fund	\$ 2,605,000	\$ 1,800,000
CDFI Neighborhood Commerce Grant restricted for use towards loan loss reserves	-	278,830
CDFI Minority Contractor Factoring Grant restricted for use towards factoring receivables	-	236,032
CDFI Rapid Response Program Grant restricted for use towards closing new financial products in target markets	<u>150,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 2,755,000</u>	<u>\$ 2,314,862</u>

Net assets released from net assets with donor restrictions for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
<i>Satisfaction of Purpose Restrictions</i>		
CDFI Neighborhood Commerce Grant restricted for use towards loan loss reserves	\$ 278,830	\$ -
CDFI Minority Contractor Factoring Grant restricted for use towards factoring receivables	<u>236,032</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 514,862</u>	<u>\$ -</u>

24. Subsequent Events

On March 16, 2023, HNEF II LP entered into a commitment agreement to become a 90% investor member in Northampton Residences for approximately \$4,633,561.

On April 21, 2023, HNEF II LP entered into a commitment agreement to become a 79% investor member in 500 Talbot Ave for approximately \$5,900,000.

The Organization has performed an evaluation of subsequent events through January 29, 2024, which is the date the Organization's consolidated financial statements were available to be issued.

Supplemental Schedules

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Consolidating Schedule of Financial Position
December 31, 2022

<i>Assets</i>	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF I LP</i>	<i>HNEF II LP</i>	<i>MHIC LLC</i>	<i>LIHTC Funds</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Current Assets</i>											
Cash and cash equivalents	\$ 20,592,999	\$ 1,222	\$ 3,937	\$ 153,574	\$ 721,794	\$ 46,866	\$ 172,586	\$ 3,489,461	\$ 35,041,446	\$ -	\$ 60,223,885
Restricted cash	5,780,411	-	-	-	-	-	-	-	-	-	5,780,411
Fees receivable - LIHTC Partnerships	3,684,131	-	-	-	-	-	-	-	-	(1,456,482)	2,227,649
Fees receivable - NMTC CDEs'	816,321	-	-	-	-	-	-	-	-	-	816,321
Current portion of program related loans	5,350,860	-	-	600,000	1,328,573	-	-	29,282,733	5,433,982	(3,527,795)	38,468,353
Program loan interest receivable	96,415	-	-	-	15,634	889,164	192,260	172,847	-	-	1,366,320
Accounts receivable	976,752	-	-	-	-	5,587	-	4,089	8,175	-	994,603
Factoring advance receivables, net	1,184,713	-	-	-	-	-	-	-	-	-	1,184,713
Due from affiliates	4,272,474	-	-	1,500,000	-	-	-	400,000	36,509	(6,208,983)	-
Total current assets	42,755,076	1,222	3,937	2,253,574	2,066,001	941,617	364,846	33,349,130	40,520,112	(11,193,260)	111,062,255
<i>Other Assets</i>											
Investment in marketable securities	5,431	-	-	-	-	-	-	-	-	-	5,431
Investment in capital stock	319,400	-	-	-	-	-	-	166,000	-	-	485,400
Program related loans	13,146,477	-	-	398,500	2,766,525	2,900,000	6,039,593	11,177,502	-	-	36,428,597
Investment in subsidiaries	8,601,960	-	-	-	-	-	-	-	-	(8,601,960)	-
Equity interest in operating partnerships	38,577	-	-	-	-	5,897,208	3,020,487	-	189,280,803	-	198,237,075
Other assets	257,094	-	-	-	11,118	-	-	-	1,023,561	(1,007,954)	283,819
Operating lease right of use asset	1,359,733	-	-	-	-	-	-	-	-	-	1,359,733
Furniture, equipment and leasehold improvements, net of accumulated depreciation	93,502	-	-	-	-	-	-	-	-	-	93,502
Capitalized costs, net of accumulated amortization	-	-	-	-	-	18,408	-	-	-	-	18,408
Total other assets	23,822,174	-	-	398,500	2,777,643	8,815,616	9,060,080	11,343,502	190,304,364	(9,609,914)	236,911,965
Total assets	\$ 66,577,250	\$ 1,222	\$ 3,937	\$ 2,652,074	\$ 4,843,644	\$ 9,757,233	\$ 9,424,926	\$ 44,692,632	\$ 230,824,476	\$ (20,803,174)	\$ 347,974,220

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Consolidating Schedule of Financial Position - *continued*
December 31, 2022

<i>Liabilities and Net Assets</i>	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF LP</i>	<i>HNEF II 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	\$ 235,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,166	\$ -	\$ -	\$ 327,162
Due to affiliates	1,500,000	-	-	400,000	3,540,490	-	498,602	-	1,382,199	(7,321,291)	-
Deferred grant revenue	4,204,581	-	-	-	-	-	-	-	-	-	4,204,581
Line of credit	-	-	-	-	-	-	9,200,000	-	-	-	9,200,000
Operating lease liability, current	468,125	-	-	-	-	-	-	-	-	-	468,125
Accrued expenses and other liabilities	<u>2,462,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>282,020</u>	<u>466,626</u>	<u>(344,174)</u>	<u>2,867,103</u>
Total current liabilities	<u>8,871,277</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>3,540,546</u>	<u>-</u>	<u>9,698,602</u>	<u>373,186</u>	<u>1,848,825</u>	<u>(7,665,465)</u>	<u>17,066,971</u>
<i>Long-term Liabilities</i>											
Unearned fees	1,834,363	-	-	-	-	-	-	-	-	(1,007,954)	826,409
Operating lease liability	1,086,523	-	-	-	-	-	-	-	-	-	1,086,523
Notes payable	<u>26,144,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317,059</u>	<u>3,527,795</u>	<u>(3,527,795)</u>	<u>29,461,228</u>
Total long-term liabilities	<u>29,065,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317,059</u>	<u>3,527,795</u>	<u>(4,535,749)</u>	<u>31,374,160</u>
Total liabilities	<u>37,936,332</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>3,540,546</u>	<u>-</u>	<u>9,698,602</u>	<u>3,690,245</u>	<u>5,376,620</u>	<u>(12,201,214)</u>	<u>48,441,131</u>
<i>Net Assets</i>											
Non-controlling interest	-	-	-	-	-	4,441,928	-	41,002,387	225,447,856	-	270,892,171
Without donor restrictions	25,885,918	1,222	3,937	2,252,074	1,303,098	5,315,305	(273,676)	-	-	(8,601,960)	25,885,918
With donor restrictions	<u>2,755,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,755,000</u>
Total net assets	<u>28,640,918</u>	<u>1,222</u>	<u>3,937</u>	<u>2,252,074</u>	<u>1,303,098</u>	<u>9,757,233</u>	<u>(273,676)</u>	<u>41,002,387</u>	<u>225,447,856</u>	<u>(8,601,960)</u>	<u>299,533,089</u>
Total liabilities and net assets	<u>\$ 66,577,250</u>	<u>\$ 1,222</u>	<u>\$ 3,937</u>	<u>\$ 2,652,074</u>	<u>\$ 4,843,644</u>	<u>\$ 9,757,233</u>	<u>\$ 9,424,926</u>	<u>\$ 44,692,632</u>	<u>\$ 230,824,476</u>	<u>\$ (20,803,174)</u>	<u>\$ 347,974,220</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Consolidating Schedule of Activities
For the Year Ended December 31, 2022

	<i>MHIC</i>	<i>MHEF</i>	<i>NSLF</i>	<i>CMF</i>	<i>NCF</i>	<i>HNEF I LP</i>	<i>HNEF II 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	\$ 75,267	\$ -	\$ -	\$ 2,561	\$ 3,038	\$ 3,731	\$ -	\$ 105,419	\$ 87,341	\$ -	\$ 277,357
Interest on project loans	754,872	-	-	17,897	150,504	-	192,260	1,373,071	-	-	2,488,604
Loan program revenue	987,430	-	-	-	-	-	-	-	-	(696,052)	291,378
NMTC program revenue	1,609,069	-	-	-	-	-	-	-	-	-	1,609,069
LIHTC program revenue	7,290,286	-	-	-	-	-	-	-	-	(2,656,909)	4,633,377
Other program revenue	1,434,338	-	-	7,837	-	-	-	-	349,486	(474,864)	1,316,797
Grant revenue	12,000	-	-	-	-	-	-	-	-	-	12,000
Total operating revenue and support	12,163,262	-	-	28,295	153,542	3,731	192,260	1,478,490	436,827	(3,827,825)	10,628,582
<i>Operating Expenses</i>											
Salaries and employee benefits	8,507,562	-	-	-	-	-	-	-	-	-	8,507,562
Occupancy, equipment and furniture	532,308	-	-	-	-	-	-	-	-	-	532,308
Professional services	1,749,448	-	-	-	-	333,866	110,498	739,033	1,040,069	(2,131,145)	1,841,769
Depreciation and amortization	63,386	-	-	-	-	-	-	-	-	-	63,386
Interest expense	249,028	-	-	-	-	-	-	113,935	44,111	-	407,074
Other office expenses and support	900,901	-	-	1,500	70,034	8,557	355,438	-	389,232	(191,500)	1,534,162
Total operating expenses	12,002,633	-	-	1,500	70,034	342,423	465,936	852,968	1,473,412	(2,322,645)	12,886,261
Change in net assets from operations	160,629	-	-	26,795	83,508	(338,692)	(273,676)	625,522	(1,036,585)	(1,505,180)	(2,257,679)
<i>Non - Operating Revenue/(Expenses)</i>											
Federal grant revenue	2,288,184	-	-	-	-	-	-	-	-	-	2,288,184
Other grant revenue	1,500,000	-	-	-	-	-	-	-	-	-	1,500,000
Other grant expenses	(1,500,000)	-	-	-	-	-	-	-	-	-	(1,500,000)
Gain/(loss) from investment in operating partnerships	3,268,342	-	-	-	-	11,196,648	-	-	(29,896,996)	(2,293,162)	(17,725,168)
Impairment loss on investments	-	-	-	-	-	-	-	-	(18,562,298)	-	(18,562,298)
Syndication costs	-	-	-	-	-	-	-	-	(530,000)	530,000	-
Total change in net assets	\$ 5,717,155	\$ -	\$ -	\$ 26,795	\$ 83,508	\$ 10,857,956	\$ (273,676)	\$ 625,522	\$ (50,025,879)	\$ (3,268,342)	\$ (36,256,961)
Net assets at beginning of year	\$ 22,923,763	\$ 1,222	\$ 3,937	\$ 2,225,279	\$ 1,219,590	\$ 13,881,839	\$ -	\$ 35,023,938	\$ 205,201,902	\$ (7,575,680)	\$ 272,905,790
Capital contributions	-	-	-	-	-	-	-	6,000,000	72,615,007	-	78,615,007
Distributions	-	-	-	-	-	(14,982,562)	-	(647,073)	(2,343,174)	2,242,062	(15,730,747)
Change in net assets	5,717,155	-	-	26,795	83,508	10,857,956	(273,676)	625,522	(50,025,879)	(3,268,342)	(36,256,961)
Net assets at end of year	\$ 28,640,918	\$ 1,222	\$ 3,937	\$ 2,252,074	\$ 1,303,098	\$ 9,757,233	\$ (273,676)	\$ 41,002,387	\$ 225,447,856	\$ (8,601,960)	\$ 299,533,089

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships
December 31, 2022

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

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships - *continued*
December 31, 2022

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
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%	3,900,127	3,900,127	-
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	5,289,550	-
MHEF XXIV LLC	Moseley Apartments LLC	99.99%	4,486,435	4,486,435	-
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%	5,116,059	5,116,059	-
MHEF XXIV LLC	Library Commons LP	81.99%	8,561,559	8,553,209	8,350
MHEF XXIV LLC	LP Granite LLC	8.75%	1,586,078	1,586,078	-
MHEF XXV LLC	Historic Riviera LLC	99.99%	4,489,081	4,479,082	9,999
MHEF XXV LLC	S.C. Hamilton Apartments LLC	99.99%	5,248,242	5,238,242	10,000
MHEF XXV LLC	Trinity Worcester Courthouse LP	96.74%	23,674,833	23,674,833	-
MHEF XXV LLC	LP Granite LLC	91.24%	17,088,713	17,088,713	-
MHEF XXV LLC	Glen Brook Way	99.99%	8,998,200	8,988,200	10,000
MHEF XXV LLC	Dudley Terrace Apartments LLC	99.99%	4,742,037	3,793,630	948,407
MHEF XXV LLC	Yarmouth Gardens	99.99%	1,426,366	599,434	826,932
MHEF XXVI LLC	CCD Yarmouth Gardens LLC	79.99%	5,704,751	2,395,995	3,308,756
MHEF XXVI LLC	Trinity Worcester Courthouse LP	3.25%	795,361	795,361	-
MHEF XXVI LLC	BC Baystate Place LLC	55.42%	15,220,245	6,088,098	9,132,147
MHEF XXVI LLC	92 Grand Street Commons LLC	99.99%	8,470,152	2,541,046	5,929,106

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships - *continued*
December 31, 2022

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>MHEF XXVI LLC</i>	191-195 Bowdoin LP	N/A	8,486,152	4,243,076	4,243,076
<i>MHEF XXVI LLC</i>	NHA Haywood House LLC	N/A	7,904,210	-	7,904,210
<i>MHEF XXVI LLC</i>	Sanderson Place LLC	N/A	6,986,231	1,047,935	5,938,296
<i>MHEF XXVII LLC</i>	McElwain School Apartments	99.99%	10,631,337	3,720,968	6,910,369
<i>MHEF XXVII LLC</i>	BC Baystate Place LLC	44.55%	12,234,968	4,893,987	7,340,981
<i>MHEF XXVII LLC</i>	NHS Copley Gardens	99.99%	4,354,646	2,177,323	2,177,323
<i>MHEF XXVII LLC</i>	Roadway Apartments	99.99%	2,815,855	281,586	2,534,269
<i>MHEF XXVII LLC</i>	Windrush Commons	N/A	9,149,085	-	9,149,085
<i>MHEF XXVII LLC</i>	Leyland Street Senior Housing	N/A	9,099,090	-	9,099,090
<i>MHEF XXVIII LLC</i>	BCJ Edith Johnson LLC	99.97%	4,586,964	458,696	4,128,268
<i>MHEF XXVIII LLC</i>	Voces de Esperanza LLC	99.97%	7,336,804	1,100,521	6,236,283
<i>MHEF XXVIII LLC</i>	50 Pleasant LLC	N/A	8,980,345	-	8,980,345
<i>MHEF XXVIII LLC</i>	East Gables LLC	N/A	4,282,177	-	4,282,177
<i>HNEF</i>	Gerrish LLC	32.00%	894,536	894,536	-
<i>HNEF</i>	Melnea Residences LLP	68.00%	3,850,000	3,850,000	-
<i>HNEF</i>	87 Washington MM LLC	90.00%	1,358,324	1,358,324	-
<i>HNEF</i>	191 Talbot Ave	90.00%	1,429,370	1,429,370	-
<i>HNEF II</i>	1463 Dot Ave LLC	82.00%	1,350,000	1,350,000	-
<i>HNEF II</i>	Willow Street Hamilton LLC	90.00%	1,670,487	1,670,487	-
<i>Total</i>			<u>\$ 638,259,626</u>	<u>\$ 539,135,457</u>	<u>\$ 99,124,169</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships
December 31, 2021

<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	-

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships - *continued*
December 31, 2021

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
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%	3,900,127	3,900,127	-
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	5,289,550	-
MHEF XXIV LLC	Moseley Apartments LLC	99.99%	4,486,435	4,486,435	-
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%	5,116,059	5,116,059	-
MHEF XXIV LLC	Library Commons LP	81.99%	8,561,559	599,309	7,962,250
MHEF XXIV LLC	LP Granite LLC	8.75%	1,586,078	492,780	1,093,298
MHEF XXV LLC	Historic Riviera LLC	99.99%	4,489,081	4,479,082	9,999

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedule of Investments in Operating Partnerships - *continued*
December 31, 2021

<i>Investor</i>	<i>Operating Partnership</i>	<i>Ownership %</i>	<i>Investment</i>	<i>Amount Funded</i>	<i>Outstanding Commitment</i>
<i>MHEF XXV LLC</i>	S.C. Hamilton Apartments LLC	99.99%	5,248,242	2,099,297	3,148,945
<i>MHEF XXV LLC</i>	Trinity Worcester Courthouse LP	96.74%	20,683,562	16,945,235	3,738,327
<i>MHEF XXV LLC</i>	LP Granite LLC	91.24%	16,538,713	5,138,418	11,400,295
<i>MHEF XXV LLC</i>	Glen Brook Way	99.99%	8,998,200	3,149,370	5,848,830
<i>MHEF XXV LLC</i>	Dudley Terrace Apartments LLC	99.99%	4,742,037	474,204	4,267,833
<i>MHEF XXV LLC</i>	Yarmouth Gardens	99.99%	1,426,366	242,482	1,183,884
<i>MHEF XXVI LLC</i>	CCD Yarmouth Gardens LLC	79.99%	5,704,751	969,808	4,734,943
<i>MHEF XXVI LLC</i>	Trinity Worcester Courthouse LP	3.25%	694,868	569,278	125,590
<i>MHEF XXVI LLC</i>	BC Baystate Place LLC	55.42%	15,220,245	3,044,049	12,176,196
<i>MHEF XXVI LLC</i>	92 Grand Street Commons LLC	99.99%	8,470,152	1,270,523	7,199,629
<i>MHEF XXVI LLC</i>	191-195 Bowdoin LP	N/A	8,486,152	-	8,486,152
<i>MHEF XXVI LLC</i>	NHA Haywood House LLC	N/A	7,904,210	-	7,904,210
<i>MHEF XXVI LLC</i>	Sanderson Place LLC	N/A	6,986,231	-	6,986,231
<i>MHEF XXVII LLC</i>	McElwain School Apartments	99.99%	10,631,337	2,126,267	8,505,070
<i>MHEF XXVII LLC</i>	BC Baystate Place LLC	44.55%	12,234,968	2,446,994	9,787,974
<i>MHEF XXVII LLC</i>	NHS Copley Gardens	99.99%	4,354,646	435,465	3,919,181
<i>MHEF XXVII LLC</i>	Roadway Apartments	99.99%	2,815,855	281,586	2,534,269
<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>\$ 611,240,479</u>	<u>\$ 500,210,673</u>	<u>\$ 111,029,806</u>

Massachusetts Housing Investment Corporation
Wholly Owned Subsidiaries and Legally-Separate Controlled Entities
Supplemental Schedules of Financial Position – MHIC Only
For the Years Ended December 31, 2022 and 2021

<i>Assets</i>	2022	2021
<i>Current Assets</i>		
Cash and cash equivalents	\$ 20,592,999	\$ 7,142,059
Restricted cash	5,780,411	3,738,498
Fees receivable - LIHTC Partnerships	3,684,131	1,727,201
Fees receivable - NMTC CDEs'	816,321	864,610
Current portion of program related loans	5,350,860	7,300,957
Program loan interest receivable	96,415	338,421
Accounts receivable	976,752	694,362
Factoring advance receivables, net	1,184,713	391,338
Due from affiliates	4,272,474	4,592,803
Total current assets	<u>42,755,076</u>	<u>26,790,249</u>
<i>Other Assets</i>		
Investment in marketable securities	5,431	26,037
Investment in capital stock	319,400	319,400
Program related loans	13,146,477	16,643,471
Investment in subsidiaries	8,601,960	7,575,680
Equity interest in operating partnerships	38,577	42,845
Other assets	257,094	240,537
Operating lease right of use asset	1,359,733	-
Furniture, equipment and leasehold improvements, net of accumulated depreciation	93,502	150,156
Total other assets	<u>23,822,174</u>	<u>24,998,126</u>
Total assets	<u>\$ 66,577,250</u>	<u>\$ 51,788,375</u>
<i>Liabilities and Net Assets</i>	2022	2021
<i>Current Liabilities</i>		
Current portion of notes payable	\$ 235,996	\$ 195,561
Due to affiliates	1,500,000	-
Deferred grant revenue	4,204,581	1,492,765
Operating lease liability, current	468,125	-
Accrued expenses and other liabilities	2,462,575	1,158,535
Total current liabilities	<u>8,871,277</u>	<u>2,846,861</u>
<i>Long-term Liabilities</i>		
Unearned fees	1,834,363	2,151,478
Operating lease liability	1,086,523	-
Notes payable	26,144,169	23,866,273
Total long-term liabilities	<u>29,065,055</u>	<u>26,017,751</u>
Total liabilities	<u>37,936,332</u>	<u>28,864,612</u>
<i>Net Assets</i>		
Without donor restrictions	25,885,918	20,608,901
With donor restrictions	2,755,000	2,314,862
Total net assets	<u>28,640,918</u>	<u>22,923,763</u>
Total liabilities and net assets	<u>\$ 66,577,250</u>	<u>\$ 51,788,375</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, 2022 and 2021

	2022	2021
<i>Operating Revenue and Support</i>		
Interest on deposits	\$ 75,267	\$ 12,053
Interest on project loans	754,872	665,737
Unrealized loss on investments	-	(262)
Loan program revenue	987,430	1,172,758
NMTC program revenue	1,609,069	1,485,113
LIHTC program revenue	7,290,286	4,790,490
Other program revenue	1,434,338	961,732
Grant revenue	<u>12,000</u>	<u>80,805</u>
Total operating revenue and support	<u>12,163,262</u>	<u>9,168,426</u>
<i>Operating Expenses</i>		
Salaries and employee benefits	8,507,562	6,081,615
Occupancy, equipment and furniture	532,308	583,181
Professional services	1,749,448	1,481,468
Depreciation and amortization	63,386	86,662
Interest expense	249,028	237,832
Other office expenses and support	<u>900,901</u>	<u>585,038</u>
Total operating expenses	<u>12,002,633</u>	<u>9,055,796</u>
Change in net assets from operations	160,629	112,630
<i>Non - Operating Revenue/(Expenses)</i>		
Federal grant revenue	2,288,184	1,396,517
Other grant revenue	1,500,000	7,708,739
Other grant expenses	(1,500,000)	(7,708,739)
Loss from investment in subsidiaries	<u>3,268,342</u>	<u>349,752</u>
Total change in net assets	<u>\$ 5,717,155</u>	<u>\$ 1,858,899</u>
Net assets at beginning of year	\$ 22,923,763	\$ 21,064,864
Change in net assets	<u>5,717,155</u>	<u>1,858,899</u>
Net assets at end of year	<u>\$ 28,640,918</u>	<u>\$ 22,923,763</u>