

**MAINE STATE HOUSING AUTHORITY**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Business-type Activities</b>	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Current Assets:			
Cash, principally time deposits (note 3)	\$62,623	\$7,368	\$69,991
Investments (notes 3, 8, and 10)	419,673	34,580	454,253
Accounts receivable - federal government	0	15,698	15,698
Mortgage notes receivable, net (note 4)	36,373	33	36,406
Other notes receivable, net (note 4)	47	0	47
Other assets (note 11)	9,170	9,152	18,322
Internal balances	(19,383)	19,383	0
Total Current Assets	<u>508,503</u>	<u>86,214</u>	<u>594,717</u>
Noncurrent Assets:			
Investments (notes 3, 8, and 10)	44,494	0	44,494
Mortgage notes receivable, net (note 4)	1,337,235	38,398	1,375,633
Other notes receivable, net (note 4)	26	0	26
Capital assets	17,851	0	17,851
Total Noncurrent Assets	<u>1,399,606</u>	<u>38,398</u>	<u>1,438,004</u>
Total Assets	<u>1,908,109</u>	<u>124,612</u>	<u>2,032,721</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Accumulated decrease in fair value of hedging derivatives (note 6)	12,061	0	12,061
Deferred pension expense (note 7)	375	202	577
Deferred amount on debt refundings	2,779	0	2,779
Total Deferred Outflows of Resources	<u>15,215</u>	<u>202</u>	<u>15,417</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accrued interest payable	14,879	222	15,101
Accounts payable - federal government	0	347	347
Accounts payable and accrued liabilities	3,957	5,590	9,547
Unearned income	0	27,991	27,991
Bonds and notes payable (notes 5, 8, 13, and 15)	5,040	3,565	8,605
Total Current Liabilities	<u>23,876</u>	<u>37,715</u>	<u>61,591</u>
Noncurrent Liabilities:			
Pension liability (note 7)	1,833	986	2,819
Derivative instrument - interest rate swaps (note 6)	12,061	0	12,061
Bonds and notes payable (notes 5, 8, 13, and 15)	1,556,916	15,690	1,572,606
Total Noncurrent Liabilities	<u>1,570,810</u>	<u>16,676</u>	<u>1,587,486</u>
Total Liabilities	<u>1,594,686</u>	<u>54,391</u>	<u>1,649,077</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred federal program income	0	255	255
Deferred loan origination points	19	0	19
Deferred pension credit (note 7)	158	85	243
Total Deferred Inflows of Resources	<u>177</u>	<u>340</u>	<u>517</u>
<b>NET POSITION:</b>			
Net investment in capital assets	2,824	0	2,824
Restricted for bond resolutions	291,351	0	291,351
Restricted for grants and programs	0	70,083	70,083
Unrestricted	34,286	0	34,286
Total Net Position	<u>\$328,461</u>	<u>\$70,083</u>	<u>\$398,544</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Investment Income	Grants and Contributions	Business-type Activities	Governmental Activities	Total
<b>Functions/Programs</b>							
Business-type activities:							
Mortgage Purchase Fund	\$43,725	\$45,755	\$263	\$0	\$2,293	\$0	\$2,293
Bondholder Reserve Fund	44	0	2	0	(42)	0	(42)
General Administrative Fund	1,453	976	0	0	(477)	0	(477)
Total business-type activities	45,222	46,731	265	0	1,774	0	1,774
Governmental activities:							
HOME Fund	10,389	81	5	22,079	0	11,776	11,776
Section 8 Housing Programs	85,356	3,901	1	82,792	0	1,338	1,338
Low Income Home Energy Assistance Program	32,975	840	0	32,329	0	194	194
Emergency Rental Assistance Programs	77,831	546	0	77,285	0	0	0
Maine Energy, Housing and Economic Recovery Program	633	56	1	4,319	0	3,743	3,743
Other Federal and State Programs	41,797	1,804	2	39,487	0	(504)	(504)
Total governmental activities	248,981	7,228	9	258,291	0	16,547	16,547
Total Agency-wide	\$294,203	\$53,959	\$274	\$258,291	1,774	16,547	18,321
General Revenues:							
Unrestricted investment income					9	0	9
Transfers					657	(657)	0
Total general revenues and transfers					666	(657)	9
Change in Net Position					2,440	15,890	18,330
Net Position at beginning of year					326,021	54,193	380,214
Net Position at end of period					\$328,461	\$70,083	\$398,544

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>ASSETS:</b>				
Current Assets:				
Cash, principally time deposits (note 3)	\$ 23,769	\$ 2	\$ 38,852	\$ 62,623
Investments (notes 3, 8, and 10)	398,034	8,012	13,627	419,673
Mortgage notes receivable, net (note 4)	36,177	0	196	36,373
Other notes receivable, net (note 4)	0	0	47	47
Other assets (note 11)	9,085	2	83	9,170
Interfund (note 12)	96	0	4,573	4,669
Total Current Assets	<u>467,161</u>	<u>8,016</u>	<u>57,378</u>	<u>532,555</u>
Noncurrent Assets:				
Investments (notes 3, 8, and 10)	44,494	0	0	44,494
Mortgage notes receivable, net (note 4)	1,332,629	0	4,606	1,337,235
Other notes receivable, net (note 4)	0	0	26	26
Capital assets	22	0	17,829	17,851
Total Noncurrent Assets	<u>1,377,145</u>	<u>0</u>	<u>22,461</u>	<u>1,399,606</u>
Total Assets	<u>1,844,306</u>	<u>8,016</u>	<u>79,839</u>	<u>1,932,161</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Accumulated decrease in fair value of hedging derivatives (note 6)	12,061	0	0	12,061
Deferred pension expense (note 7)	319	2	54	375
Deferred amount on debt refundings	2,779	0	0	2,779
Total Deferred Outflows of Resources	<u>15,159</u>	<u>2</u>	<u>54</u>	<u>15,215</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accrued interest payable	14,879	0	0	14,879
Accounts payable and accrued liabilities	308	4	3,645	3,957
Interfund (note 12)	4,393	15	19,644	24,052
Bonds and notes payable (notes 5, 8, 13, and 15)	230	0	4,810	5,040
Total Current Liabilities	<u>19,810</u>	<u>19</u>	<u>28,099</u>	<u>47,928</u>
Noncurrent Liabilities:				
Pension liability (note 7)	1,558	9	266	1,833
Derivative instrument - interest rate swaps (note 6)	12,061	0	0	12,061
Bonds and notes payable (notes 5, 8, 13, and 15)	1,542,499	0	14,417	1,556,916
Total Noncurrent Liabilities	<u>1,556,118</u>	<u>9</u>	<u>14,683</u>	<u>1,570,810</u>
Total Liabilities	<u>1,575,928</u>	<u>28</u>	<u>42,782</u>	<u>1,618,738</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred loan origination points	19	0	0	19
Deferred pension credit (note 7)	134	1	23	158
Total Deferred Inflows of Resources	<u>153</u>	<u>1</u>	<u>23</u>	<u>177</u>
<b>NET POSITION:</b>				
Net investment in capital assets	22	0	2,802	2,824
Restricted for bond resolutions	283,362	7,989	0	291,351
Unrestricted	0	0	34,286	34,286
Total Net Position	<u>\$283,384</u>	<u>\$7,989</u>	<u>\$37,088</u>	<u>\$328,461</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>				
Interest from mortgages and notes	\$45,043	\$0	\$247	\$45,290
Income from investments	909	2	8	919
Net increase (decrease) in the fair value of investments	(646)	0	1	(645)
Fee income	293	0	670	963
Other revenue	70	0	59	129
Gain on bond redemption (note 13)	349	0	0	349
Total Revenues	<u>46,018</u>	<u>2</u>	<u>985</u>	<u>47,005</u>
<b>OPERATING EXPENSES:</b>				
Operating expenses	7,498	44	1,426	8,968
Other program administrative expenses	3,582	0	4	3,586
Mortgage servicing fees	1,281	0	12	1,293
Provision for losses on loans (note 4)	0	0	11	11
Losses on foreclosed real estate	(58)	0	0	(58)
Interest expense	31,422	0	0	31,422
Total Expenses	<u>43,725</u>	<u>44</u>	<u>1,453</u>	<u>45,222</u>
Operating Income (Loss)	2,293	(42)	(468)	1,783
Transfers between funds, net (note 12)	<u>0</u>	<u>0</u>	<u>657</u>	<u>657</u>
Change in Net Position	2,293	(42)	189	2,440
Net Position at beginning of year	<u>281,091</u>	<u>8,031</u>	<u>36,899</u>	<u>326,021</u>
Net Position at end of period	<u>\$283,384</u>	<u>\$7,989</u>	<u>\$37,088</u>	<u>\$328,461</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Interest receipts from borrowers	\$45,226	\$0	\$239	\$45,465
Principal receipts on mortgages and notes - scheduled	48,113	0	278	48,391
Principal receipts on mortgages and notes - prepayments	119,620	0	857	120,477
Payments for operating expenses	(6,254)	(8)	(357)	(6,619)
Payments for personnel expenses	(6,107)	(36)	(1,069)	(7,212)
Investment in mortgages and other notes	(119,725)	0	(15)	(119,740)
Other	1,555	(1)	2,683	4,237
Net cash provided by (used for) operating activities	<u>82,428</u>	<u>(45)</u>	<u>2,616</u>	<u>84,999</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and development of capital assets	0	0	(304)	(304)
Principal paid on capital debt	0	0	(444)	(444)
Interest paid on capital debt	0	0	(372)	(372)
Net cash used for capital and related financing activities	<u>0</u>	<u>0</u>	<u>(1,120)</u>	<u>(1,120)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Proceeds from sale of bonds	129,067	0	0	129,067
Principal payments on bonds	(144,220)	0	0	(144,220)
Interest payments on bonds	(21,892)	0	0	(21,892)
Payments from other funds	1,009	1	17,893	18,903
Net cash provided by (used for) non-capital financing activities	<u>(36,036)</u>	<u>1</u>	<u>17,893</u>	<u>(18,142)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from disposition of foreclosed real estate	1,242	0	6	1,248
Purchase of investments	(1,146,297)	0	0	(1,146,297)
Sales and maturity of investments	1,097,550	42	7,277	1,104,869
Interest received on investments	817	2	7	826
Net cash provided by (used for) investing activities	<u>(46,688)</u>	<u>44</u>	<u>7,290</u>	<u>(39,354)</u>
Net increase (decrease) in cash	(296)	0	26,679	26,383
Cash at beginning of period	24,065	2	12,173	36,240
Cash at end of period	<u>\$23,769</u>	<u>\$2</u>	<u>\$38,852</u>	<u>\$62,623</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$2,293	(\$42)	(\$468)	\$1,783
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	235	0	692	927
Interest on bonds	31,187	0	0	31,187
Provision for losses on loans	0	0	11	11
Gain on foreclosed real estate	(58)	0	0	(58)
Gain on bond redemption	(349)	0	0	(349)
Interest income on investments	(909)	(2)	(8)	(919)
Net (increase) decrease in fair value of investments	646	0	(1)	645
Changes in operating assets and liabilities:				
Other assets	1,085	(2)	(4)	1,079
Mortgage note interest receivable	183	0	(8)	175
Accounts payable and accrued liabilities	107	1	1,282	1,390
Investment in mortgage and other notes	(119,725)	0	(15)	(119,740)
Mortgage & other note principal repayments	167,733	0	1,135	168,868
Net cash provided by (used for) operating activities	<u>\$82,428</u>	<u>(\$45)</u>	<u>\$2,616</u>	<u>\$84,999</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:</b>				
Transfer from mortgage notes receivable to other assets and other real estate owned	\$888	\$0	\$0	\$888

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021  
(IN THOUSANDS OF DOLLARS)**

	<b>HOME Fund</b>	<b>Section 8 Housing Programs</b>	<b>Low Income Home Energy Assistance Program</b>	<b>Emergency Rental Assistance Programs</b>	<b>Maine Energy, Housing &amp; Economic Recovery Fund</b>	<b>Other Federal and State Programs</b>	<b>Total</b>
<b>ASSETS:</b>							
Current Assets:							
Cash, principally time deposits (note 3)	\$0	\$4,405	\$2,066	\$0	\$0	\$897	\$7,368
Investments (notes 3, 8, and 10)	22,842	0	0	0	3,208	8,530	34,580
Accounts receivable - federal government	0	310	202	0	0	15,186	15,698
Mortgage notes receivable, net (note 4)	33	0	0	0	0	0	33
Other assets	7,092	140	0	0	917	1,003	9,152
Interfund (note 12)	12,938	0	4,053	14,719	564	1,107	33,381
Total Current Assets	<u>42,905</u>	<u>4,855</u>	<u>6,321</u>	<u>14,719</u>	<u>4,689</u>	<u>26,723</u>	<u>100,212</u>
Noncurrent Assets:							
Mortgage notes receivable, net (note 4)	28,780	0	0	0	9,618	0	38,398
Total Noncurrent Assets	<u>28,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,618</u>	<u>0</u>	<u>38,398</u>
Total Assets	<u>\$71,685</u>	<u>\$4,855</u>	<u>\$6,321</u>	<u>\$14,719</u>	<u>\$14,307</u>	<u>\$26,723</u>	<u>\$138,610</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Accrued interest payable	\$0	\$0	\$0	\$0	\$222	\$0	\$222
Accounts payable - federal government	0	347	0	0	0	0	347
Accounts payable and accrued liabilities	0	59	5,531	0	0	0	5,590
Unearned income	348	0	683	14,719	0	12,241	27,991
Interfund (note 12)	43	218	0	0	0	12,938	13,199
Bonds payable (note 5, 8, and 13)	0	0	0	0	3,565	0	3,565
Total Current Liabilities	<u>391</u>	<u>624</u>	<u>6,214</u>	<u>14,719</u>	<u>3,787</u>	<u>25,179</u>	<u>50,914</u>
Noncurrent Liabilities:							
Bonds payable (note 5, 8, and 13)	0	0	0	0	15,690	0	15,690
Total Non Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,690</u>	<u>0</u>	<u>15,690</u>
Total Liabilities	<u>391</u>	<u>624</u>	<u>6,214</u>	<u>14,719</u>	<u>19,477</u>	<u>25,179</u>	<u>66,604</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Deferred federal program income	0	255	0	0	0	0	255
<b>FUND BALANCES:</b>							
Restricted by program requirements	71,294	3,976	107	0	0	1,544	76,921
Nonspendable	0	0	0	0	9,618	0	9,618
Unassigned	0	0	0	0	(14,788)	0	(14,788)
Total Fund Balances	<u>71,294</u>	<u>3,976</u>	<u>107</u>	<u>0</u>	<u>(5,170)</u>	<u>1,544</u>	<u>71,751</u>
Total Liabilities and Fund Balances	<u>\$71,685</u>	<u>\$4,855</u>	<u>\$6,321</u>	<u>\$14,719</u>	<u>\$14,307</u>	<u>\$26,723</u>	<u>\$138,610</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Total fund balances in governmental funds	\$71,751
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension expense deferrals reported as deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds.	202
Pension liabilities reported in governmental activities are not due and payable in the current period and therefore not reported in the governmental funds.	(986)
Pension credit deferrals reported as deferred inflows of resources in governmental activities are not available to pay for current period expenditures and therefore are not reported in the governmental funds.	(85)
Interfund balances related to the allocation of pension liabilities and deferrals of resources reported in governmental activities are not due and payable in the current period and therefore not reported in the governmental funds.	(799)
Net Position of governmental activities	<u>\$70,083</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Emergency Rental Assistance Programs	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
<b>REVENUES:</b>							
Interest from mortgages and notes	\$34	\$0	\$0	\$0	\$31	\$0	\$65
Income from investments	5	1	0	0	1	2	9
Fee income	0	3,901	840	546	0	1,804	7,091
Other revenue	47	0	0	0	9	0	56
Grant income	1,580	474	32,329	77,285	0	39,487	151,155
Income from State	20,499	0	0	0	4,319	0	24,818
Federal rent subsidy income	0	82,318	0	0	0	0	82,318
Gain on bond redemption (note 13)	0	0	0	0	16	0	16
Total Revenues	<u>22,165</u>	<u>86,694</u>	<u>33,169</u>	<u>77,831</u>	<u>4,376</u>	<u>41,293</u>	<u>265,528</u>
<b>EXPENDITURES:</b>							
Operating expenditures	0	2,955	620	439	0	1,684	5,698
Other program administrative expenditures	0	132	26	107	38	107	410
Provision for losses on loans (note 4)	0	0	0	0	0	7	7
Grant expenditures	10,389	481	32,329	77,285	5	39,999	160,488
Federal rent subsidy	0	81,788	0	0	0	0	81,788
Interest	0	0	0	0	590	0	590
Total Expenditures	<u>10,389</u>	<u>85,356</u>	<u>32,975</u>	<u>77,831</u>	<u>633</u>	<u>41,797</u>	<u>248,981</u>
Revenues in Excess of (Less Than) Expenditures	11,776	1,338	194	0	3,743	(504)	16,547
Transfers between funds, net (note 12)	0	(450)	(195)	0	0	(12)	(657)
Change in Fund Balances	11,776	888	(1)	0	3,743	(516)	15,890
Fund Balances at beginning of year	<u>59,518</u>	<u>3,088</u>	<u>108</u>	<u>0</u>	<u>(8,913)</u>	<u>2,060</u>	<u>55,861</u>
Fund Balances at end of period	<u>\$71,294</u>	<u>\$3,976</u>	<u>\$107</u>	<u>\$0</u>	<u>(\$5,170)</u>	<u>\$1,544</u>	<u>\$71,751</u>

*See accompanying notes to the financial statements*



**Maine State Housing Authority**  
**Notes to Financial Statements – September 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

**(1.) ORGANIZATION AND NATURE OF OPERATIONS**

The Maine State Housing Authority (MaineHousing) is a public corporation and an instrumentality of the State of Maine established under the provisions of the *Maine Housing Authorities Act*, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended. MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties for the purpose of providing housing for persons and families of low income in the State of Maine. MaineHousing also administers various housing and energy related state and federal programs and collects and disburses federal rent subsidies for low-income housing.

For financial reporting purposes, MaineHousing is considered a component unit of the State of Maine and the financial condition and results of operations of MaineHousing are included in the State's financial statements.

**(2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

MaineHousing's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) statements and are comprised of three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The financial statements include all of the organization's activities and functions for which MaineHousing is financially accountable. Determination of financial accountability includes among other factors, appointment of a voting majority of the component's governing body and (1) ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, MaineHousing. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than MaineHousing.

The Agency-wide financial statements are comprised of a Statement of Net Position and Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements reflect all of the assets, liabilities, revenues, expenses, deferred inflows, deferred outflows, gains and losses of business-type and governmental activities. Interfund balances entirely within the proprietary funds and governmental funds are eliminated from the Statement of Net Position; remaining amounts are shown as Internal Balances.

The business-type activities, which include single-family and multi-family loan programs, are classified as proprietary funds. Proprietary funds are reported using the accrual basis of accounting and revenues are recorded when earned and expenses when incurred. The governmental activities reflect the administration of the various programs for the State of Maine and the federal government. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred. Revenues from grants and programs are generally considered "available" if eligibility and time restrictions have been satisfied and if received within three months of the balance sheet date. Grants received in advance of the period in which they can be used are reported as deferred inflows of resources.

Separate fund financial statements are provided for proprietary and governmental funds. The fund financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities, which provides that accounting systems be organized by funds to account for specific activities consistent with legal and operating requirements. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements. Certain insignificant indirect costs are allocated to the funds.

**Maine State Housing Authority**  
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**Fund Structure**

*PROPRIETARY FUNDS*

Financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of loans and other lender services are presented as proprietary funds. MaineHousing's proprietary funds are as follows, all of which are considered major funds:

*Mortgage Purchase Fund*

This fund consists of accounts established by the General Mortgage Purchase Bond Resolution. Pursuant to the Mortgage Purchase Program, MaineHousing is authorized to purchase or originate first lien mortgages on single-family and multi-family residential properties. Proceeds from the sale of mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans made from bond proceeds are recorded in this fund.

*Bondholder Reserve Fund*

This fund consists of accounts established by the General Authority Bondholder Reserve Fund Resolution and is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond Resolution.

*General Administrative Fund*

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program and generates fee and interest income. Revenues not specifically pledged for the repayment of bonds or notes are recorded in this fund.

*GOVERNMENTAL FUNDS*

Activities financed by grant and program agreements with the federal government and appropriations and allocations from the State of Maine Legislature are presented as governmental funds. None of the governmental funds are legally required to adopt a formal budget. MaineHousing's governmental funds are as follows, all of which are considered major funds except the Other Federal and State Programs Fund:

*Home Fund*

The Maine State Legislature authorized the creation of the Housing Opportunities for Maine (HOME) Program to promote and create affordable housing. The program is funded by a portion of the Real Estate Transfer Tax levied by the State of Maine and by appropriations. These funds may be used in conjunction with MaineHousing's other housing resources. Activities associated with the Shelter Operating Subsidy Program, which is funded by the State of Maine and provides funding for emergency shelters that serve Maine's homeless citizens, are also recorded in this fund.

*Section 8 Housing Programs*

This fund group consists of activity related to MaineHousing's administration of various Department of Housing and Urban Development (HUD) Section 8 programs. These are federal programs that provide rental subsidies to landlords to preserve low-income rental units and also provide funding to tenants to assist with rent payments. The program funding levels are established by the federal government annually. MaineHousing receives annual fees from HUD for the administration of these programs. These programs consist of the following:

- Moderate Rehabilitation
- New Construction and Substantial Rehabilitation
- Section 811 Project Rental Assistance
- Housing Choice Voucher
- Performance Based Contract Administration
- Family Self-Sufficiency Program
- Mainstream Vouchers
- Section 8 Emergency Housing Voucher - American Rescue Plan Act
- Section 8 COVID 19 Supplemental – Coronavirus Aid, Relief, and Economic Security Act

**Maine State Housing Authority**  
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*Low Income Home Energy Assistance Program*

MaineHousing is the designated administrator of the Low Income Home Energy Assistance Program for the State of Maine. This program is federally funded through the Department of Health and Human Services. Under this program, funds are provided to low income homeowners and renters to assist with the payment of heating costs. The funding level is established annually by the federal government and MaineHousing receives annual fees for the administration of the program. In 2021 supplemental funding in the amount of \$55,172 was awarded to the State of Maine as part of the American Rescue Plan Act of 2021.

*Emergency Rental Assistance Programs*

MaineHousing is the administrator of the federal Emergency Rental Assistance Programs for the State of Maine. Funds for the Emergency Rental Assistance Programs 1 and 2 (ERA1 and ERA2) were appropriated through the *Consolidated Appropriations Act of 2021* and the *American Rescue Plan Act of 2021*. The State of Maine was awarded up to \$352 million for these programs and funding for the ERA1 expires on September 30, 2022 and September 30, 2025 for ERA2. Funds are provided through the U.S. Department of the Treasury and are used for emergency rental assistance, rental arrears, and utility costs for households at risk of homelessness or housing instability due to the COVID-19 pandemic. A portion of these funds may also be used for MaineHousing's administrative costs.

*Maine Energy, Housing and Economic Recovery Fund*

The purpose of the Maine Energy, Housing and Economic Recovery Fund (MEHER) is to create capital funding sources to provide affordable housing and to improve energy efficiency of residential housing in the State of Maine. The fund consists of accounts established by the MEHER General Indenture. The revenue anticipation bonds issued under the MEHER General Indenture are liabilities of the fund and the debt service for these bonds is paid by a source of revenue from the State of Maine.

The deficit in this fund is due to timing differences between the expending of funds from bond proceeds on program activities and the receipt of revenues from the State of Maine, which is based on debt service schedules. The deficit will be eliminated over time as bond proceeds available for programs are depleted and annual revenues received from the State of Maine exceed expenditures.

*Other Federal and State Programs*

MaineHousing administers various other federal and state housing and energy related programs and grants. This fund group records the activity and reflects the consolidation of these programs and grants. Program administration is governed by the appropriate federal regulations or state laws. The annual program and grant funding levels are set by the appropriate federal or state government. MaineHousing receives annual fees for the program administration for most of the federal programs and grants. Federal and state programs consist of the following, which are considered non-major funds:

**U.S. Department of Housing and Urban Development**

- Emergency Solutions Grants Program
- Emergency Solutions Grants Program – COVID-19 Relief Funds
- HOME Investment Partnerships Program
- National Housing Trust Fund
- Lead-Based Paint Hazard Control Program
- Homeless Management Information System
- Housing Counseling Assistance Program
- Continuum of Care - Planning Grant
- Continuum of Care - Rental Assistance Program
- Continuum of Care - Coordinated Entry Grant
- Continuum of Care - Youth Homeless Demonstration Program

**U.S. Department of Energy**

- Weatherization Assistance Program
- Weatherization Assistance Program - Training Centers and Programs

**U.S. Department of Health and Human Services**

- Weatherization / Central Heating Improvement Program

**Maine State Housing Authority**  
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Temporary Assistance for Needy Families (via State of Maine)  
Maine Association of Recovery Residences (via State of Maine)

**U.S. Department of Treasury**

Coronavirus Relief Funds – COVID-19 Rent Relief Program (via State of Maine)

**U.S. Department of Homeland Security**

Federal Emergency Management Agency Disaster Assistance

**State of Maine**

Home Modification Program  
Arsenic Remediation Program  
Natural Disaster Housing Assistance Fund  
Consumer Residential Opportunities Program  
Indian Housing Mortgage Insurance Program  
Lead Abatement Program  
Senior Housing General Obligation Bonds

**Private**

Low Income Assistance Plan

**Net Position**

In the agency-wide and proprietary fund financial statements, net position is displayed in three components as follows:

*Net investment in capital assets* – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings for the acquisition, construction, or improvement of those assets.

*Restricted* – This consists of activities that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. For business-type activities, the net position is restricted by bond resolutions for the acquisition of loans, payment of debt service and payment of operating costs. For governmental activities, the net position is restricted by state statutes or federal regulations and program agreements for specific program purposes.

*Unrestricted* – This consists of activities that do not meet the definition of “restricted” or “net investment in capital assets”.

**Fund Balances**

In the governmental funds financial statements, fund balances are reported as either restricted for housing and energy related programs, nonspendable in current form due to the long term nature of certain assets, or unassigned for any residual deficit fund balances. Generally, if unrestricted fund balances are available they are used after assigned or restricted amounts.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and held by banks in demand deposits and savings accounts.

**Investments**

Money market funds, repurchase agreements and certificates of deposit that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments not reported at amortized cost are reported at fair value. Unrealized gains and losses due to fluctuations in market values and gains and losses realized upon sale are reported as net increases or decreases in the fair value of investments. Interest received that is required by federal programs to be spent on program activities is deferred and recorded as a payable to the federal government.

**Maine State Housing Authority**  
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**Mortgage Notes Receivable**

Mortgage notes receivable are carried at their uncollected principal balance less allowances for loan losses. The recording of interest income on problem loans ceases when collectability within a reasonable period of time becomes doubtful. Program income received for revolving loan programs are recorded as unearned income. MaineHousing reclassifies its liability for amounts due under revolving loan programs relating to forgivable loans and loans with no payments due until sale of the collateral or maturity of the loan (usually 30 years from origination) to reduce the associated loan balances. MaineHousing believes this presentation better reflects the underlying economics of the loan.

**Allowances For Losses On Loans**

MaineHousing has established allowances for losses on mortgages and other notes receivable. The allowances are established through provisions for losses on loans charged to expenses. Losses are charged against the allowances when MaineHousing believes that collection of the loan principal is unlikely.

The allowances are amounts that MaineHousing believes will be adequate to absorb losses based on evaluations of collectability and prior loss experience. The evaluation takes into consideration such factors as the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies and current economic conditions that may affect the borrowers' ability to pay.

**Capital Assets**

Capital assets consisting of building, land, and equipment are stated at cost less accumulated depreciation and are reported in the agency-wide and proprietary funds financial statements. MaineHousing capitalizes assets with an initial cost of one thousand dollars or more. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from three to forty years. Land and assets that are being developed are not depreciated.

**Other Real Estate Owned**

Other real estate owned consists of single-family and multi-family residential properties acquired through foreclosure, or acceptance of a deed in lieu of foreclosure and are carried at the lower of cost or fair value less estimated costs to sell. Losses arising from the acquisition of other real estate owned are charged to the allowance for loan losses. Operating expenses, subsequent provisions to reduce the carrying value, and any gain or loss on disposition of the property are reflected in the Statement of Revenues, Expenses and Changes in Net Position in the year incurred or realized.

**Bond Discount, Premium, Issuance Costs and Deferred Amounts on Refunding**

Bond discounts and premiums are reflected as a component of bonds payable and are deferred and amortized over the lives of the bonds using a method that approximates the effective interest method. Gains and losses on debt refundings are amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter and reflected as a deferred outflow of resources. Bond issuance costs are expensed in the year issued.

**Loan Origination Fees and Costs**

MaineHousing pays origination costs at the time it purchases single-family mortgage loans. These and other program costs, including closing cost assistance to borrowers, paid in connection with acquiring certain single-family loans, are expensed in the year of origination.

MaineHousing may receive points in connection with the origination of certain mortgage loans, which are essentially yield adjustments on the loans. Points received for single-family loans are reflected as a deferred inflow of resources and amortized as a component of interest income using the effective interest method over the life of the mortgages. When a loan is paid off prior to maturity, all unamortized deferred points are recognized immediately as interest income. MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family loan. These fees are recognized as income in the year the commitment is made.

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**Revenues, Expenses and Expenditures**

Program revenues in the agency-wide Statement of Activities are reported in three categories including (1) charges for services, (2) investment income and (3) grants and contributions. Charges for services include all revenues from mortgage loans and program administration fees. Investment income consists of earnings from non-mortgage investment assets. Grants and contributions include revenues from other governments and organizations that are restricted for use in a particular program. All revenues are recorded as income when earned and the associated expenses are recorded as incurred.

The proprietary funds' primary sources of operating revenues are income from mortgage loans and other permitted investments. Operating expenses in the proprietary funds consist of expenses incurred for originating and servicing loans, bond interest and program administration.

Revenues in the governmental funds are derived from grant and program agreements with the federal government, appropriations from the Maine State Legislature, and other organizations. MaineHousing also receives fee income for program administration. Expenditures in the governmental funds are all current operating expenditures and consist primarily of program disbursements and administration charges.

**Derivatives and Hedging Instruments**

MaineHousing enters into various interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. MaineHousing recognizes the fair value of swap agreements as either an asset or liability on its Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge. If swap agreements are not effective hedges, interest expense is increased or decreased by the change in the fair value. MaineHousing measures the effectiveness of its interest rate swap agreements in total whereby all the swaps are used to hedge interest expense on a portion of the total variable rate bonds equal to the notional amount of the swaps. Hedge effectiveness is determined by using the regression analysis and synthetic instrument methods. MaineHousing's swap agreements constitute an effective hedge for the hedged portion of the variable rate bond portfolio at September 30, 2021.

**Fair Value Methodology**

Generally accepted accounting principles establishes standards for determining fair value measurements for accounting and financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements and also establishes a three-tier hierarchy that prioritizes the inputs used to measure fair value as follows:

- **Level 1 inputs** are observable, quoted prices in active markets for identical assets or liabilities;
- **Level 2 inputs** are directly or indirectly observable, but not on level 1; and
- **Level 3 inputs** are all inputs that are unobservable.

MaineHousing's assets and liabilities carried at fair value are investments and interest rate swaps.

**Defined Benefit Pension Plan**

MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System (MainePERS) PLD Consolidated Retirement Plan and employees may participate in a defined benefit plan offered by MainePERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MainePERS' PLD Consolidated Plan have been determined on the same basis as they are reported by MainePERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments at MainePERS are reported at fair value.

**Maine State Housing Authority**  
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**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statements and the reported amounts of revenues, expenses and expenditures during the reporting year. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for losses on loans and fair value of interest rate swaps. Actual results could differ from estimates.

**Risks and Uncertainties**

The outbreak of the COVID-19 pandemic has adversely impacted a broad range of industries and has caused significant disruptions in the U.S. and world economies. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions.

**New Accounting Standards**

The following GASB Statements that have been issued are under evaluation by MaineHousing:

- GASB Statement No. 87, *Leases*; GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 92, *Omnibus 2020*; and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32* are effective for the year ending December 31, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* has requirements that are effective for the years ending December 31, 2021 and 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* are effective for the year ending December 31, 2023.

MaineHousing has not adopted these standards and is evaluating the impact they may have on its financial statements.

**(3.) CASH AND INVESTMENTS**

At September 30, 2021, the carrying amount of MaineHousing’s bank deposits was \$69,991 and the bank balance was \$75,571. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$384 was covered by federal depository insurance and \$75,187 was collateralized by pledged government securities that are held in the bank’s name at the Federal Reserve Bank.

The General Mortgage Purchase Bond Resolution permits MaineHousing to invest in direct obligations of, or obligations guaranteed by, the United States of America, certain government-sponsored enterprises and the State of Maine “permitted investments.” The resolution also permits MaineHousing to invest in certificates of deposit, repurchase agreements and other similar banking arrangements that are collateralized by permitted investments.

MaineHousing has a formal Investment Policy that outlines its investment practices and policies. The primary purpose of the policy is to ensure safety of principal while managing liquidity to pay MaineHousing’s financial obligations. MaineHousing’s deposit policy is to have its deposits covered by insurance, collateralized or deposited in well capitalized institutions.

**Maine State Housing Authority**  
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MaineHousing’s investment balances and stated maturities as of September 30, 2021 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment Type	Investment Maturities in Years					Moody's Credit Rating
	Carrying Amount	Less than 1	1-5	6-10	More than 10	
<b>PROPRIETARY FUNDS</b>						
<b>MORTGAGE PURCHASE FUND</b>						
Repurchase Agreements	\$168,439	\$168,439	\$0	\$0	\$0	NR
Federal Farm Credit Bank (FFCB)	17,131	0	0	7,546	9,585	P-1/Aaa
Federal Home Loan Bank (FHLB)	206,961	179,598	0	9,623	17,740	P-1/Aaa
U.S. Treasury Securities	49,997	49,997	0	0	0	NR
Total - Mortgage Purchase Fund	<u>442,528</u>	<u>398,034</u>	<u>0</u>	<u>17,169</u>	<u>27,325</u>	
<b>BONDHOLDERS RESERVE FUND</b>						
Repurchase Agreements	<u>8,012</u>	<u>8,012</u>	<u>0</u>	<u>0</u>	<u>0</u>	NR
<b>GENERAL ADMINISTRATIVE FUND</b>						
Repurchase Agreements	5,326	5,326	0	0	0	NR
Money Market Funds	898	898	0	0	0	NR
Certificates of Deposit	2,403	2,403	0	0	0	NR
Federal Home Loan Bank (FHLB)	5,000	5,000	0	0	0	P-1/Aaa
Total - General Administrative Fund	<u>13,627</u>	<u>13,627</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total - Proprietary Funds	<u>\$464,167</u>	<u>\$419,673</u>	<u>\$0</u>	<u>\$17,169</u>	<u>\$27,325</u>	
<b>GOVERNMENTAL FUNDS</b>						
<b>HOME FUND</b>						
Repurchase Agreements	<u>\$22,842</u>	<u>\$22,842</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	NR
<b>MAINE ENERGY, HOUSING &amp; ECONOMIC RECOVERY FUND</b>						
Repurchase Agreements	<u>3,208</u>	<u>3,208</u>	<u>0</u>	<u>0</u>	<u>0</u>	NR
<b>OTHER FEDERAL AND STATE PROGRAMS</b>						
Repurchase Agreements	<u>8,530</u>	<u>8,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	NR
Total - Governmental Funds	<u>\$34,580</u>	<u>\$34,580</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

MaineHousing generally invests in repurchase agreements and money market funds for short-term investments, which are not credit rated and are continuously and fully secured by permitted investments. It is MaineHousing’s policy to require that collateral be held by MaineHousing’s trustee in MaineHousing’s name, wherever practicable.

A market approach is used to determine fair value using Level 2 inputs for investments carried at fair value. Prices and other relevant information are generated by market transactions involving identical or comparable investments.

At September 30, 2021, \$451,850 was invested in short-term repurchase agreements, money market funds, U.S. Treasury Securities, and other government sponsored enterprises with maturity dates of less than one year and interest rates up to 0.03%. Investments other than repurchase agreements, money market funds, and U.S. Treasury Securities are registered in MaineHousing’s name. Investments issued by Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) make up 4% and 47% of total investments, respectively, in the Mortgage Purchase Fund. Investments issued by FHLB make up 37% of total investments in the General Administrative Fund.

At September 30, 2021, \$2,403 is invested in a non-negotiable certificate of deposit to fund a debt service reserve in connection with a loan agreement. The certificate has an interest rate of 0.01% and will mature in October 2021. The certificate is not credit rated and is being held by its bank trustee in MaineHousing’s name.



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**(4.) MORTGAGE AND OTHER NOTES RECEIVABLE:**

For financial statement presentation, the allowance for losses on loans has been netted against the noncurrent portion of mortgage notes receivable and other notes receivable. However, where there is no noncurrent portion for other notes receivable, the allowance is netted against the current amount. A summary of mortgage notes receivable at September 30, 2021 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
<b>PROPRIETARY FUNDS</b>			
MORTGAGE PURCHASE FUND - SINGLE-FAMILY:			
VA guaranteed	446	\$44,896	5.0%
FHA insured	1,574	144,697	16.0%
USDA/RD guaranteed	5,134	541,960	60.0%
Privately insured	299	29,802	3.3%
Non-insured	<u>2,480</u>	<u>141,201</u>	<u>15.7%</u>
Total Mortgage Purchase Fund - single-family	<u>9,933</u>	<u>902,556</u>	<u>100.0%</u>
MORTGAGE PURCHASE FUND - MULTI-FAMILY:			
Section 8	181	176,593	37.3%
Conventional	272	261,811	55.3%
Supportive Housing	<u>169</u>	<u>35,020</u>	<u>7.4%</u>
Total Mortgage Purchase Fund - multi-family	622	473,424	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(7,174)</u>	
Total Mortgage Purchase Fund	<u>10,555</u>	<u>1,368,806</u>	
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
Non-insured	59	1,634	97.0%
Privately insured	<u>2</u>	<u>51</u>	<u>3.0%</u>
Total General Administrative Fund-Single Family	61	1,685	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - MULTI-FAMILY:			
Section 8	1	553	15.0%
Conventional	<u>5</u>	<u>3,141</u>	<u>85.0%</u>
Total General Administrative Fund - multi-family	6	3,694	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - HOME IMPROVEMENT LOANS:			
Non-insured	<u>22</u>	<u>40</u>	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(617)</u>	
Total General Administrative Fund	89	4,802	
Total Proprietary Funds	<u>10,644</u>	<u>\$1,373,608</u>	
<b>GOVERNMENTAL FUNDS</b>			
HOME FUND - SINGLE-FAMILY:			
Non-insured	310	\$3,203	<u>100.0%</u>
HOME FUND - MULTI-FAMILY:			
Non-insured	<u>115</u>	<u>26,557</u>	<u>100.0%</u>
Total HOME Fund	425	29,760	
Less: Allowance for losses on loans		<u>(947)</u>	
Total HOME Fund	<u>425</u>	<u>28,813</u>	
MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND - MULTI-FAMILY			
Non-insured	<u>16</u>	<u>9,618</u>	<u>100.0%</u>
Total Governmental Funds	<u>441</u>	<u>\$38,431</u>	

**Maine State Housing Authority**  
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A summary of other notes receivable at September 30, 2021 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
<b>PROPRIETARY FUNDS</b>			
GENERAL ADMINISTRATIVE FUND			
Non-insured	4	\$73	100.0%
Total Proprietary Funds	<u>4</u>	<u>\$73</u>	
<b>GOVERNMENTAL FUNDS</b>			
OTHER FEDERAL AND STATE PROGRAMS:			
Non-insured	1	\$2	100.0%
Less: Allowance for losses on loans		(2)	
Total Governmental Funds	<u>1</u>	<u>\$0</u>	

A summary of the activity in the allowance for losses on loans is as follows:

	<u>PROPRIETARY FUNDS</u>		<u>GOVERNMENTAL FUNDS</u>	
	Mortgage Purchase Fund	General Administrative Fund	HOME Fund	Other Federal and State Programs
Balance – December 31, 2020	\$7,201	\$600	\$1,000	\$5
Provision	0	11	0	7
Loans charged off	(41)	0	(53)	(10)
Recoveries	14	6	0	0
Balance – September 30, 2021	<u>\$7,174</u>	<u>\$617</u>	<u>\$947</u>	<u>\$2</u>

**(5.) BONDS AND NOTES PAYABLE**

MaineHousing issues bonds that pay interest that is subject to Alternative Minimum Tax (AMT), bonds that pay interest that is not subject to this tax (Non-AMT) and federally taxable bonds. Interest paid on AMT bonds is treated as a preference item in calculating the tax imposed on individuals and corporations under the Internal Revenue Service Code. MaineHousing's AMT, Non-AMT and federally taxable bonds are denoted for each series or sub-series below.

The interest rates presented in the table below for variable rate bonds represent the rate at September 30, 2021. The Single-Family (S/F) and Multi-Family (M/F) Mortgage Bonds Payable outstanding at September 30, 2021 are as follows:

	<u>Original Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate(s)</u>	<u>Maturities/ Sinking Fund Installments on Bonds Outstanding</u>	<u>Range of Required Annual Principal Payments on Bonds</u>	
<b>PROPRIETARY FUNDS</b>						
MORTGAGE PURCHASE FUND						
2005 SERIES G BONDS (M/F):						
2005 Series G (AMT)						
Term Bonds	<u>\$22,300</u>	<u>\$20,095</u>	Variable - 0.08%	2021-2037	230	- 4,385
2012 SERIES A BONDS (S/F):						
2012 Series A-1 (AMT)						
Serial Bonds	42,610	0	2.60%			
Term Bonds	21,885	0	4.00%			
Term Bonds	<u>22,575</u>	<u>670</u>	4.50%	2026-2027	240	- 430
	<u>87,070</u>	<u>670</u>				

**Maine State Housing Authority**  
**Notes to Financial Statements – September 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2013 SERIES B BONDS (S/F):</b>							
<b>2013 Series B (Non-AMT)</b>							
Serial Bonds	7,540	3,610	2.70% - 2.75%	2023-2024	1,775	-	1,835
Term Bonds	3,890	2,000	3.00%	2026-2027	985	-	1,015
Term Bonds	38,690	37,100	3.45%	2028-2032	5,625	-	8,280
Term Bonds	28,880	27,600	3.60%	2033-2036	2,230	-	9,205
Term Bonds	<u>27,000</u>	<u>1,535</u>	4.00%	2036-2037	675	-	860
	<u>106,000</u>	<u>71,845</u>					
<b>2014 SERIES A BONDS (S/F):</b>							
<b>2014 Series A-1 (AMT)</b>							
Serial Bonds	5,595	0	2.40% - 2.85%				
Term Bonds	4,445	0	4.45%				
Term Bonds	<u>11,545</u>	<u>1,680</u>	3.25%	2038-2042	55	-	450
	<u>21,585</u>	<u>1,680</u>					
<b>2014 SERIES C BONDS (S/F):</b>							
<b>2014 Series C-1 (AMT)</b>							
Serial Bonds	14,860	4,475	3.00% - 3.10%	2023-2024	1,370	-	3,105
Term Bonds	2,000	0	3.63%				
Term Bonds	7,620	0	4.00%				
Term Bonds	17,465	3,965	3.50%	2034-2041	215	-	975
<b>2014 Series C-2 (Non-AMT)</b>							
Term Bonds	<u>29,000</u>	<u>29,000</u>	3.75%	2030-2034	3,485	-	8,065
	<u>70,945</u>	<u>37,440</u>					
<b>2015 SERIES A BONDS (M/F)</b>							
<b>2015 Series A-1 (AMT)</b>							
Serial Bonds	13,485	5,390	2.88% - 3.05%	2023-2025	1,745	-	1,855
<b>2015 Series A-2 (Non-AMT)</b>							
Term Bonds	6,555	5,955	3.25%	2026-2029	525	-	2,675
<b>2015 Series A-3 (Non-AMT)</b>							
Serial Bonds	8,050	0	1.20%				
Term Bonds	11,220	11,220	3.50%	2030-2034	2,085	-	2,410
Term Bonds	13,505	13,505	3.63%	2035-2039	2,505	-	2,905
Term Bonds	<u>16,225</u>	<u>16,225</u>	3.75%	2040-2044	2,995	-	3,500
	<u>69,040</u>	<u>52,295</u>					
<b>2015 SERIES B BONDS (S/F)</b>							
<b>2015 Series B (Non-AMT)</b>							
Serial Bonds	9,750	3,435	2.30% - 2.60%	2023-2025	1,115	-	1,175
Term Bonds	10,750	10,750	3.20%	2026-2030	2,015	-	2,285
Term Bonds	1,610	1,610	3.45%	2031-2034	380	-	425
Term Bonds	<u>9,890</u>	<u>2,185</u>	3.50%	2035-2040	315	-	395
	<u>32,000</u>	<u>17,980</u>					
<b>2015 SERIES C BONDS (M/F)</b>							
<b>2015 Series C (Federally Taxable)</b>							
Serial Bonds	9,480	0	2.74% - 3.04%				
Term Bonds	18,000	4,100	3.59%	2030		4,100	
Term Bonds	<u>12,520</u>	<u>7,800</u>	3.95%	2038-2040	2,500	-	2,700
	<u>40,000</u>	<u>11,900</u>					
<b>2015 SERIES D BONDS (S/F)</b>							
<b>2015 Series D (Non-AMT)</b>							
Serial Bonds	7,105	3,800	2.80% - 3.30%	2023-2026	900	-	1,000
Term Bonds	3,340	0	3.75%				
Term Bonds	4,890	0	4.00%				
Term Bonds	7,585	0	4.25%				
Term Bonds	<u>7,080</u>	<u>1,940</u>	4.00%	2041-2045	300	-	490
	<u>30,000</u>	<u>5,740</u>					
<b>2015 SERIES E BONDS (S/F)</b>							
<b>2015 Series E-1 (AMT)</b>							
Serial Bonds	30,115	9,610	3.10% - 3.60%	2023-2026	1,845	-	2,595
Term Bonds	26,690	0	4.00%				
Term Bonds	26,325	7,245	3.50%	2031-2034	880	-	2,510
<b>2015 Series E-2 (Non-AMT)</b>							
Term Bonds	2,105	2,105	3.80%	2031-2033	650	-	755
Term Bonds	8,360	5,850	4.05%	2039-2040	1,575	-	4,275
Term Bonds	14,535	0	4.15%				

**Maine State Housing Authority**  
**Notes to Financial Statements – September 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2015 Series E-3 (AMT)							
Term Bonds	30,000	30,000	Variable - 0.08%	2035-2038	5,455	-	8,975
	<u>138,130</u>	<u>54,810</u>					
2015 SERIES F BONDS (M/F)							
2015 Series F-2 (Non-AMT)							
Serial Bonds	2,450	2,000	2.35% - 2.85%	2023-2026		500	
2015 Series F-3 (Non-AMT)							
Serial Bonds	15,005	0	1.10%				
Term Bonds	6,340	6,270	3.40%	2027-2030	1,115	-	1,785
Term Bonds	9,565	0	3.85%				
Term Bonds	11,840	7,815	3.95%	2038-2040	2,490	-	2,720
	<u>45,200</u>	<u>16,085</u>					
2015 SERIES G BONDS (S/F)							
2015 Series G (Non-AMT)							
Serial Bonds	8,185	6,905	2.35% - 3.00%	2023-2027	675	-	2,095
Term Bonds	1,730	1,730	3.35%	2028-2030	535	-	615
Term Bonds	2,125	2,125	3.65%	2031-2035	325	-	525
Term Bonds	12,060	7,420	3.85%	2038-2040	2,410	-	2,535
Term Bonds	5,900	1,965	3.50%	2041-2045	310	-	430
	<u>30,000</u>	<u>20,145</u>					
2016 SERIES A BONDS (S/F)							
2016 Series A (Non-AMT)							
Serial Bonds	6,065	3,990	1.70% - 2.45%	2022-2026	745	-	855
Term Bonds	6,520	6,520	2.90%	2027-2030	1,545	-	1,720
Term Bonds	4,630	4,630	3.30%	2031-2035	865	-	990
Term Bonds	10,900	10,900	3.55%	2036-2040	1,960	-	2,355
Term Bonds	6,885	2,445	4.00%	2041-2045	470	-	515
	<u>35,000</u>	<u>28,485</u>					
2016 SERIES B BONDS (S/F)							
2016 Series B-1 (Non-AMT)							
Serial Bonds	19,260	13,105	1.70% - 2.55%	2022-2027	1,970	-	2,410
Term Bonds	3,885	1,205	2.70%	2028		1,205	
Term Bonds	18,855	5,600	3.50%	2040-2046	340	-	925
2016 Series B-2 (AMT)							
Term Bonds	28,000	28,000	Variable - 0.08%	2029-2037	2,720	-	3,420
	<u>70,000</u>	<u>47,910</u>					
2016 SERIES C BONDS (S/F)							
2016 Series C (Non-AMT)							
Serial Bonds	13,620	11,815	1.55% - 2.50%	2022-2028	950	-	3,475
Term Bonds	5,670	5,670	2.75%	2029-2031	1,185	-	2,285
Term Bonds	8,975	8,975	3.00%	2032-2036	1,305	-	2,510
Term Bonds	3,355	3,355	3.15%	2037-2041	625	-	720
Term Bonds	8,380	3,520	3.50%	2042-2046	665	-	750
	<u>40,000</u>	<u>33,335</u>					
2016 SERIES D BONDS (M/F)							
2016 Series D (Federally Taxable)							
Serial Bonds	32,000	32,000	2.24% - 2.99%	2023-2029	825	-	8,185
Term Bonds	8,000	8,000	3.29%	2030-2031		4,000	
	<u>40,000</u>	<u>40,000</u>					
2016 SERIES E BONDS (S/F)							
2016 Series E (Non-AMT)							
Serial Bonds	6,250	3,715	2.45% - 3.15%	2023-2027	690	-	800
Term Bonds	3,050	800	3.63%	2031		800	
Term Bonds	10,385	0	3.90%				
Term Bonds	8,315	3,850	4.00%	2037-2046	335	-	435
	<u>28,000</u>	<u>8,365</u>					
2017 SERIES A BONDS (S/F)							
2017 Series A (Non-AMT)							
Serial Bonds	5,920	4,180	2.30% - 3.15%	2023-2028	635	-	765
Term Bonds	3,360	3,360	3.65%	2029-2032	790	-	895
Term Bonds	6,315	0	4.00%				
Term Bonds	7,625	7,625	4.05%	2038-2042	1,405	-	1,645
Term Bonds	6,780	3,410	4.00%	2043-2047	560	-	1,035
	<u>30,000</u>	<u>18,575</u>					

**Maine State Housing Authority**  
**Notes to Financial Statements – September 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2017 SERIES B BONDS (S/F)</b>							
<b>2017 Series B (Non-AMT)</b>							
Serial Bonds	8,680	7,375	1.65% - 3.00%	2022-2030	690	-	1,010
Term Bonds	4,215	4,215	3.25%	2031-2032	2,090	-	2,125
Term Bonds	6,170	6,170	3.65%	2033-2037	1,150	-	1,325
Term Bonds	8,745	8,745	3.75%	2038-2044	1,115	-	1,355
Term Bonds	<u>7,190</u>	<u>3,925</u>	4.00%	2045-2047	1,290	-	1,335
	<u>35,000</u>	<u>30,430</u>					
<b>2017 SERIES D BONDS (M/F)</b>							
<b>2017 Series D-1 (Non-AMT)</b>							
Serial Bonds	13,175	8,000	1.70% - 2.95%	2022-2029	1,000	-	-
Term Bonds	14,320	14,320	3.50%	2033-2037	2,250	-	3,980
Term Bonds	5,870	5,870	3.65%	2038-2042	1,090	-	1,265
Term Bonds	7,810	7,810	3.75%	2043-2047	1,445	-	1,680
<b>2017 Series D-2 (AMT)</b>							
Term Bonds	<u>50,000</u>	<u>50,000</u>	Variable - 0.07%	2042-2046	10,000	-	-
	<u>91,175</u>	<u>86,000</u>					
<b>2017 SERIES E BONDS (S/F)</b>							
<b>2017 Series E (Federally Taxable)</b>							
Term Bonds	<u>60,000</u>	<u>60,000</u>	Variable - 0.07%	2042-2052	5,000	-	10,000
	<u>60,000</u>	<u>60,000</u>					
<b>2017 SERIES F BONDS (S/F)</b>							
<b>2017 Series F (Non-AMT)</b>							
Serial Bonds	13,180	11,430	1.75% - 3.00%	2023-2030	970	-	1,675
Term Bonds	2,055	2,055	3.15%	2031-2032	1,005	-	1,050
Term Bonds	5,920	5,920	3.50%	2033-2037	1,090	-	1,280
Term Bonds	7,000	7,000	3.65%	2038-2042	1,320	-	1,490
Term Bonds	<u>11,845</u>	<u>6,855</u>	3.50%	2043-2047	1,070	-	2,325
	<u>40,000</u>	<u>33,260</u>					
<b>2017 SERIES G BONDS (S/F - M/F)</b>							
<b>2017 Series G-1 (Federally Taxable)</b>							
Term Bonds	55,000	55,000	Variable - 0.07%	2045-2050	8,290	-	10,090
<b>2017 Series G-2 (Federally Taxable)</b>							
Term Bonds	<u>3,520</u>	<u>3,520</u>	0.00%	2022	3,520	-	-
	<u>58,520</u>	<u>58,520</u>					
<b>2017 SERIES H BONDS (S/F)</b>							
<b>2017 Series H (Non-AMT)</b>							
Serial Bonds	18,380	18,380	2.10% - 3.05%	2023-2030	1,105	-	4,510
Term Bonds	5,420	5,420	3.25%	2031-2033	1,750	-	1,865
Term Bonds	10,625	10,625	3.55%	2034-2037	2,515	-	2,795
Term Bonds	1,485	1,485	3.70%	2038-2042	275	-	320
Term Bonds	<u>2,590</u>	<u>2,590</u>	3.75%	2043-2047	480	-	555
	<u>38,500</u>	<u>38,500</u>					
<b>2018 SERIES A BONDS (S/F)</b>							
<b>2018 Series A (Non-AMT)</b>							
Serial Bonds	13,510	9,335	2.40% - 3.25%	2023-2030	1,135	-	1,200
Term Bonds	3,680	3,680	3.50%	2031-2033	1,215	-	1,245
Term Bonds	8,630	8,630	3.75%	2034-2038	1,685	-	1,765
Term Bonds	<u>9,180</u>	<u>9,180</u>	3.90%	2039-2043	1,790	-	1,885
	<u>35,000</u>	<u>30,825</u>					
<b>2018 SERIES B BONDS (S/F)</b>							
<b>2018 Series B (Non-AMT)</b>							
Serial Bonds	10,565	7,205	2.40% - 3.10%	2023-2028	1,170	-	1,230
Term Bonds	6,005	6,005	3.50%	2029-2033	1,175	-	1,230
Term Bonds	11,270	11,270	3.75%	2034-2038	2,195	-	2,320
Term Bonds	<u>12,160</u>	<u>12,160</u>	3.85%	2039-2043	2,355	-	2,515
	<u>40,000</u>	<u>36,640</u>					
<b>2018 SERIES C BONDS (S/F)</b>							
<b>2018 Series C (Non-AMT)</b>							
Serial Bonds	14,200	10,310	2.25% - 3.25%	2023-2030	485	-	1,955
Term Bonds	4,080	4,080	3.55%	2031-2033	1,345	-	1,375
Term Bonds	7,195	1,485	3.85%	2038	-	1,485	-
Term Bonds	9,595	9,595	3.95%	2039-2043	1,750	-	2,415
Term Bonds	<u>9,930</u>	<u>7,450</u>	4.00%	2044-2048	255	-	3,395
	<u>45,000</u>	<u>32,920</u>					

**Maine State Housing Authority**  
**Notes to Financial Statements – September 30, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2018 SERIES D BONDS (S/F - M/F)							
2018 Series D-1 (Federally Taxable)							
Term Bonds	40,000	40,000	Variable - 0.51%	2043-2053	2,965	-	4,395
2018 Series D-2 (Federally Taxable)							
Term Bonds	<u>3,150</u>	<u>3,150</u>	0.00%	2023	3,150	-	-
	<u>43,150</u>	<u>43,150</u>					
2018 SERIES F BONDS (S/F)							
2018 Series F (Non-AMT)							
Serial Bonds	7,710	5,930	2.65% - 3.70%	2023-2030	405	-	1,235
Term Bonds	3,745	0	3.85%				
Term Bonds	6,450	0	4.13%				
Term Bonds	6,225	0	4.20%				
Term Bonds	<u>10,300</u>	<u>7,925</u>	4.25%	2044-2048	315	-	3,575
	<u>34,430</u>	<u>13,855</u>					
2019 SERIES A BONDS (S/F)							
2019 Series A (Non-AMT)							
Serial Bonds	12,670	10,915	2.20% - 3.05%	2023-2030	695	-	3,330
Term Bonds	4,305	4,305	3.45%	2031-2034	1,005	-	1,150
Term Bonds	2,605	2,605	3.80%	2035-2039	475	-	570
Term Bonds	10,880	10,880	4.00%	2040-2044	1,980	-	2,385
Term Bonds	<u>9,005</u>	<u>7,280</u>	4.00%	2046-2049	1,070	-	2,760
	<u>39,465</u>	<u>35,985</u>					
2019 SERIES B BONDS (S/F)							
2019 Series B (Non-AMT)							
Serial Bonds	18,075	16,130	1.80% - 2.80%	2022-2032	695	-	2,245
Term Bonds	1,470	1,470	2.95%	2033-2034	720	-	750
Term Bonds	10,615	10,615	3.15%	2035-2039	1,745	-	2,730
Term Bonds	<u>9,840</u>	<u>9,840</u>	3.35%	2040-2044	1,795	-	2,130
	<u>40,000</u>	<u>38,055</u>					
2019 SERIES C BONDS (S/F)							
2019 Series C (Non-AMT)							
Serial Bonds	8,415	7,140	1.45% - 2.45%	2022-2031	100	-	1,055
Term Bonds	6,350	6,350	2.75%	2032-2034	2,040	-	2,195
Term Bonds	5,250	5,250	3.00%	2035-2039	100	-	2,275
Term Bonds	10,270	10,270	3.20%	2040-2045	1,315	-	1,920
Term Bonds	<u>8,825</u>	<u>7,835</u>	4.00%	2047-2050	1,415	-	2,220
	<u>39,110</u>	<u>36,845</u>					
2019 SERIES D BONDS (M/F)							
2019 Series D (Federally Taxable)							
Term Bonds	<u>4,220</u>	<u>4,220</u>	0.00%	2024	4,220	-	-
	<u>4,220</u>	<u>4,220</u>					
2019 SERIES E BONDS (S/F)							
2019 Series E (Non-AMT)							
Serial Bonds	15,540	14,550	1.50% - 2.35%	2022-2031	660	-	3,430
Term Bonds	5,895	5,895	2.70%	2032-2034	1,935	-	1,995
Term Bonds	6,610	6,610	3.10%	2040-2044	1,230	-	1,415
Term Bonds	<u>6,400</u>	<u>5,850</u>	3.75%	2047-2049	525	-	2,720
	<u>34,445</u>	<u>32,905</u>					
2020 SERIES A BONDS (S/F)							
2020 Series A (Non-AMT)							
Serial Bonds	9,800	8,885	1.25% - 2.40%	2022-2032	680	-	955
Term Bonds	1,995	1,995	2.60%	2033-2034	980	-	1,015
Term Bonds	7,195	7,195	2.85%	2035-2039	1,050	-	1,750
Term Bonds	8,645	8,645	3.00%	2040-2044	1,620	-	1,840
Term Bonds	<u>6,715</u>	<u>6,265</u>	3.75%	2047-2049	890	-	3,860
	<u>34,350</u>	<u>32,985</u>					
2020 SERIES B BONDS (M/F)							
2020 Series B (Non-AMT)							
Serial Bonds	12,000	12,000	1.00% - 1.10%	2022-2024	4,000	-	-
Term Bonds	7,000	7,000	2.10%	2033-2035	2,140	-	2,530
Term Bonds	14,275	14,275	2.35%	2036-2040	2,690	-	3,015
Term Bonds	7,755	7,755	2.50%	2041-2045	1,470	-	1,640
Term Bonds	<u>8,970</u>	<u>8,970</u>	2.60%	2046-2050	1,695	-	1,900
	<u>50,000</u>	<u>50,000</u>					

**Maine State Housing Authority**  
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*(IN THOUSANDS OF DOLLARS)*

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2020 SERIES C BONDS (S/F)							
2020 Series C (Non-AMT)							
Serial Bonds	12,765	12,765	1.35% - 2.50%	2022-2032	950	-	1,675
Term Bonds	5,315	5,315	2.70%	2033-2035	1,715	-	1,830
Term Bonds	9,640	9,640	3.00%	2036-2040	1,770	-	2,055
Term Bonds	<u>11,235</u>	<u>10,665</u>	4.00%	2044-2050	355	-	2,140
	<u>38,955</u>	<u>38,385</u>					
2020 SERIES D BONDS (S/F)							
2020 Series D (Non-AMT)							
Serial Bonds	10,280	10,280	0.90% - 2.20%	2024-2032	990	-	1,310
Term Bonds	4,390	4,390	2.30%	2033-2035	1,090	-	2,170
Term Bonds	7,580	7,580	2.55%	2036-2040	1,270	-	2,215
Term Bonds	<u>12,750</u>	<u>12,750</u>	2.80%	2041-2045	1,465	-	4,120
	<u>35,000</u>	<u>35,000</u>					
2020 SERIES E BONDS (M/F)							
2020 Series E (Federally Taxable)							
Serial Bonds	<u>40,000</u>	<u>40,000</u>	2.02% - 2.74%	2026-2033	4,600	-	5,455
	<u>40,000</u>	<u>40,000</u>					
2020 SERIES F BONDS (S/F)							
2020 Series F (Non-AMT)							
Serial Bonds	10,465	10,465	0.30% - 1.75%	2022-2032	395	-	1,135
Term Bonds	3,415	3,415	2.00%	2033-2035	1,100	-	1,175
Term Bonds	6,535	6,535	2.15%	2036-2040	1,215	-	1,395
Term Bonds	7,710	7,710	2.25%	2041-2045	1,440	-	1,655
Term Bonds	<u>11,875</u>	<u>11,875</u>	2.40%	2046-2050	1,705	-	4,705
	<u>40,000</u>	<u>40,000</u>					
2020 SERIES G BONDS (S/F)							
2020 Series G (Non-AMT)							
Serial Bonds	25,180	25,180	0.50% - 2.20%	2024-2035	1,035	-	5,315
Term Bonds	<u>10,465</u>	<u>10,465</u>	2.38%	2036-2040	1,960	-	2,215
	<u>35,645</u>	<u>35,645</u>					
2020 SERIES H BONDS (S/F - M/F)							
2020 Series H (Federally Taxable)							
Serial Bonds	27,345	27,345	1.70% - 2.57%	2026-2032	3,800	-	4,055
Term Bonds	<u>12,655</u>	<u>12,655</u>	2.67%	2033-2035	4,130	-	4,310
	<u>40,000</u>	<u>40,000</u>					
2021 SERIES A BONDS (M/F)							
2021 Series A (Non-AMT)							
Serial Bonds	21,000	21,000	0.30% - 0.60%	2023-2026	4,000	-	8,000
Term Bonds	6,000	6,000	1.85%	2034-2036	1,955	-	2,040
Term Bonds	7,000	7,000	2.05%	2037-2041	1,345	-	1,455
Term Bonds	8,000	8,000	2.15%	2042-2046	1,540	-	1,660
Term Bonds	<u>8,000</u>	<u>8,000</u>	2.20%	2047-2051	1,530	-	1,665
	<u>50,000</u>	<u>50,000</u>					
2021 SERIES B BONDS (S/F)							
2021 Series B (Non-AMT)							
Serial Bonds	10,150	10,150	0.15% - 1.85%	2022-2032	775	-	1,050
Term Bonds	5,925	5,925	2.05%	2033-2036	1,425	-	1,550
Term Bonds	8,550	8,550	2.20%	2037-2041	1,600	-	1,800
Term Bonds	7,050	7,050	2.40%	2042-2046	1,325	-	1,500
Term Bonds	<u>8,325</u>	<u>8,325</u>	2.45%	2047-2051	1,550	-	1,800
	<u>40,000</u>	<u>40,000</u>					
2021 SERIES C BONDS (S/F)							
2021 Series C (Non-AMT)							
Serial Bonds	10,755	10,755	0.15% - 1.80%	2022-2033	500	-	1,080
Term Bonds	5,730	5,730	1.90%	2034-2036	1,850	-	1,965
Term Bonds	10,865	10,865	2.15%	2037-2041	2,035	-	2,310
Term Bonds	<u>12,650</u>	<u>12,650</u>	2.30%	2042-2046	2,375	-	2,700
	<u>40,000</u>	<u>40,000</u>					
		1,541,480					
Plus: Net Unamortized Bond Premium		<u>1,249</u>					
Total Mortgage Purchase Fund	<u>2,017,235</u>	<u>1,542,729</u>					
Total Proprietary Funds	<u>\$2,017,235</u>	<u>\$1,542,729</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds
<b>GOVERNMENTAL FUNDS</b>					
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND					
2010 Series 1 (Non-AMT)					
Serial Bonds	\$39,970	\$19,180	3.25% - 5.00%	2022-2026	355 - 3,800
2010 Series 2 (Taxable)					
Serial Bonds	9,630	0	3.03%		
		19,180			
Plus: Net Unamortized Bond Premium		75			
Total Maine Energy, Housing & Recovery Fund Group	49,600	19,255			
Total Governmental Funds	\$49,600	\$19,255			

The following table summarizes the debt activity for the period ended September 30, 2021:

<b>Fund</b>	Outstanding at December 31, 2020	Issues	Retirement	Outstanding at September 30, 2021
Mortgage Purchase Fund	\$1,555,700	\$130,000	(\$144,220)	\$1,541,480
Maine Energy, Housing & Economic Recovery Fund	22,630	0	(3,450)	19,180
Total	\$1,578,330	\$130,000	(\$147,670)	\$1,560,660

Interest on bonds is payable semi-annually for the Mortgage Purchase Fund and the Maine Energy, Housing & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund and June 15 for the Maine Energy, Housing & Economic Recovery Fund.

The interest calculations shown in the table below are based on the variable rate in effect at September 30, 2021 and may not be indicative of actual interest expense that will be incurred. As rates vary, variable rate bond interest payments and net swap payments will vary. The following table provides a summary of MaineHousing's bond debt service requirements and net interest rate swap payments through 2025 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund					Maine Energy, Housing & Economic Recovery Fund	
	Fixed and Variable Unswapped		Variable Swapped		Swaps Net Interest	Fixed	
	Principal	Interest	Principal	Interest		Principal	Interest
2021	\$0	\$17,866	\$230	\$161	\$3,365	\$0	\$377
2022	19,085	36,090	255	153	3,768	3,565	697
2023	48,565	35,888	285	153	3,489	3,680	579
2024	59,715	35,036	295	153	3,209	3,800	424
2025	53,550	33,943	305	153	3,200	3,990	252
2026-2030	273,315	151,363	7,480	757	12,629	4,145	87
2031-2035	292,280	110,100	32,125	701	6,293	0	0
2036-2040	232,150	70,701	37,120	506	433	0	0
2041-2045	195,612	34,469	56,623	404	0	0	0
2046-2050	134,223	10,491	67,127	152	0	0	0
2051-2055	24,890	202	6,250	7	0	0	0
Total	\$1,333,385	\$536,149	\$208,095	\$3,300	\$36,386	\$19,180	\$2,416



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MaineHousing’s bonds are a special obligation of MaineHousing and do not constitute a debt or liability of the State of Maine. The bonds are secured in accordance with bond resolutions. Security for bonds in the Mortgage Purchase Fund includes the mortgage loans made or purchased under the resolution and all monies and investments in the fund and accounts pledged under the resolution. Bonds in the Mortgage Purchase Fund may be redeemed in excess of the annual maturities in accordance with the terms of the resolution. Bonds in the Maine Energy, Housing & Economic Recovery Fund are secured by a portion of the Real Estate Transfer Tax revenues collected by the State of Maine and the bonds may be redeemed in excess of the annual maturities.

*Notes Payable*

Notes payable outstanding at September 30, 2021 are recorded in the General Administrative Fund and are as follows:

- 1.) A \$4,200 note payable to the Federal Home Loan Bank (FHLB) at a fixed rate of 0%, maturing December 28, 2021. The note is collateralized with a \$5,000 FHLB debt security that is being held in trust in MaineHousing’s name.

The proceeds from this note are used exclusively in accordance with FHLB’s *Helping to House New England (HHNE)* program, which is designed to support affordable housing initiatives through the six New England Housing Finance Agencies.

- 2.) A \$15,027 note payable to TD Bank, N.A. at a fixed rate of 3.20%, maturing November 1, 2033. Principal and interest payments are due monthly based on a 20-year amortization.

The proceeds from this note were used for the acquisition and rehabilitation of an office building for MaineHousing. The note is secured by a mortgage agreement on the property and a \$2,403 non-negotiable certificate of deposit held with the lender.

The following table provides a summary of note payment requirements through 2025 and in five-year increments thereafter to maturity:

Year(s)	Principal	Interest	Total
2021	\$4,351	\$121	\$4,472
2022	615	474	1,089
2023	636	453	1,089
2024	655	434	1,089
2025	678	411	1,089
2026-2030	3,738	1,705	5,443
2031-2033	8,554	714	9,268
Total	<u>\$19,227</u>	<u>\$4,312</u>	<u>\$23,539</u>

*Moral Obligation Debt*

The reserve funds of the Mortgage Purchase Fund are secured by a non-binding obligation (moral obligation) from the State of Maine to replenish by appropriation any deficiency in such reserve funds. MaineHousing is authorized to have an aggregate amount not to exceed \$2,150,000 of outstanding bonds secured by this obligation. Of that amount, \$1,541,480 was outstanding at September 30, 2021.

*Other Debt*

MaineHousing uses its tax-exempt debt issuing authority to provide financial assistance to private sector developers for the acquisition and rehabilitation, or the construction of multi-family housing projects serving low-to-moderate income households. The debt, which is referred to as conduit debt, is collateralized by revenues generated by the properties financed and is repayable solely from payments received on the underlying mortgage loans and any specific third-party credit enhancement associated with the individual financings. MaineHousing has a total of \$27,745 outstanding at September 30, 2021. The debt does not constitute a liability or a pledge of faith and credit of MaineHousing and is not reported in the accompanying financial statements.

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**(6.) INTEREST RATE SWAP AGREEMENTS**

MaineHousing has twelve interest rate swap agreements (swaps) with four counterparties as of September 30, 2021. The objective of the agreements is to attain a synthetic fixed interest rate on a portion of its variable rate bonds at a cost expected to be less than rates associated with fixed-rate debt. The swap agreement terms state MaineHousing is to make semi-annual fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive semi-annual payments based upon either the thirty-day or ninety-day London InterBank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA).

The swaps have an aggregate negative fair value of \$12,061 at September 30, 2021. During 2021, the fair value of the swaps increased by \$6,348. The fair value was estimated using a zero-coupon method and Level 3 inputs. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the current yield curve correctly anticipate future spot interest rates. These payments are then discounted using spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. These amounts are adjusted for estimated unwinding costs.

The swaps have been determined to constitute an effective hedge of a portion of the variable rate bond portfolio equal to the notional amount of the swaps at September 30, 2021 by using the regression analysis and synthetic instrument methods. The aggregate fair value is classified as a derivative instrument liability and a deferred outflow of resources, which represents the accumulated decrease in fair value. Variable rate bonds outstanding at September 30, 2021 total \$283,095.

The following table contains the terms, fair values, and credit ratings of the swaps as of September 30, 2021. Specific swaps are assigned to certain debt issuances for arbitrage purposes. The credit ratings were issued by Moody's Investor Services and Standard & Poor's, respectively.

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate		Fair Value	Swap Termination Date	Counterparty Credit Rating
			Paid	Variable Rate Received			
2005 Series G	\$20,095	2/1/2006	3.59%	65% of 30 day LIBOR plus .20%	(\$6,129)	11/15/2037	Aa2/A+
2015 Series E-3	5,000	11/15/2016	1.15%	70% of 30 day LIBOR	(149)	11/15/2025	Aa2/AA-
2015 Series E-3	5,000	11/15/2019	1.40%	70% of 30 day LIBOR	(241)	11/15/2029	Aa3/A+
2015 Series E-3	20,000	5/15/2021	1.46%	67% of 30 day LIBOR	(1,258)	11/15/2032	A1/A
2016 Series B-2	8,000	5/15/2017	1.61%	70% of 30 day LIBOR	(309)	11/15/2031 <sup>1</sup>	Aa2/AA-
2016 Series B-2	20,000	11/15/2017	1.66%	70% of 30 day LIBOR	(830)	11/15/2031 <sup>1</sup>	Aa2/AA-
2017 Series D-2	10,000	11/15/2019	1.87%	75% of 30 day LIBOR plus 0.46%	(418)	11/15/2026	Aa3/A+
2017 Series D-2	12,500	11/15/2018	2.57%	70% of 30 day LIBOR plus 0.45%	(1,229)	11/15/2028	Aa3/A+
2017 Series D-2	12,500	11/15/2018	2.59%	70% of 30 day LIBOR plus 0.45%	(1,704)	11/15/2033	Aa3/A+
2017 Series D-2	15,000	1/29/2008	3.71%	100% of SIFMA plus .06%	(1,052)	5/15/2023	Aa2/A+
2017 Series G-1	25,000	11/15/2019	1.90%	100% of 30 day LIBOR	(1,437)	11/15/2026	A1/A
2017 Series G-1	30,000	11/15/2020	0.88%	100% of 90 day LIBOR	2,695	11/15/2035	A1/A
Totals	<u>\$183,095</u>				<u>(\$12,061)</u>		

1. MaineHousing has the option of termination, with no Termination Payment on November 15, 2026 and on each May 15 and November 15 thereafter.

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The following table contains the terms and credit rating of an executed swap agreement with an effective date after September 30, 2021:

<b>Related Debt Issuance</b>	<b>Initial Notional Amount</b>	<b>Effective Date of Swap</b>	<b>Fixed Rate Paid</b>	<b>Variable Rate Received</b>	<b>Fair Value</b>	<b>Swap Termination Date</b>	<b>Counterparty Credit Rating</b>
2017 Series E	25,000	11/15/2021	1.69%	100% of 30 day LIBOR	n/a	11/15/2032	Aa3/A+

**Credit Risk** – The swaps contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. The requirements of the collateral agreements are met as of September 30, 2021. MaineHousing is not exposed to credit risk for the swaps that have negative fair values. At September 30, 2021, there is one swap that has a positive fair value of \$2,695. This amount represents MaineHousing’s credit exposure to the related counterparty and the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. Fair value is only a factor upon termination.

**Basis Risk** – The floating rate payments provided by the counterparties are based upon either the SIFMA index or the LIBOR index. MaineHousing’s floating rate bonds will have rates adjusted weekly. The LIBOR rate will be adjusted on a monthly basis, except for 2017 Series G-1, which is adjusted on a quarterly basis. MaineHousing’s bonds are expected to track with the SIFMA Index, which differs from the LIBOR index. If the floating rate tax exempt bonds, which should correspond to the SIFMA index, trade at a value significantly different than their historical relationship to LIBOR, the net cost to MaineHousing could increase or decrease. As of September 30, 2021, the thirty day LIBOR rate and the ninety day LIBOR rate were 0.08% and 0.13%, respectively and the SIFMA rate was 0.05%.

**Termination Risk** – In addition to the optional terminations embedded in some of MaineHousing’s swap agreements, agreements may be terminated in whole or in part prior to the respective maturities of the bonds under certain circumstances (including certain events of default with respect to MaineHousing or the swap providers). Following certain terminations of the swap agreements, either MaineHousing or the swap providers, as applicable, may owe a termination payment equal to the fair value of the swap to the other, depending upon market conditions and the events that caused such swap agreements to terminate. Under certain circumstances, this termination payment could be substantial. Such termination payment by MaineHousing would be payable on a basis subordinate to the payments on the bonds.

**Rollover Risk** – MaineHousing is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt.

**(7.) RETIREMENT BENEFITS**

MaineHousing has defined contribution and defined benefit pension plans that cover substantially all employees. Employees have the option to participate in either plan.

**Defined Contribution Plan**

The defined contribution plan consists of a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a separate plan created under the provisions of the Internal Revenue Code Section 401(a).

Benefit terms, including contribution requirements, for the defined contribution plan are established by management. For each participant in the plan, MaineHousing contributes 2.9% of annual salary to the 401(a) plan. Additionally, if a participant makes voluntary contributions to the 457 plan, MaineHousing matches the contributions up to 7.6% of annual salary. The employer match contribution is made to the 401(a) plan.

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For the period ended September 30, 2021, employee contributions totaled \$600 and MaineHousing recognized expense of \$447. Employees are immediately vested in their own contributions, MaineHousing contributions, and the earnings on those contributions.

**Defined Benefit Plan**

*Plan Description:* MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System's (MainePERS) PLD Consolidated Retirement Plan and employees may elect to participate in this multiple-employer cost sharing defined benefit plan. An advisory group established by Maine statute reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them.

*Benefits Provided:* Retirement benefits are based on participants' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. The normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years (20 years for participants in the plan prior to July 1, 2014) of service credit is reduced by a statutorily prescribed factor for each year of age that a participant is below her/his normal retirement age at retirement.

Post-retirement cost-of-living adjustments (COLA) become available to participants after 24 months of retirement. The post-retirement COLA is capped at 2.5% annually. The plan also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Upon termination, accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and rights. The annual rate of interest credited to participants' accounts is set by MainePERS Board of Trustees and is currently 1.92%.

*Contributions:* Retirement benefits are funded by contributions from participants and employers and by earnings from MainePERS investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Participant and employer normal cost contributions are each a percentage of applicable participant compensation. Participant contribution rates are defined by law or by the MainePERS Board of Trustees. Employers' contributions are determined by actuarial valuations. As of September 30, 2021, the established MainePERS employer contribution rate is 10.3% and employee contribution rates are 7.80% for participants with a normal retirement age of 60 and 7.05% for participants with a normal retirement age of 65. MaineHousing pays on behalf of its employees 0.20% of the MainePERS employee contribution rate. Total employer contributions were \$381 for the period ended September 30, 2021.

***Actuarial Methods and Assumptions***

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions, applied to all periods included in the measurement:

*Actuarial Cost Method* – The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

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*Asset Valuation Method* – The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization* – The net pension liability is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

*Actuarial Assumptions:* The actuarial valuation as of June 30, 2020 and June 30, 2019 used the following actuarial assumptions:

*Investment Rate of Return* – 6.75% per annum, compounded annually.

*Inflation Rate* – 2.75%.

*Annual Salary Increases, including Inflation* – 2.75% plus merit component based on each employee’s year of service for 2020 and 2.75% to 9.00% for 2019.

*Cost of Living Benefit Increases* – 1.91%

*Mortality Rates* – RP 2014 Total Dataset Healthy Annuitant Mortality Table for males and females.

The actuarial assumptions used in the June 30, 2020 and June 30, 2019 valuations were based on the results of an actuarial experience study covering the period June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

*Discount Rate:* The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Net Pension Liability:* At September 30, 2021, MaineHousing has a liability of \$2,819 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total

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pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MaineHousing’s proportion of the net pension liability was based on MaineHousing’s employer contributions received by MainePERS during the measurement period July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all participating entities. MaineHousing’s proportion was 0.709590% at September 30, 2021 and December 31, 2020. The proportion was 0.746717% at December 31, 2019.

*Sensitivity of MaineHousing’s proportionate share of the net pension liability to changes in the discount rate:* The following represents MaineHousing’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what MaineHousing’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
<u>@ 5.75%</u>	<u>@ 6.75%</u>	<u>@ 7.75%</u>
\$5,925	\$2,819	\$277

Changes in net pension liability are recognized in pension expense for the period ended September 30, 2021 with the following exceptions:

*Differences Between Expected and Actual Experience* – The difference between expected and actual experience with regard to economic or demographic factors was recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the 2020 valuation, this was three years and for the 2019 valuation this was four years.

*Differences Between Projected and Actual Investment Earnings* – Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Changes in Assumptions* – Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions for the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions* – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer’s proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown either as deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer’s proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the period ended September 30, 2021, MaineHousing recognized pension expense of \$381 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$169	\$31
Employer contributions subsequent to the measurement date	225	0
Net difference between projected and actual earnings on pension plan investments	183	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	212
Total	\$577	\$243

Amounts reported as deferred outflows of resources related to pensions for MaineHousing’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense through December 31, 2024 as follows:

Year ended December 31:	Pension Expense Amount
2021	(\$200)
2022	(\$2)
2023	\$155
2024	\$156

*Payables to the Pension Plan:* At September 30, 2021, MaineHousing’s total payable to MainePERS for unremitted contributions is \$13.

*Pension plan fiduciary net position:* Detailed information about the plan’s fiduciary net position is available in the separately issued MainePERS’ Comprehensive Annual Financial Report at [www.maineopers.org](http://www.maineopers.org)

**(8.) AVAILABLE BONDS PROCEEDS**

**MORTGAGE PURCHASE FUND**

The following bond proceed amounts are invested in the various bond proceed sub-accounts of the Bond Proceeds Fund of the Mortgage Purchase Fund and are available for the purchase of mortgages:

2018 Series D-2 (M/F)	\$271
2019 Series A (S/F)	8,473
2019 Series D (M/F)	686
2020 Series B (M/F)	19,852
2020 Series H (S/F, M/F)	3,073
2021 Series A (M/F)	43,083
2021 Series B (S/F)	24,478
2021 Series C (S/F)	37,552
	\$137,468

**MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND**

The following bond proceed amounts are invested in accordance with the Maine Energy, Housing and Recovery General Indenture and are available for program activities:

2010 Series 1	\$90
2010 Series 2	135
	\$225

**Maine State Housing Authority**  
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**(9.) COMMITMENTS**

**MORTGAGE COMMITMENTS**

Mortgage commitments are agreements to loan money provided there is no violation of any term or condition established in the agreement. Generally, once exercised, the loans made under the terms of such commitments are secured by a lien on the related property and other collateral as MaineHousing deems necessary. At September 30, 2021, MaineHousing had outstanding commitments in several funds to originate multi-family mortgage loans of approximately \$295,263. MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At September 30, 2021, single-family loans being processed by lenders for MaineHousing totaled approximately \$46,976.

**(10.) RESERVE FUNDS**

**MORTGAGE PURCHASE FUND – HOUSING RESERVE FUND**

On or before December 1 of each year, MaineHousing is required to value the Housing Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Housing Reserve Fund Minimum Requirement. The Housing Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding calendar year on bonds outstanding. The Housing Reserve Fund Minimum Requirement as of September 30, 2021 was \$89,243. When issuing bonds MaineHousing must also meet the Housing Reserve Fund Maximum Requirement. The Housing Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent calendar year. The Housing Reserve Fund Maximum Requirement as of September 30, 2021 was \$128,817.

In calculating the Housing Reserve Minimum and the Housing Reserve Maximum requirements, MaineHousing assumes a 12% rate for variable rate bonds, which is the maximum interest rate under the terms of the bonds. Swap payments and receipts are not included in the calculation. At September 30, 2021, valuation of the investments in the Housing Reserve Fund, computed at the lower of par or cost in accordance with the General Mortgage Purchase Program Bond Resolution, was \$153,245.

**MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND – CAPITAL RESERVE FUND**

MaineHousing is required to maintain a Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement established under the General Indenture. The Capital Reserve Fund Requirement equals the greatest amount of principal and interest maturing and becoming due in the current or any succeeding bond year. The Capital Reserve Requirement as of September 30, 2021 was \$4,320. This requirement may be satisfied by the deposit of money or by the deposit of a Credit Facility or an insurance policy for the benefit of the bondholders.

Between July 1 and July 15 of each year, MaineHousing must certify to the Treasurer of the State the amount necessary and sufficient to meet MaineHousing's debt service obligation, including amounts necessary to replenish the Capital Reserve Fund to the Capital Reserve Requirement. At September 30, 2021, valuation of the Capital Reserve Fund insurance policy in the Capital Reserve Fund was \$4,320.

**(11.) EXCESS ARBITRAGE TO BE REBATED**

Tax-exempt bonds issued by MaineHousing are subject to Internal Revenue Service regulations that limit the amount of income that can be earned with non-mortgage investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds. Excess earnings must be rebated every five years. At September 30, 2021, there are no arbitrage liabilities to be rebated.

Prior rebate payments made by MaineHousing that are eligible for refund from the United States Treasury, based on estimated arbitrage rebate calculations, are recorded as a receivable in other assets. MaineHousing has receivables in the amount of \$184 in the Mortgage Purchase Fund at September 30, 2021.



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**(12.) FUND TRANSFERS AND INTERFUND BALANCES**

MaineHousing records transfers between funds for various purposes including program subsidies, fees and capital asset transfers. Transfers for the period ended September 30, 2021 consisted of the following:

	General Administrative Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal and State Programs
Capital Assets	\$207	\$0	(\$195)	(\$12)
Program Administrative Fees	450	(450)	0	0
	<u>\$657</u>	<u>(\$450)</u>	<u>(\$195)</u>	<u>(\$12)</u>

MaineHousing reports interfund balances among its funds. These balances generally consist of amounts for various revenues or expenses due to a fund, but received or paid to another and funds for loan closings. These amounts are generally paid or received within the subsequent year.

Interfund accounts receivable (payable) balances at September 30, 2021 consisted of the following:

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Emergency Rental Assistance Programs	Maine Energy, Housing & Economic Recovery Program	Other Federal and State Programs
Receivable due from:									
Mortgage Purchase Fund	\$0	\$0	\$4,393	\$0	\$0	\$0	\$0	\$0	\$0
General Administrative Fund	0	0	0	0	0	4,053	14,719	564	308
Other Federal And State Programs	96	0	165	12,938	0	0	0	0	0
Collectively, all other funds	0	0	15	0	0	0	0	0	0
	<u>96</u>	<u>0</u>	<u>4,573</u>	<u>12,938</u>	<u>0</u>	<u>4,053</u>	<u>14,719</u>	<u>564</u>	<u>308</u>
Payables	(4,393)	(15)	(19,644)	(43)	(218)	0	0	0	(12,938)
	<u>(\$4,297)</u>	<u>(\$15)</u>	<u>(\$15,071)</u>	<u>\$12,895</u>	<u>(\$218)</u>	<u>\$4,053</u>	<u>\$14,719</u>	<u>\$564</u>	<u>(\$12,630)</u>

The receivable amounts of the General Administrative Fund consist primarily of operating expenses owed from the Mortgage Purchase Fund. The General Administrative Fund payable amounts consist mainly of program funds received and due to the Low Income Home Energy Assistance Program and Emergency Rental Assistance Programs. The receivable amount of the HOME fund consists primarily of advancements for program expenditures owed from the Other Federal and State Programs.

**(13.) REDEMPTION OF BONDS**

For the period ended September 30, 2021, MaineHousing redeemed prior to maturity \$144,220 of its Mortgage Purchase Fund bonds from recoveries of principal and surplus revenues. Gains of \$349 were attributed to the recognition of related bond premium. The following is a summary of bonds redeemed:

	Interest Rate	Original Maturity	Amount	Redemption Price
2011 Series D Serial Bonds	3.15%	11/15/2021	\$1,195	100%
2012 Series A-1 Term Bonds	4.50%	11/15/2028	850	100%
2012 Series A-3 Term Bonds	3.85%	11/15/2029	1,240	100%
2012 Series A-3 Term Bonds	3.85%	11/15/2029	5,735	100%
2013 Series B Term Bonds	3.45%	11/15/2032	1,590	100%
2013 Series B Term Bonds	3.60%	11/15/2036	1,280	100%
2013 Series B Term Bonds	4.00%	11/15/2043	1,245	100%

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	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2013 Series C Serial Bonds	3.09%	11/15/2023	9,000	100%
2013 Series C Term Bonds	3.84%	11/15/2027	5,765	100%
2013 Series C Term Bonds	4.32%	11/15/2030	5,700	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	520	100%
2014 Series C-1 Term Bonds	4.00%	11/15/2034	1,810	100%
2014 Series C-1 Term Bonds	4.00%	11/15/2034	3,605	100%
2014 Series C-1 Term Bonds	3.50%	11/15/2044	845	100%
2015 Series A-2 Term Bonds	3.25%	11/15/2029	250	100%
2015 Series B Serial Bonds	1.85%	11/15/2021	1,075	100%
2015 Series B Term Bonds	3.50%	11/15/2040	620	100%
2015 Series C Serial Bonds	2.74%	11/15/2023	1,325	100%
2015 Series C Serial Bonds	2.89%	11/15/2024	1,365	100%
2015 Series C Serial Bonds	3.04%	11/15/2025	1,410	100%
2015 Series C Term Bonds	3.59%	11/15/2030	13,900	100%
2015 Series C Term Bonds	3.95%	11/15/2040	4,720	100%
2015 Series D Term Bonds	3.75%	11/15/2030	1,130	100%
2015 Series D Term Bonds	4.00%	11/15/2035	4,890	100%
2015 Series D Term Bonds	4.00%	11/15/2045	445	100%
2015 Series E-1 Serial Bonds	3.60%	11/15/2026	2,310	100%
2015 Series E-1 Term Bonds	3.50%	11/15/2035	1,405	100%
2015 Series E-2 Term Bonds	4.05%	11/15/2040	2,510	100%
2015 Series F-3 Term Bonds	3.85%	11/15/2035	2,195	100%
2015 Series F-3 Term Bonds	3.85%	11/15/2035	7,370	100%
2015 Series F-3 Term Bonds	3.95%	11/15/2040	4,025	100%
2015 Series G Term Bonds	3.85%	11/15/2040	4,640	100%
2015 Series G Term Bonds	3.50%	11/15/2045	400	100%
2016 Series A Serial Bonds	1.40%	11/15/2021	715	100%
2016 Series A Term Bonds	4.00%	11/15/2045	510	100%
2016 Series B-1 Serial Bonds	1.55%	11/15/2021	1,890	100%
2016 Series B-1 Term Bonds	2.70%	11/15/2029	2,680	100%
2016 Series B-1 Term Bonds	3.50%	11/15/2046	1,385	100%
2016 Series C Serial Bonds	1.30%	11/15/2021	915	100%
2016 Series C Term Bonds	3.50%	11/15/2046	620	100%
2016 Series E Serial Bonds	1.95%	11/15/2021	645	100%
2016 Series E Term Bonds	3.90%	11/15/2036	4,375	100%
2016 Series E Term Bonds	3.90%	11/15/2036	6,010	100%
2016 Series E Term Bonds	4.00%	11/15/2046	610	100%
2017 Series A Serial Bonds	1.80%	11/15/2021	580	100%
2017 Series A Term Bonds	4.00%	11/15/2037	1,360	100%
2017 Series A Term Bonds	4.00%	11/15/2037	4,955	100%
2017 Series A Term Bonds	4.00%	11/15/2047	515	100%
2017 Series B Serial Bonds	1.50%	11/15/2021	655	100%
2017 Series B Term Bonds	4.00%	11/15/2047	565	100%
2017 Series D-1 Serial Bonds	1.55%	11/15/2021	620	100%
2017 Series F Term Bonds	3.50%	11/15/2047	910	100%
2018 Series C Term Bonds	3.85%	11/15/2038	1,395	100%
2018 Series C Term Bonds	3.85%	11/15/2038	4,315	100%
2018 Series C Term Bonds	4.00%	11/15/2048	815	100%
2018 Series F Term Bonds	3.85%	11/15/2033	3,745	100%
2018 Series F Term Bonds	4.25%	11/15/2048	810	100%
2019 Series A Serial Bonds	1.85%	11/15/2021	740	100%
2019 Series A Term Bonds	4.00%	11/15/2049	645	100%

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	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2019 Series B Serial Bonds	1.70%	11/15/2021	1,175	100%
2019 Series C Serial Bonds	1.35%	11/15/2021	715	100%
2019 Series C Term Bonds	4.00%	11/15/2050	480	100%
2019 Series E Serial Bonds	1.40%	11/15/2021	640	100%
2019 Series E Term Bonds	3.75%	11/15/2049	300	100%
2020 Series A Serial Bonds	1.15%	11/15/2021	915	100%
2020 Series A Term Bonds	3.75%	11/15/2049	270	100%
2020 Series C Term Bonds	4.00%	11/15/2050	380	100%
			<u>\$144,220</u>	

For the period ended September 30, 2021, MaineHousing redeemed prior to maturity \$3,450 of its Maine Energy, Housing, & Economic Recovery bonds from recoveries of principal. Gains of \$16 were attributed to the recognition of related bond premium. The following is a summary of bonds redeemed:

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2010 Series 1 Serial Bonds	4.00%	6/15/2021	\$780	100%
2010 Series 1 Serial Bonds	3.00%	6/15/2021	2,670	100%
			<u>\$3,450</u>	

**(14.) CONTINGENCIES**

MaineHousing is subject to various legal proceedings and claims that arise in the normal course of its business. MaineHousing also receives funding from federal government agencies. These funds are to be used for designated purposes only and are subject to financial and compliance audits and the resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time. In the opinion of management, the ultimate resolution of these actions will not materially affect the accompanying financial statements.

**(15.) SUBSEQUENT EVENTS**

Subsequent to September 30, 2021, MaineHousing redeemed and issued bonds. The following is a summary of subsequent event transactions.

On October 13, 2021, MaineHousing committed to redeem, at par, \$47,645 of bonds in the General Mortgage Purchase Bond Resolution on November 19, 2021 as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2012 Series A-1 Term Bonds	4.50%	11/15/2028	\$670	100%
2013 Series B Term Bonds	4.00%	11/15/2043	1,195	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	460	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	1,220	100%
2014 Series C-1 Term Bonds	3.50%	11/15/2044	815	100%
2014 Series C-2 Term Bonds	3.75%	11/15/2034	11,550	100%
2015 Series A-2 Term Bonds	3.25%	11/15/2029	4,830	100%
2015 Series B Term Bonds	3.20%	11/15/2030	4,100	100%
2015 Series B Term Bonds	3.50%	11/15/2040	590	100%
2015 Series D Serial Bonds	3.30%	11/15/2026	1,000	100%
2015 Series D Term Bonds	4.00%	11/15/2045	425	100%

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	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2015 Series E-1 Serial Bonds	3.30%	11/15/2024	2,590	100%
2015 Series E-1 Serial Bonds	3.45%	11/15/2025	2,595	100%
2015 Series E-1 Serial Bonds	3.60%	11/15/2026	1,845	100%
2015 Series E-1 Term Bonds	3.50%	11/15/2035	1,350	100%
2015 Series F-3 Term Bonds	3.40%	11/15/2030	1,115	100%
2015 Series G Term Bonds	3.50%	11/15/2045	385	100%
2016 Series A Term Bonds	4.00%	11/15/2045	495	100%
2016 Series B-1 Term Bonds	3.50%	11/15/2046	1,325	100%
2016 Series C Term Bonds	3.50%	11/15/2046	600	100%
2016 Series E Term Bonds	4.00%	11/15/2046	585	100%
2017 Series A Term Bonds	4.00%	11/15/2047	500	100%
2017 Series B Term Bonds	4.00%	11/15/2047	545	100%
2017 Series F Term Bonds	3.50%	11/15/2047	870	100%
2018 Series C Term Bonds	4.00%	11/15/2048	830	100%
2018 Series F Serial Bonds	3.25%	11/15/2027	730	100%
2018 Series F Serial Bonds	3.70%	11/15/2030	835	100%
2018 Series F Term Bonds	4.25%	11/15/2048	845	100%
2019 Series A Term Bonds	4.00%	11/15/2049	745	100%
2019 Series C Term Bonds	4.00%	11/15/2050	630	100%
2019 Series E Term Bonds	3.75%	11/15/2049	415	100%
2020 Series A Term Bonds	3.75%	11/15/2049	385	100%
2020 Series C Term Bonds	4.00%	11/15/2050	575	100%
			<u>\$47,645</u>	

On October 14, 2021, MaineHousing redeemed, at par, \$19,180 of bonds in the Maine Energy, Housing, & Economic Recovery Resolution as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2010 Series 1 Serial Bonds	3.25%	2022	\$3,565	100%
2010 Series 1 Serial Bonds	3.25%	2023	3,680	100%
2010 Series 1 Serial Bonds	5.00%	2024	3,800	100%
2010 Series 1 Serial Bonds	5.00%	2025	355	100%
2010 Series 1 Serial Bonds	3.75%	2025	3,635	100%
2010 Series 1 Serial Bonds	5.00%	2026	1,555	100%
2010 Series 1 Serial Bonds	3.75%	2026	2,590	100%
			<u>\$19,180</u>	

On October 14, 2021, MaineHousing issued, at par, \$53,950 of bonds in the Maine Energy, Housing, & Economic Recovery Resolution as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Issued Price</u>
2021 Series 1 Serial Bonds	5.00%	2034-2037	\$15,020	100%
2021 Series 2 Serial Bonds	0.28%-2.42%	2022-2034	38,930	100%
			<u>\$53,950</u>	