

MAINE STATE LEGISLATURE

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Maine State Housing Authority

Basic Financial Statements and
Management's Discussion and Analysis

Year Ended December 31, 2011

MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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BAKER NEWMAN NOYES

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Maine State Housing Authority

We have audited the accompanying financial statements of the business-type activities, the governmental activities, each major fund, and the aggregate remaining fund information of the Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2011, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents. These financial statements are the responsibility of MaineHousing's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the governmental activities, each major fund, and the aggregate remaining fund information of MaineHousing, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Portland, Maine
March 27, 2012

Baker Newman & Noyes
Limited Liability Company

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

This discussion and analysis provides an overview of the Maine State Housing Authority's (MaineHousing) financial activities for the year ended December 31, 2011 and should be read in conjunction with the audited financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- As a result of program operations and financing activities, net operating income was \$3.7 million and net assets increased 1.2% to \$322.2 million.
- Profitability was again negatively impacted in 2011 by volatile financial and mortgage loan markets and depressed short-term interest rates.
- Short-term interest rates continued to be near historically low levels throughout 2011 resulting in a further reduction in non-mortgage investment earnings.
- Total federal program revenues decreased by \$18.8 million or 9.4% to \$180.7 million due principally to the completion of programs associated with the American Recovery and Reinvestment Act (ARRA).

OVERVIEW OF MAINEHOUSING

MaineHousing was created in 1969 by an Act of the Maine Legislature and is a public corporation and government instrumentality of the State of Maine. MaineHousing was established to assist in the financing, development, and rehabilitation of housing in Maine for persons and families of low and moderate income. In this capacity, MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties.

MaineHousing also acts as an agent for the State of Maine in administering various federal housing and energy related programs. These programs are funded through various grants and program agreements with the federal government's departments of Housing and Urban Development, Energy, and Health and Human Services, as well as capital and operating subsidies from MaineHousing's own funds.

MaineHousing is a component unit of the State of Maine and receives certain appropriations from the State legislature, all of which are used in connection with specified housing related programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

MaineHousing's financial statements consist of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include agency-wide financial statements, fund financial statements, and notes to the financial statements.

- Agency-wide financial statements provide information about MaineHousing's overall financial position and results of operations. These statements consist of the Statement of Net Assets and the Statement of Activities.
- The fund financial statements of MaineHousing include its major proprietary funds, which operate similarly to business activities and of MaineHousing's governmental funds, for which activities are funded from federal grants and state appropriations.
- The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the agency-wide and fund financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

Agency-wide Statements

Agency-wide statements report information about MaineHousing as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of MaineHousing's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two agency-wide statements report MaineHousing's net assets and how they changed. Net assets – the difference between MaineHousing's assets and liabilities – is one way to measure MaineHousing's financial position. Agency-wide financial statements are divided into two categories:

- *Business-type activities* – MaineHousing's business-type activities consist of providing mortgage financing on single-family and multi-family residential properties. These activities are funded primarily through the issuance of bonds.
- *Governmental activities* – MaineHousing administers various state and federal housing and energy related programs. These activities are financed by grant and program agreements with the federal government and appropriations from the State legislature.

Fund Financial Statements

The fund financial statements provide more detailed information about MaineHousing's most significant funds and not MaineHousing as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. MaineHousing has two kinds of funds:

- *Proprietary funds* – MaineHousing's business-type activities are in its proprietary funds and they are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuance of bonds, the proceeds of which are mainly used to make various types of loans to finance low and moderate-income housing. The net assets of these funds represent accumulated earnings since their inception and interest rate subsidy amounts contributed from governmental funds, and are generally restricted for program purposes.
- *Governmental funds* – MaineHousing has six governmental funds. MaineHousing is the administrator of these funds; the revenues of which are appropriated to MaineHousing for making housing and energy related grants and loans. These fund statements focus on how cash and other financial assets flowing into the funds have been used. A substantial portion of the fund balances for these funds consist of investments reserved for grants or making mortgage loans.

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

AN OVERVIEW OF MAINEHOUSING'S FINANCIAL POSITION AND OPERATIONS

MaineHousing's overall financial position and operations are summarized below for the years ended December 31, 2011 and 2010 based on the information included in the financial statements.

Agency-wide Net Assets (in millions of dollars)							Total Percentage Change
Business-type Activities		Governmental Activities		Total			
2011	2010	2011	2010	2011	2010		
Cash and investments	\$355.9	\$397.4	\$66.8	\$69.2	\$422.7	\$466.6	(9.4%)
Mortgage and other notes receivable	1,329.1	1,308.8	78.4	70.4	1,407.5	1,379.2	2.1%
Other assets	60.8	46.2	13.7	11.6	74.5	57.8	28.9%
Total Assets	1,745.8	1,752.4	158.9	151.2	1,904.7	1,903.6	0.1%
Deferred income	14.9	15.3	17.2	13.5	32.1	28.8	11.5%
Mortgage and other bonds payable	1,404.6	1,423.7	50.1	50.2	1,454.7	1,473.9	(1.3%)
Other liabilities	43.1	32.4	52.6	50.0	95.7	82.4	16.1%
Total Liabilities	1,462.6	1,471.4	119.9	113.7	1,582.5	1,585.1	(0.2%)
Restricted net assets	266.9	264.5	39.0	37.5	305.9	302.0	1.3%
Unrestricted net assets	16.3	16.5	0.0	0.0	16.3	16.5	(1.2%)
Total Net Assets	\$283.2	\$281.0	\$39.0	\$37.5	\$322.2	\$318.5	1.2%

MaineHousing's total assets at December 31, 2011 were \$1.90 billion, an increase of \$1.1 million from December 31, 2010. The change in assets consisted primarily of a \$43.9 million decrease in cash and investments and a \$28.3 million increase in mortgage receivables. Other assets increased \$16.7 million primarily as a result of a change in the fair value of hedging derivatives. MaineHousing's derivatives consist of interest rate swap agreements, which are recorded at their fair value. Changes in fair values are recorded as offsetting increases or decreases in other assets and other liabilities. MaineHousing's total liabilities at December 31, 2011 were \$1.58 billion, a decrease of \$2.6 million or 0.2% from December 31, 2010. The decrease in liabilities is due principally to the retirement of \$129.5 million of bonds, which contributed to a \$19.2 million net decrease in bonds payable. Deferred income increased primarily as a result of higher unearned federal grant income balances at December 31, 2011. Other liabilities increased \$13.3 million due primarily to an increase in the liability associated with interest rate swap derivative instruments.

Cash and Investments

Total cash and investments decreased by \$43.9 million or 9.4% at December 31, 2011 compared to December 31, 2010. To manage the exposure associated with depressed short term rates on non-mortgage investments and interest expense, certain investments were used to retire outstanding debt in 2011. MaineHousing's investment portfolio is comprised of securities of the U.S. Government, certain Federal agencies, the State of Maine, or repurchase agreements that are secured by such securities. MaineHousing's investments are carried at fair value and unrealized gains and losses due to fluctuations in market values are recognized in revenues. In 2011, MaineHousing recognized \$0.6 million of unrealized gains compared with \$0.1 million of unrealized gains in 2010.

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

Mortgage and Other Notes Receivable

Total mortgages and other notes receivable, net, increased \$28.3 million in 2011 due primarily to mortgage revenue bond program loan purchases and originations, which amounted to \$116.2 million. Single-family mortgage purchases were \$96.4 million in 2011 and multi-family originations amounted to \$19.8 million. MaineHousing's combined allowance for losses of \$11.3 million at December 31, 2011 increased by \$0.5 million from 2010 and remains at 0.8% of loans outstanding.

Bonds Payable

During the year, MaineHousing completed the issuance of bonds aggregating to \$109.9 million. In 2010, MaineHousing completed the issuance of \$168.2 million in bonds. Debt retirements totaled \$129.5 million in 2011 and \$205.6 million in 2010. MaineHousing issues bonds or notes as capital is needed for program purposes and as opportunities for economic refunding occur. For additional details, see the Debt Activity section of the Management's Discussion and Analysis.

Net Assets

MaineHousing's net assets increased 1.2% during 2011. Net assets continued to be unfavorably impacted by the volatile financial and mortgage loan markets and the historically low-interest rate environment that existed throughout the year.

The net assets of MaineHousing's business activities increased by \$2.2 million, while the net assets of MaineHousing's governmental activities increased by \$1.5 million. MaineHousing's business activities are in the proprietary funds and are dissimilar from the activities in the governmental funds. The results of operations for both MaineHousing's proprietary and governmental funds are presented below for the years ended December 31, 2011 and 2010:

Agency-wide Changes in Net Assets (in millions of dollars)

	2011	2010	Increase/(Decrease)	
			Amount	Percentage
Interest from mortgages and notes	\$69.6	\$70.1	(\$0.5)	(0.7%)
Income from investments	6.2	6.0	0.2	3.3%
Grants and subsidies	183.6	197.4	(13.8)	(7.0%)
Other	11.8	11.3	0.5	4.4%
Total revenues	271.2	284.8	(13.6)	(4.8%)
Operating and other program expenses	21.9	21.7	0.2	0.9%
Provision for losses on loans and foreclosed real estate	1.9	1.4	0.5	35.7%
Interest expense	61.9	61.2	0.7	1.1%
Grants and subsidies	181.8	199.2	(17.4)	(8.7%)
Total expenses	267.5	283.5	(16.0)	(5.6%)
Increase in net assets	\$3.7	\$1.3	\$2.4	184.6%

Changes in business-type and governmental activities are explained in the Results of Operations sections.

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

RESULTS OF OPERATIONS

Proprietary Funds Results

Net assets of MaineHousing's proprietary funds increased by \$2.2 million to \$283.2 million at December 31, 2011. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Assets of MaineHousing's proprietary funds for the years ended December 31, 2011 and December 31, 2010:

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
(in millions of dollars)

	2011	2010	Increase/(Decrease)	
			Amount	Percentage
Operating revenues:				
Interest from mortgages and notes	\$69.6	\$70.1	(\$0.5)	(0.7%)
Income from investments	5.5	5.8	(0.3)	(5.2%)
Net increase in the fair value of investments	0.6	0.1	0.5	500.0%
Fee income	0.7	1.0	(0.3)	(30.0%)
Other revenue	1.6	0.8	0.8	100.0%
Total revenues	78.0	77.8	0.2	0.3%
Operating expenses:				
Salaries and related benefits	7.3	6.7	0.6	9.0%
Other program and operating expenses	4.8	4.5	0.3	6.7%
Mortgage servicing fees	2.1	2.1	0.0	0.0%
Provision for losses on loans	1.4	1.0	0.4	40.0%
Losses on foreclosed real estate	0.2	0.4	(0.2)	(50.0%)
Interest expense	60.3	60.9	(0.6)	(1.0%)
Loss on bond redemption	0.5	1.3	(0.8)	(61.5%)
Excess arbitrage	(1.0)	(0.9)	(0.1)	11.1%
Total expenses	75.6	76.0	(0.4)	(0.5%)
Operating income	2.4	1.8	0.6	33.3%
Transfers out	(0.2)	0.0	(0.2)	-
Change in net assets	2.2	1.8	0.4	22.2%
Net assets at beginning of year	281.0	279.2	1.8	0.6%
Net assets at end of year	\$283.2	\$281.0	\$2.2	0.8%

Operating revenues of MaineHousing's business-type activities are generated principally from earnings on mortgages and investments. In 2011, MaineHousing's revenues for its business-type activities increased \$0.2 million and totaled \$78 million. Of this total, \$75.7 million or 97.1% is from interest earned from mortgages and other notes and non-mortgage investments. Operating expenses of MaineHousing's business-type activities consist primarily of interest expense on debt incurred to fund its various lending programs. The total expenses for business-type activities totaled \$75.6 million, of which \$60.3 million or 79.8% was interest expense.

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

Change in net assets for the year ended December 31, 2011 was a \$2.2 million increase compared to \$1.8 million for the year ended December 31, 2010, an increase of \$0.4 million or 22.2%. Factors contributing to these results included:

- Interest earned on mortgages and notes decreased by \$0.5 million or 0.7% due to lower average yields.
- Income from investments decreased by \$0.3 million or 5.2% due to lower investment balances and low short-term earnings rates.
- Market fluctuations generated an unrealized gain of \$0.6 million in 2011. This represents an increase of \$0.5 million compared with the unrealized gain of \$0.1 million that was recognized in 2010. The unrealized gain was due to a mix of interest-sensitive investments held at 2011 compared to 2010.
- Interest expense decreased by \$0.6 million or 1.0% as a result of lower average rates on debt issues and lower average debt balances outstanding during the year.
- Other revenues increased by \$0.8 million as a result of MaineHousing receiving \$1.4 million as part of a settlement in connection with an investigation by the United States Securities and Exchange Commission into the bidding practices involving investment of bond proceeds by a banking and financial services company.

Governmental Fund Results

Fund balances of MaineHousing's governmental funds increased \$0.3 million or 0.8% to \$37.9 million at December 31, 2011. Capital assets are reported as expenditures in the governmental funds and as assets in the Agency-wide Changes in Net Assets. The following table summarizes the Statement of Revenues, Expenses and Changes in Fund Balances of MaineHousing's governmental funds for the years ended December 31, 2011 and December 31, 2010:

Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
(in millions of dollars)

	2011	2010	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
Operating revenues:				
Income from investments	\$0.1	\$0.1	\$0.0	0.0%
Fee income	9.5	9.5	0.0	0.0%
Grant income	82.3	102.2	(19.9)	(19.5%)
Income from the State	9.2	5.1	4.1	80.4%
Federal rent subsidy income	92.2	90.1	2.1	2.3%
Total revenues	193.3	207.0	(13.7)	(6.6%)
Operating expenses:				
Program administrative expenses	8.9	8.0	0.9	11.3%
Provision for losses on loans	0.3	0.0	0.3	0.0%
Interest expense	1.6	0.3	1.3	433.3%
Grant expense	90.2	110.7	(20.5)	(18.5%)
Federal rent subsidy expense	92.1	88.5	3.6	4.1%
Total expenses	193.1	207.5	(14.4)	(6.9%)
Operating income (loss)	0.2	(0.5)	0.7	140.0%
Transfers in	0.1	0.0	0.1	0.0%
Change in fund balances	0.3	(0.5)	0.8	160.0%
Fund balances at beginning of year	37.6	38.1	(0.5)	(1.3%)
Fund balances at end of year	<u>\$37.9</u>	<u>\$37.6</u>	<u>\$0.3</u>	0.8%

MAINE STATE HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

MaineHousing's total revenues from governmental activities are generated primarily from federal grants and rent subsidy income. Revenues from governmental activities decreased in 2011 by \$13.7 million or 6.6% to \$193.3 million. MaineHousing's governmental activities expenses consist primarily of federal grant and rent subsidy expenses. Total expenses decreased \$14.4 million or 6.9% to \$193.1 million for 2011.

MaineHousing earns fees for administering various federal programs. Typically fees earned provide MaineHousing with a revenue source adequate to recover direct and indirect costs of delivering related services. In 2011, fee income for administering federal programs amounted to \$9.5 million.

The 2011 financial results of MaineHousing's governmental funds were significantly affected by the following:

- Total grant income decreased by \$19.9 million or 19.5% due primarily to the completion of federal grants from The American Recovery & Reinvestment Act (ARRA). This Act was enacted by the United States Congress in 2009 and provided for temporary federal spending provisions for housing and energy related programs. Total grant expense decreased as a result of the completion of federal ARRA programs and lower grant income.
- Total federal rent subsidy income increased by \$2.1 million or 2.3% due to an increase in receipts from the Department of Housing and Urban Development for the Section 8 Housing Assistance Payments Programs. Total federal rent subsidy expense increased as a result of higher available program receipts.
- The Maine Energy Housing & Economic Recovery Fund was established at the end of 2010 for the issuance of bonds and use of proceeds for affordable housing and energy efficiency improvement of housing. Bonds are repaid by a source of revenue from the State of Maine. Revenue from the state amounted to \$4.3 million and bond interest expense was \$1.6 million in 2011.

DEBT ACTIVITY

MaineHousing is authorized to issue housing revenue bonds to purchase or originate mortgages or notes on single-family and multi-family residential properties. MaineHousing had \$1.45 billion in bonds outstanding at December 31, 2011 – a decrease of \$19.2 million or 1.3% from 2010.

MaineHousing's debt issuances for 2011 totaled \$109.9 million. Principal payments on bonds totaled \$129.5 million in 2011. MaineHousing redeemed \$128.6 million of its outstanding bonds in 2011 from reserve funds, mortgage prepayments, and surplus revenues. Of the total amount redeemed, \$15.3 million were bonds that were scheduled for maturity in 2011. Scheduled principal payments on bonds totaled \$0.9 million in 2011.

MaineHousing issues some variable rate demand obligations and enters into interest rate swaps agreements to provide synthetically fixed interest rates on certain bonds. At December 31, 2011, the total amount of variable rate debt outstanding was \$289.4 million and represented 19.9% of the \$1.45 billion total debt portfolio. Different interest rate swap agreements have been executed in connection with \$235.8 million of these bonds to, in effect, convert them to synthetic fixed rate bonds.

In 2011, bonds in MaineHousing's General Mortgage Purchase Bond Resolution were rated Aa1 and AA+ by Moody's Investor Service and Standard & Poor's, respectively. For additional information about MaineHousing's mortgage bonds and notes payables, see Notes 5, 6, 8, 13, and 15 to the financial statements.

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	Business-type Activities	Governmental Activities	Total
ASSETS:			
Current Assets:			
Cash, principally time deposits (note 3)	\$204	\$924	\$1,128
Investments (notes 3, 8, and 10)	210,366	65,855	276,221
Accounts receivable - Federal	0	7,797	7,797
Other assets	22,021	3,911	25,932
Mortgage notes receivable, net (note 4)	31,002	87	31,089
Other notes receivable, net (note 4)	2	0	2
Total Current Assets	<u>263,595</u>	<u>78,574</u>	<u>342,169</u>
Noncurrent Assets:			
Investments (notes 3, 8, and 10)	145,326	0	145,326
Other assets (note 11)	396	1,818	2,214
Mortgage notes receivable, net (note 4)	1,298,132	78,017	1,376,149
Other notes receivable, net (note 4)	9	326	335
Land, equipment and improvements, net	992	0	992
Other real estate owned	3,239	0	3,239
Unamortized debt issuance expense	4,452	191	4,643
Accumulated decrease in fair value of hedging derivatives (note 6)	29,649	0	29,649
Total Noncurrent Assets	<u>1,482,195</u>	<u>80,352</u>	<u>1,562,547</u>
Total Assets	<u><u>\$1,745,790</u></u>	<u><u>\$158,926</u></u>	<u><u>\$1,904,716</u></u>
LIABILITIES AND NET ASSETS:			
Current Liabilities:			
Accrued interest payable	\$7,465	\$72	\$7,537
Accounts payable - Federal	0	256	256
Accounts payable and accrued liabilities	4,497	51,757	56,254
Deferred income	332	3,884	4,216
Interfund (note 12)	(571)	571	0
Mortgage and other bonds payable, current (notes 5, 8, 13, and 15)	7,195	2,710	9,905
Total Current Liabilities	<u>18,918</u>	<u>59,250</u>	<u>78,168</u>
Noncurrent Liabilities:			
Excess arbitrage to be rebated (note 11)	1,963	0	1,963
Deferred income	14,634	13,284	27,918
Derivative instrument - interest rate swaps (note 6)	29,649	0	29,649
Mortgage and other bonds payable, net (notes 5, 8, 13, and 15)	1,397,392	47,413	1,444,805
Total Noncurrent Liabilities	<u>1,443,638</u>	<u>60,697</u>	<u>1,504,335</u>
Total Liabilities	<u>1,462,556</u>	<u>119,947</u>	<u>1,582,503</u>
Net Assets:			
Restricted Net Assets	266,898	38,979	305,877
Unrestricted Net Assets	16,336	0	16,336
Total Net Assets	<u>283,234</u>	<u>38,979</u>	<u>322,213</u>
Total Liabilities and Net Assets	<u><u>\$1,745,790</u></u>	<u><u>\$158,926</u></u>	<u><u>\$1,904,716</u></u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
			Charges for Services	Program Investment Income	Operating Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:								
Mortgage Purchase Bond Program	\$65,631	\$7,612	\$69,184	\$6,025	\$0	\$1,966	\$0	\$1,966
Housing Finance Bond Program	373	455	292	13	0	(523)	0	(523)
Bondholder Reserve Fund	0	45	14	10	0	(21)	0	(21)
General Administrative Fund	14,184	(12,740)	2,397	0	0	953	0	953
Total business-type activities	80,188	(4,628)	71,887	6,048	0	2,375	0	2,375
Governmental activities:								
HOME Fund	4,018	0	59	6	5,220	0	1,267	1,267
Section 8 Housing Programs	94,362	2,032	6,100	16	92,156	0	1,878	1,878
Low Income Housing Energy Assistance Program	46,088	764	1,173	2	45,657	0	(20)	(20)
American Recovery & Reinvestment Act Fund	18,878	852	922	0	19,437	0	629	629
Maine Energy, Housing, Economic Recovery Program	6,408	0	0	74	4,306	0	(2,028)	(2,028)
Other Federal and State Programs	17,609	980	1,347	6	16,808	0	(428)	(428)
Total governmental activities	187,363	4,628	9,601	104	183,584	0	1,298	1,298
Total MaineHousing	\$267,551	\$0	\$81,488	\$6,152	\$183,584	2,375	1,298	3,673
General Revenues:								
Unrestricted investment income						9	0	9
Transfers						(146)	146	0
Total general revenues and transfers						(137)	146	9
Change in net assets						2,238	1,444	3,682
Net assets at beginning of year						280,996	37,535	318,531
Net assets at end of year						\$283,234	\$38,979	\$322,213

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
ASSETS:					
Current Assets:					
Cash, principally time deposits (note 3)	\$ 80	\$ 32	\$ 3	\$ 89	\$ 204
Investments (notes 3, 8, and 10)	182,070	6,589	7,938	13,769	210,366
Other assets	21,857	42	13	109	22,021
Mortgage notes receivable, net (note 4)	29,988	777	0	237	31,002
Other notes receivable, net (note 4)	0	2	0	0	2
Total Current Assets	<u>233,995</u>	<u>7,442</u>	<u>7,954</u>	<u>14,204</u>	<u>263,595</u>
Noncurrent Assets:					
Investments (notes 3, 8, and 10)	145,326	0	0	0	145,326
Other assets (note 11)	373	23	0	0	396
Mortgage notes receivable, net (note 4)	1,290,145	2,458	108	5,421	1,298,132
Other notes receivable, net (note 4)	0	9	0	0	9
Land, equipment and improvements, net	22	0	0	970	992
Other real estate owned	3,089	0	0	150	3,239
Unamortized debt issuance expense	4,436	16	0	0	4,452
Accumulated decrease in fair value of hedging derivatives (note 6)	<u>29,649</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,649</u>
Total Noncurrent Assets	<u>1,473,040</u>	<u>2,506</u>	<u>108</u>	<u>6,541</u>	<u>1,482,195</u>
Total Assets	<u><u>\$1,707,035</u></u>	<u><u>\$9,948</u></u>	<u><u>\$8,062</u></u>	<u><u>\$20,745</u></u>	<u><u>\$1,745,790</u></u>
LIABILITIES AND NET ASSETS:					
Current Liabilities:					
Accrued interest payable	\$7,450	\$15	\$0	\$0	\$7,465
Accounts payable and accrued liabilities	183	10	6	4,298	4,497
Deferred income	221	111	0	0	332
Interfund (note 12)	238	37	13	(859)	(571)
Mortgage and other bonds payable, current (notes 5, 8, 13, and 15)	<u>7,195</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,195</u>
Total Current Liabilities	<u>15,287</u>	<u>173</u>	<u>19</u>	<u>3,439</u>	<u>18,918</u>
Noncurrent Liabilities:					
Excess arbitrage to be rebated (note 11)	1,963	0	0	0	1,963
Deferred income	14,282	352	0	0	14,634
Derivative instrument - interest rate swaps (note 6)	29,649	0	0	0	29,649
Mortgage and other bonds payable, net (notes 5, 8, 13, and 15)	<u>1,395,882</u>	<u>1,510</u>	<u>0</u>	<u>0</u>	<u>1,397,392</u>
Total Noncurrent Liabilities	<u>1,441,776</u>	<u>1,862</u>	<u>0</u>	<u>0</u>	<u>1,443,638</u>
Total Liabilities	<u>1,457,063</u>	<u>2,035</u>	<u>19</u>	<u>3,439</u>	<u>1,462,556</u>
Net Assets:					
Restricted Net Assets	249,972	7,913	8,043	970	266,898
Unrestricted Net Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,336</u>	<u>16,336</u>
Total Net Assets	<u>249,972</u>	<u>7,913</u>	<u>8,043</u>	<u>17,306</u>	<u>283,234</u>
Total Liabilities and Net Assets	<u><u>\$1,707,035</u></u>	<u><u>\$9,948</u></u>	<u><u>\$8,062</u></u>	<u><u>\$20,745</u></u>	<u><u>\$1,745,790</u></u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
OPERATING REVENUES:					
Interest from mortgages and notes	\$68,885	\$292	\$14	\$379	\$69,570
Income from investments	5,418	13	10	9	5,450
Net increase in the fair value of investments	607	0	0	0	607
Fee income	225	0	0	524	749
Other revenue	74	0	0	1,494	1,568
Total Revenues	75,209	305	24	2,406	77,944
OPERATING EXPENSES:					
Salaries and related benefits	0	0	0	10,890	10,890
Other program and operating expenses	2,721	20	0	3,012	5,753
Mortgage servicing fees	1,974	120	0	25	2,119
Provision for losses on loans (note 4)	1,200	(50)	0	257	1,407
Losses on foreclosed real estate	155	0	0	0	155
Interest expense	60,060	264	0	0	60,324
Loss on bond redemption (note 13)	465	42	0	0	507
Excess arbitrage	(944)	(23)	0	0	(967)
Allocated operating costs	7,612	455	45	(12,740)	(4,628)
Total Expenses	73,243	828	45	1,444	75,560
Operating Income (Loss)	1,966	(523)	(21)	962	2,384
Transfers between funds, net (note 12)	0	0	0	(146)	(146)
Change in net assets	1,966	(523)	(21)	816	2,238
Net assets at beginning of year	248,006	8,436	8,064	16,490	280,996
Net assets at end of year	<u>\$249,972</u>	<u>\$7,913</u>	<u>\$8,043</u>	<u>\$17,306</u>	<u>\$283,234</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Interest receipts from borrowers	\$68,540	\$75	\$14	\$361	\$68,990
Principal receipts on mortgages and notes - scheduled	29,987	775	0	237	\$30,999
Principal receipts on mortgages and notes - prepayments	49,216	204	334	232	\$49,986
Payments for operating expenses	(13,957)	(595)	(45)	(3,012)	(\$17,609)
Payments received for operating expenses	0	0	0	12,740	\$12,740
Payments to employees	0	0	0	(10,890)	(\$10,890)
Investment in mortgages and other notes	(116,170)	(20)	(14)	0	(\$116,204)
Other	(1,784)	14	(5)	2,579	\$804
Net cash provided by operating activities	<u>15,832</u>	<u>453</u>	<u>284</u>	<u>2,247</u>	<u>18,816</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Payment of bond issuance costs	(669)	0	0	0	(669)
Proceeds from sale of bonds and notes	108,957	0	0	0	108,957
Principal payments on bonds	(123,190)	(6,330)	0	0	(129,520)
Interest payments on bonds	(58,135)	(319)	0	0	(58,454)
Payments (to) from other funds	(1,616)	6,339	314	(3,051)	1,986
Net cash provided by (used for) non-capital financing activities	<u>(74,653)</u>	<u>(310)</u>	<u>314</u>	<u>(3,051)</u>	<u>(77,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from disposition of foreclosed real estate	11,061	8	0	74	11,143
Purchase of investments	(78,091)	(189)	(610)	740	(78,150)
Sales and maturity of investments	120,127	0	0	0	120,127
Interest received on investments	5,802	13	11	9	5,835
Net cash provided by (used for) investing activities	<u>58,899</u>	<u>(168)</u>	<u>(599)</u>	<u>823</u>	<u>58,955</u>
Net increase (decrease) in cash	78	(25)	(1)	19	71
Cash at beginning of year	2	57	4	70	133
Cash at end of year	<u>\$80</u>	<u>\$32</u>	<u>\$3</u>	<u>\$89</u>	<u>\$204</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$1,966	(\$523)	(\$21)	\$962	\$2,384
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	1,669	3	0	540	\$2,212
Interest on bonds	58,391	261	0	0	\$58,652
Provision for losses on loans	1,200	(50)	0	257	\$1,407
Losses on foreclosed real estate	155	0	0	0	\$155
Loss on bond redemption	465	42	0	0	\$507
Interest income on investments	(5,418)	(13)	(10)	(9)	(\$5,450)
Net increase in fair value of investments	(607)	0	0	0	(\$607)
Changes in operating assets and liabilities:					
Other assets	(2,346)	(19)	(4)	(333)	(\$2,702)
Mortgage note interest receivable	(345)	1	0	(18)	(\$362)
Accounts payable and accrued liabilities	(2,178)	10	(1)	379	(\$1,790)
Deferred income and other liabilities	(153)	(218)	0	0	(\$371)
Investment in mortgage and other notes	(116,170)	(20)	(14)	0	(\$116,204)
Mortgage & other note principal repayments	79,203	979	334	469	\$80,985
Net cash provided by operating activities	<u>\$15,832</u>	<u>\$453</u>	<u>\$284</u>	<u>\$2,247</u>	<u>\$18,816</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:					
Transfer from mortgage notes receivable to mortgage insurance claims receivable and other real estate owned	\$13,334	\$0	\$0	\$90	\$13,424

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	American Recovery & Reinvestment Act Fund	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
ASSETS:							
Current Assets:							
Cash, principally time deposits (note 3)	\$ 0	\$ 80	\$ 0	\$ 0	\$ 0	\$ 844	\$ 924
Investments (notes 3, 8, and 10)	3,549	7,479	245	0	46,515	8,067	65,855
Accounts receivable - Federal	0	832	986	3,538	0	2,441	7,797
Other assets	1,148	118	609	21	270	1,745	3,911
Mortgage notes receivable, net (note 4)	29	0	0	0	0	58	87
Total Current Assets	4,726	8,509	1,840	3,559	46,785	13,155	78,574
Noncurrent Assets:							
Mortgage notes receivable, net (note 4)	21,125	64	0	11,897	0	44,931	78,017
Other notes receivable, net (note 4)	0	0	0	0	0	326	326
Other assets	0	59	273	0	0	382	714
Other real estate owned	0	0	0	0	0	0	0
Unamortized debt issuance expense	0	0	0	0	191	0	191
Total Noncurrent Assets	21,125	123	273	11,897	191	45,639	79,248
Total Assets	\$25,851	\$8,632	\$2,113	\$15,456	\$46,976	\$58,794	\$157,822
LIABILITIES AND FUND BALANCES:							
Current Liabilities:							
Accrued interest payable	\$0	\$0	\$0	\$0	\$72	\$0	\$72
Accounts payable - Federal	0	97	0	0	0	159	256
Accounts payable and accrued liabilities	0	70	0	3,177	0	48,510	51,757
Deferred income	378	0	952	0	0	2,554	3,884
Prepaid Annual Contributions	0	0	0	0	0	0	0
Interfund (note 12)	(160)	(1,768)	787	361	(816)	2,167	571
Bonds payable, net (note 5 and 8)	0	0	0	0	2,710	0	2,710
Total Current Liabilities	218	(1,601)	1,739	3,538	1,966	53,390	59,250
Noncurrent Liabilities:							
Deferred income	0	0	0	11,897	0	1,387	13,284
Bonds payable, net (note 5 and 8)	0	0	0	0	47,413	0	47,413
Total Non Current Liabilities	0	0	0	11,897	47,413	1,387	60,697
Total Liabilities	218	(1,601)	1,739	15,435	49,379	54,777	119,947
Fund Balances:							
Nonspendable	0	59	273	0	191	382	905
Restricted by program requirements	25,633	10,174	101	21	0	3,635	39,564
Unassigned	0	0	0	0	(2,594)	0	(2,594)
Total Fund Balances	25,633	10,233	374	21	(2,403)	4,017	37,875
Total Liabilities and Fund Balances	\$25,851	\$8,632	\$2,113	\$15,456	\$46,976	\$58,794	\$157,822

RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

Total fund balances in governmental funds	\$ 37,875
Amounts reported for governmental activities in the statement of net assets different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,104
Net assets of governmental activities	\$38,979

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	American Recovery & Reinvestment Act Fund	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
OPERATING REVENUES:							
Interest from mortgages and notes	\$59	\$0	\$0	\$21	\$0	\$0	\$80
Income from investments	6	16	2	0	74	6	104
Fee income	0	6,100	1,173	901	0	1,347	9,521
Grant income	375	0	45,657	19,437	0	16,808	82,277
Income from State	4,845	0	0	0	4,306	0	9,151
Federal rent subsidy income	0	92,156	0	0	0	0	92,156
Total Revenues	5,285	98,272	46,832	20,359	4,380	18,161	193,289
OPERATING EXPENSES:							
Program administrative expenses	0	2,375	690	49	311	849	4,274
Provision for losses on loans (note 4)	300	0	0	0	0	0	300
Grant expense	3,718	18	45,657	19,437	4,502	16,890	90,222
Federal rent subsidy expense	0	92,076	0	0	0	0	92,076
Interest expense	0	0	0	0	1,595	0	1,595
Allocated operating costs	0	2,032	764	852	0	980	4,628
Total Expenses	4,018	96,501	47,111	20,338	6,408	18,719	193,095
Operating Income (Loss)	1,267	1,771	(279)	21	(2,028)	(558)	194
Transfers between funds, net (note 12)	0	(113)	0	0	0	259	146
Change in fund balances	1,267	1,658	(279)	21	(2,028)	(299)	340
Fund balances at beginning of year	24,366	8,575	653	0	(375)	4,316	37,535
Fund balances at end of year	\$25,633	\$10,233	\$374	\$21	(\$2,403)	\$4,017	\$37,875

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances - total governmental funds	\$340
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and allocated over their useful lives as depreciation expense. This is the total amount of capital outlays, net of depreciation, for the year ended December 31, 2011.	1,104
Change in net assets of governmental activities	\$1,444

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2011
(IN THOUSANDS OF DOLLARS)

(1.) ORGANIZATION AND NATURE OF OPERATIONS

Maine State Housing Authority (MaineHousing) was created by the Maine Housing Authorities Act, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended, as a public body corporate and politic and an instrumentality of the State of Maine.

MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential units for the purpose of providing housing for persons and families of low income in the State of Maine.

In addition, MaineHousing presently acts as agent for the State of Maine in administering various housing and energy related 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. As such, the financial condition and results of operations of MaineHousing are included in the State's financial statements.

(2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MaineHousing's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The significant accounting policies of MaineHousing are described below:

Basis of Accounting

Business-type activities of MaineHousing 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. Governmental activities of MaineHousing are classified as governmental funds. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred.

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements.

The Statement of Net Assets and the Statement of Activities display information about MaineHousing as a whole. These statements are prepared using the accrual basis of accounting. There were no material differences in the governmental funds between the accrual basis of accounting used in the Statement of Net Assets and Statement of Activities and the modified accrual method used in the governmental fund statements.

As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, MaineHousing has elected not to comply with the Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

Fund Structure

The following business-type activities of MaineHousing are classified as proprietary funds:

MORTGAGE PURCHASE FUND GROUP

This fund group consists of the funds and 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.

HOUSING FINANCE REVENUE FUND GROUP

This fund group consists of the funds and accounts established by the General Housing Finance Revenue Bond Resolution. Pursuant to the Housing Finance Revenue Program, MaineHousing is authorized to purchase mortgages or notes in connection with single-family and multi-family residential properties.

BONDHOLDER RESERVE FUND

This fund, which has been established by the General Authority Bondholder Reserve Fund Resolution, is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond and General Housing Finance Revenue Bond resolutions.

GENERAL ADMINISTRATIVE FUND

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program. The receipt of revenues not specifically pledged for the repayment of bonds or notes and the payment of expenses for the administration and operation of MaineHousing are recorded in this fund.

The following governmental activities of MaineHousing are classified as governmental funds:

HOME FUND

The State Legislature authorized the creation of the Housing Opportunities for Maine ("HOME") Program to promote and create affordable housing. The program has been 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. MaineHousing also administers in this fund the Shelter Operating Subsidy Program, which is funded by or in conjunction with the State of Maine.

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 which 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
- Housing Choice Voucher
- Portability
- Performance Based Contract Administration
- Veterans Affairs Supportive Housing

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 this program.

AMERICAN RECOVERY AND REINVESTMENT ACT FUND

In 2009, the American Recovery and Reinvestment Act (ARRA) was enacted by the United States Congress. This Act contains temporary federal spending provisions for housing and energy related programs. MaineHousing is the designated administrator for certain ARRA programs for the State of Maine. This fund records the activity and reflects the consolidation of these programs. Program administration is governed by applicable federal regulations. For certain programs, MaineHousing receives administration fees. These programs consist of the following:

U.S. Department of Housing and Urban Development

- Homeless Prevention and Rapid Re-Housing Program
- Tax Credit Assistance Program

U.S. Department of Energy

- Weatherization Program
- Weatherization Assistance Program Training Centers and Programs

U.S. Department of Treasury

- Section 1602 Tax Credit Exchange Program

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 group consists of the funds and 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 capital funds on program activities and the receipt of revenues from the State of Maine. The deficit will be eliminated over time as capital funds available for programs are depleted.

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:

U.S. Department of Housing and Urban Development

- Emergency Solutions Grant Program
- HOMES Investment Partnership Program
- Lead Based Paint Hazard Control Program
- Homeless Management Information Strategies
- McKinney Act – Financing Adjustment Factor (FAF)
- Housing Counseling Program
- National Foreclosure Mitigation Counseling Program

U.S. Department of Energy

- Weatherization Program

U.S. Department of Health and Human Services

- Weatherization / Central Heating Improvement Program
- Residential Energy Assistance Challenge Program

State of Maine

- Natural Disaster Housing Assistance Fund
- Mental Health Facilities Program
- Municipal Revolving Loan Fund
- Land Acquisition Program
- Maine Affordable Housing General Obligation Bonds
- Appliance Replacement Program
- Consumer Residential Opportunities Program
- Indian Housing Mortgage Insurance Program
- Foreclosure Prevention Counseling Grant-Bureau of Consumer Credit
- Shared Data Repository-Efficiency Maine Trust
- Quantification of Carbon Savings-Efficiency Maine Trust
- Neighborhood Stabilization Program

Private

Robert Wood Johnson Foundation
Low Income Assistance Plan

Restriction of Net Assets and Fund Balances

Net assets and fund balances are restricted by bond resolutions, state statutes, or various federal regulations and program agreements. Financial activities and resulting account balances which are not so restricted are generally recorded in the General Administrative Fund. The bond program assets are restricted for the acquisition of loans, payment of debt service, and payment of operating costs within each respective fund. Fund balances of the governmental funds are either in nonspendable form, restricted for the funding of housing and energy related programs, or unassigned to report any negative fund balance amounts.

Capital Assets

Capital assets consisting of land, equipment and leasehold improvements are stated at cost less accumulated depreciation and are reported in the agency-wide and proprietary funds financial statements. Capital assets are reported as expenditures in the governmental funds statements. MaineHousing capitalizes assets with an initial cost of one thousand dollars or more. Depreciation on capital assets is computed using the straight line method over the estimated useful lives of the assets.

Discount, Premium and Bond Issuance Costs

Bond discount, bond premium and debt issuance expense are amortized over the lives of the bonds using a method that approximates the effective interest method. Also, gains and losses on debt refundings are deferred and 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.

Investments

Investments are carried at fair value based on quoted market prices. 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 recorded as an increase in accounts payable – Federal.

Mortgage Notes Receivable

Mortgage notes receivable are carried at their original par less principal collections and are reflected on the balance sheet net of the allowance for losses on loans. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful.

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 operations. 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 collectibility 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.

Funds received, including interest, for revolving loan programs are recorded as a liability in "accounts payable and accrued liabilities" on the balance sheet. Losses on loans in these programs are recognized by charging the amounts held under the revolving loan program liability accounts when the loans are forgiven or charged off.

Loan Origination Fees and Costs

MaineHousing pays origination costs and may receive a fee at the time it purchases single-family mortgage loans. Other program costs, including closing cost assistance to borrowers, may also be paid in connection with acquiring certain single-family loans. The fees received less the costs paid are deferred and recognized against 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 fees and costs are recognized immediately as a component of interest income.

MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family mortgage loan. These fees are recognized as interest income over the life of the mortgage on an accelerated basis approximating the interest method. The deferred fees are included in deferred income on the balance sheets.

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. Other real estate owned is 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 Assets in the year incurred or realized.

Grants

Unrestricted grants are recorded as revenues when received. Restricted grants are recorded as revenues upon compliance with the restrictions. Amounts due from the federal government are accrued when due. Unearned grant income is included in deferred income.

Statement of Cash Flows

MaineHousing considers cash to include cash on hand and held by banks in demand deposit and savings accounts.

Interest Rate Swap Agreements

Interest rate swap agreements are recorded at fair value on the Statement of Net Assets and Balance Sheet. If the swap agreements are effective hedges, an offsetting deferred swap inflow or outflow of resources is recorded on the Statement of Net Assets and Balance Sheet. If the swap agreements are not effective hedges, the interest expense is increased or decreased by the change in the fair value of the swap agreements. Swap effectiveness is determined using the synthetic instrument or regression analysis methods in accordance with Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The swap agreements are all effective hedges at December 31, 2011.

(3.) CASH AND INVESTMENTS

At December 31, 2011, the carrying amount of MaineHousing's deposits was \$1,128 and the bank balance was \$1,581. The difference between the carrying amount and the bank balance represents outstanding checks. Of the bank balance, \$291 was covered by federal depository insurance and \$1,290 was collateralized by repurchase agreements for which the securities are held by the bank's trustee in MaineHousing's name.

The Mortgage Purchase Program and Housing Finance Revenue Program bond resolutions permit 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). These resolutions also permit MaineHousing to invest in certificates of deposit and repurchase agreements.

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.

MaineHousing's investment balances and stated maturities as of December 31, 2011 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment	Carrying Amount	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
PROPRIETARY FUNDS					
MORTGAGE PURCHASE FUND GROUP					
Repurchase Agreements	\$182,070	\$182,070	\$0	\$0	\$0
U.S. Government-sponsored enterprise obligations(rated AAA/Aaa)	145,326	0	0	34,571	110,755
Total - Mortgage Purchase Fund Group	327,396	182,070	0	34,571	110,755
HOUSING FINANCE REVENUE FUND GROUP					
Repurchase Agreements	6,589	6,589	0	0	0
BONDHOLDERS RESERVE FUND					
Repurchase Agreements	7,938	7,938	0	0	0
GENERAL ADMINISTRATIVE FUND					
Repurchase Agreements	13,769	13,769	0	0	0
Total - Proprietary Funds	\$355,692	\$210,366	\$0	\$34,571	\$110,755
GOVERNMENTAL FUNDS					
HOME FUND					
Repurchase Agreements	\$3,549	\$3,549	\$0	\$0	\$0
SECTION 8 HOUSING PROGRAM					
Repurchase Agreements	7,479	7,479	0	0	0
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM					
Repurchase Agreements	245	245	0	0	0
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND					
Repurchase Agreements	46,515	46,515	0	0	0
OTHER FEDERAL AND STATE PROGRAMS					
Repurchase Agreements	8,067	8,067	0	0	0
Total - Governmental Funds	\$65,855	\$65,855	\$0	\$0	\$0

Repurchase agreements 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 or its bank's trustee in MaineHousing's name. MaineHousing generally invests in repurchase agreements for short-term investments. On December 31, 2011, approximately \$276 million was invested in short-term repurchase agreements having maturity dates of less than one year, at rates ranging from 0.07% to 0.17%. Investments other than repurchase agreements are registered in MaineHousing's name. Investments issued by Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), and Federal Home Loan Bank (FHLB) make up 2%, 15%, 14%, and 14% of total investments, respectively, in the Mortgage Purchase Fund Group.

(4.) MORTGAGE AND OTHER NOTES RECEIVABLE:

For financial statement presentation the allowance for losses on loans has been netted against the non-current portion of mortgage notes receivable and other notes receivable; however, where there is no non-current portion for other notes receivable, the allowance is netted against the current amount.

A summary of mortgage notes receivable at December 31, 2011 is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
PROPRIETARY FUNDS			
MORTGAGE PURCHASE FUND GROUP - SINGLE-FAMILY:			
VA guaranteed	684	\$56,794	5.8%
FHA insured	2,866	263,331	27.0%
USDA/RD guaranteed	3,966	377,499	38.7%
Privately insured	1,659	137,288	14.1%
Non-insured	2,946	139,381	14.4%
Total Mortgage Purchase Fund Group - single-family	12,121	974,293	100.0%
MORTGAGE PURCHASE FUND GROUP - MULTI-FAMILY:			
Federally assisted:			
Section 8	178	108,796	30.6%
Conventional	201	212,180	59.7%
Supportive Housing	250	34,655	9.7%
Total Mortgage Purchase Fund Group - multi-family	629	355,631	100.0%
Less: Allowance for losses on loans		(9,791)	
Total Mortgage Purchase Fund Group	12,750	1,320,133	
HOUSING FINANCE REVENUE FUND GROUP – HOME IMPROVEMENT LOANS:			
Non-insured	914	3,672	100.0%
Less: Allowance for losses on loans		(437)	
Total Housing Finance Revenue Fund	914	3,235	
BONDHOLDER RESERVE FUND– MULTI-FAMILY:			
Non-insured	1	108	100.0%
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
VA guaranteed	1	8	0.1%
Non-insured	159	5,499	92.2%
Privately insured	30	460	7.7%
Total General Administrative Fund-Single Family	190	5,967	100.0%
Less: Allowance for losses on loans		(309)	
Total General Administrative Fund	190	5,658	
Total Proprietary Funds mortgage notes receivable	13,855	\$1,329,134	
GOVERNMENTAL FUNDS			
HOME FUND SINGLE - FAMILY:			
Non-insured	326	\$2,927	13.4%
HOME FUND MULTI - FAMILY:			
Non-insured	67	18,936	86.6%
Total HOME Fund	393	21,863	100.0%
Less: Allowance for losses on loans		(709)	
Total HOME Fund	393	21,154	
SECTION 8 HOUSING PROGRAMS – MULTI-FAMILY:			
Non-insured	5	64	100.0%
AMERICAN RECOVERY & REINVESTMENT ACT FUND-MULTI-FAMILY			
Non-insured	7	11,897	100.0%

	Number of Notes	Principal Balance	Percent of Portfolio
OTHER FEDERAL AND STATE PROGRAMS			
HOME IMPROVEMENT LOANS			
Non-insured	32	162	<u>100.0%</u>
OTHER FEDERAL AND STATE PROGRAMS			
MULTI-FAMILY			
Non-insured	<u>143</u>	<u>44,827</u>	<u>100.0%</u>
Total Other Federal and State Programs	<u>175</u>	<u>44,989</u>	
Total Governmental Funds mortgage notes receivable	<u>580</u>	<u>78,104</u>	

A summary of other notes receivable at December 31, 2011, is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
PROPRIETARY FUNDS			
HOUSING FINANCE REVENUE FUND GROUP:			
Non-insured	<u>2</u>	<u>\$11</u>	<u>100.0%</u>
Total Proprietary Funds other notes receivable	<u>2</u>	<u>11</u>	
GOVERNMENTAL FUNDS			
OTHER FEDERAL AND STATE PROGRAMS:			
Non-insured	2	37	10.5%
Non-insured - revolving notes	<u>7</u>	<u>316</u>	<u>89.5%</u>
	9	353	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(27)</u>	
Total Other Federal and State Programs	<u>9</u>	<u>326</u>	
Total Governmental Funds other notes receivable	<u>9</u>	<u>\$326</u>	

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

	PROPRIETARY FUNDS			GOVERNMENTAL FUNDS	
	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	General Administrative Fund	HOME Fund	Other Federal and State Programs
Balance – December 31, 2010	\$9,446	\$540	\$100	\$679	\$27
Provision	1,200	(50)	257	300	0
Loans charged off	(1,066)	(61)	(48)	(270)	0
Recoveries	<u>211</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance – December 31, 2011	<u>\$9,791</u>	<u>\$437</u>	<u>\$309</u>	<u>\$709</u>	<u>\$27</u>

(5.) MORTGAGE BONDS PAYABLE

MaineHousing issues both bonds that pay interest that is subject to Alternative Minimum Tax (AMT) and bonds that pay interest that is not subject to this tax (Non-AMT). For AMT bonds issued, interest paid 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 December 31, 2011. The Single-Family (S/F), Multi-Family (M/F), and Home Improvement (HI) Mortgage Bonds Payable outstanding at December 31, 2011 are as follows:

PROPRIETARY FUNDS	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
MORTGAGE PURCHASE FUND GROUP							
1998 SERIES A BONDS (S/F):							
1998 Series A-1 (Non-AMT)							
Serial Bonds	7,970	0	4.85%				
Term Bonds	6,835	0	5.15%				
1998 Series A-2 (AMT)							
Term Bonds	6,540	0	5.30%				
Term Bonds	7,000	0	4.70%				
Term Bonds	5,470	0	5.35%				
Term Bonds	11,085	9,300	5.33%	2027-2032	325	-	2,080
Term Bonds	100	0	5.40%				
	45,000	9,300					
1998 SERIES C BONDS (S/F):							
1998 Series C-1 (Non-AMT)							
Term Bonds	9,000	0	5.15%				
1998 Series C-2 (AMT)							
Serial Bonds	6,000	0	4.90%				
Term Bonds	8,600	0	4.75%				
Term Bonds	605	0	5.38%				
Term Bonds	13,220	7,345	5.25%	2021-2028	775	-	1,060
Term Bonds	12,575	0	5.38%				
	50,000	7,345					
1998 SERIES F BONDS (S/F):							
1998 Series F-1 (Non-AMT)							
Term Bonds	8,000	0	5.13%				
1998 Series F-2 (AMT)							
Serial Bonds	1,790	0	4.50%				
Term Bonds	5,425	0	4.65%				
Term Bonds	10,000	8,990	5.25%	2021-2027	1115	-	1,455
Term Bonds	195	0	5.35%				
Term Bonds	15,090	5,170	5.35%	2021-2028	370	-	2,120
	40,500	14,160					
1999 SERIES A BONDS (M/F):							
1999 Series A-1 (Non-AMT)							
Term Bonds	3,525	0	5.05%				
Term Bonds	3,730	0	5.13%				
1999 Series A-2 (AMT)							
Serial Bonds	2,595	0	4.70%				
Term Bonds	5,105	5,105	5.25%	2026-2032	615	-	845
	14,955	5,105					
1999 SERIES B BONDS (S/F):							
1999 Series B-1 (Non-AMT)							
Term Bonds	7,000	0	5.00%				

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
1999 Series B-2 (AMT)							
Serial Bonds	14,430	0	4.80%				
Term Bonds	11,610	0	5.25%				
Term Bonds	16,960	0	4.70%				
Term Bonds	30,000	8,615	5.30%	2021-2025	600	-	2,160
	80,000	8,615					
2001 SERIES B BONDS (S/F):							
2001 Series B (AMT)							
Serial Bonds	4,130	0	4.75%				
Term Bonds	9,350	0	5.40%				
Term Bonds	3,660	0	4.60%				
Term Bonds	4,045	3,230	5.50%	2026-2031	125	-	690
Term Bonds	8,815	2,375	5.50%	2026-2028	470	-	975
	30,000	5,605					
2001 SERIES C BONDS (S/F):							
2001 Series C (AMT)							
Serial Bonds	4,715	0	5.00%				
Term Bonds	5,580	0	5.45%				
Term Bonds	6,425	0	5.45%				
Term Bonds	13,280	2,315	5.55%	2026-2027	1,110	-	1,205
	30,000	2,315					
2001 SERIES G BONDS (M/F):							
2001 Series G (AMT)							
Term Bonds	3,130	0	5.40%				
Term Bonds	5,305	3,995	5.50%	2025-2031	480	-	670
	8,435	3,995					
2002 SERIES A BONDS (S/F):							
2002 Series A-1 (Non-AMT)							
Term Bonds	2,355	0	4.95%				
2002 Series A-2 (AMT)							
Serial Bonds	6,190	710	4.85%	2013		710	
Term Bonds	2,460	2,460	5.30%	2017-2021	435	-	540
Term Bonds	5,815	5,815	5.30%	2017-2022	750	-	1,580
Term Bonds	4,900	0	4.55%				
Term Bonds	8,280	5,690	5.40%	2027-2031	470	-	1,410
	30,000	14,675					
2002 SERIES D BONDS (S/F):							
2002 Series D (AMT)							
Serial Bonds	6,255	0	4.45%				
Term Bonds	15,725	8,955	5.25%	2019-2022	2145	-	2,335
Term Bonds	18,020	9,255	5.40%	2025-2030	555	-	1,930
	40,000	18,210					
2002 SERIES F BONDS (S/F):							
2002 Series F-1 (Non-AMT)							
Serial Bonds	10,430	0	4.00%				
Term Bonds	5,790	5,790	4.63%	2013-2017	1,125	-	1,185
2002 Series F-2 (AMT)							
Serial Bonds	13,480	0	4.25%				
Term Bonds	17,000	610	3.75%	2016		610	
Term Bonds	10,000	10,000	5.05%	2013-2021	720	-	1,610
Term Bonds	12,580	6,795	5.15%	2013-2019	775	-	1,430
Term Bonds	5,000	5,000	5.10%	2013-2023	15	-	3,020
Term Bonds	10,720	0	5.25%				
	85,000	28,195					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2002 SERIES G BONDS (S/F):							
2002 Series G-1 (Non-AMT)							
Serial Bonds	2,000	1,785	3.95%-4.25%	2013-2015	575	-	620
2002 Series G-2 (AMT)							
Serial Bonds	4,150	0	4.00%				
Term Bonds	8,100	4,375	5.15%	2016-2020	100	-	1,150
Term Bonds	1,815	0	4.00%				
Term Bonds	790	335	5.25%	2025-2028	30	-	105
Term Bonds	5,145	2,435	5.25%	2025-2029	190	-	605
	<u>22,000</u>	<u>8,930</u>					
2003 SERIES A BONDS (M/F):							
2003 Series A-1 (Non-AMT)							
Serial Bonds	1,155	135	3.90%	2013		135	
Term Bonds	1,735	1,735	4.85%	2014-2023	135	-	215
Term Bonds	2,785	1,220	4.95%	2029-2033	55	-	325
2003 Series A-2 (AMT)							
Serial Bonds	7,795	280	4.20%	2013		280	
Term Bonds	1,755	1,755	4.90%	2014-2022	160	-	235
Term Bonds	1,975	1,975	4.90%	2014-2023	135	-	450
Term Bonds	3,000	3,000	5.00%	2024-2032	270	-	400
Term Bonds	3,100	3,100	5.00%	2024-2033	210	-	760
	<u>23,300</u>	<u>13,200</u>					
2003 SERIES B BONDS (S/F):							
2003 Series B-1 (Non-AMT)							
Serial Bonds	1,885	1,885	3.90%-4.05%	2013-2014	925	-	960
Term Bonds	4,965	4,965	4.85%	2021-2025	910	-	1,085
2003 Series B-2 (AMT)							
Serial Bonds	3,310	0	4.15%				
Term Bonds	7,000	470	3.65%	2015		470	
Term Bonds	245	245	5.00%	2026		245	
Term Bonds	7,965	6,325	5.05%	2026-2030	975	-	1,420
	<u>25,370</u>	<u>13,890</u>					
2003 SERIES C BONDS (S/F):							
2003 Series C-1 (Non-AMT)							
Serial Bonds	8,350	1,660	4.63%-4.70%	2015-2016	810	-	850
2003 Series C-2 (AMT)							
Term Bonds	4,420	240	4.00%	2020		240	
Term Bonds	5,415	2,890	5.45%	2025-2032	215	-	845
	<u>18,185</u>	<u>4,790</u>					
2003 SERIES D BONDS (S/F):							
2003 Series D-1 (Non-AMT)							
Serial Bonds	21,490	9,460	4.00%-4.50%	2013-2017	1,740	-	2,055
2003 Series D-2 (AMT)							
Term Bonds	4,000	3,525	4.90%	2018-2022	390	-	825
Term Bonds	5,240	5,240	4.90%	2018-2023	650	-	1,695
Term Bonds	9,100	1,090	5.00%	2024		1,090	
Term Bonds	10,170	5,555	5.00%	2028-2030	595	-	2,515
	<u>50,000</u>	<u>24,870</u>					
2003 SERIES F BONDS (S/F – M/F):							
2003 Series F (Non-AMT)							
Serial Bonds	27,250	5,745	3.85%-4.00%	2013-2014	1,745	-	4,000
Term Bonds	23,205	23,205	4.80%	2019-2023	4,640	-	4,645
Term Bonds	21,970	21,970	4.80%	2019-2024	50	-	4,385
	<u>72,425</u>	<u>50,920</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2004 SERIES A BONDS (S/F):							
2004 Series A-1 (Non-AMT)							
Serial Bonds	13,385	5,420	3.75%-4.00%	2013-2015	1,745	-	1,875
2004 Series A-2 (AMT)							
Serial Bonds	3,890	0	2.35%				
Term Bonds	13,420	2,255	5.00%	2016-2017	885	-	1,370
Term Bonds	5,605	5,605	4.75%	2019-2023	400	-	2,330
Term Bonds	5,060	5,060	4.75%	2019-2024	360	-	1,860
Term Bonds	3,240	2,180	4.80%	2025-2028	70	-	1,080
Term Bonds	2,675	0	4.80%				
	47,275	20,520					
2004 SERIES B BONDS (S/F):							
2004 Series B-1 (Non-AMT)							
Serial Bonds	10,000	2,495	3.90%-4.00%	2013-2014	1,225	-	1,270
2004 Series B-2 (AMT)							
Term Bonds	15,000	12,305	5.20%	2029-2035	25	-	2,565
2004 Series B-3 (AMT)							
Term Bonds	11,000	11,000	Variable-.14%	2015-2027	425	-	1,505
Term Bonds	9,000	9,000	Variable-.14%	2028-2035	730	-	1,620
Term Bonds	5,000	5,000	Variable-.14%	2036-2038	1,480	-	1,860
	50,000	39,800					
2004 SERIES C BONDS (S/F):							
2004 Series C-1 (Non-AMT)							
Serial Bonds	8,000	995	3.75%	2013		995	
2004 Series C-2 (AMT)							
Term Bonds	5,000	5,000	4.80%	2022-2024	1,625	-	1,710
Term Bonds	15,000	14,070	5.00%	2029-2034	1,910	-	2,705
2004 Series C-3 (AMT)							
Term Bonds	15,000	15,000	Variable -.12%	2035-2038		3,750	
	43,000	35,065					
2004 SERIES D BONDS (S/F):							
2004 Series D-1 (Non-AMT)							
Serial Bonds	7,145	890	3.80%	2013		890	
Term Bonds	1,855	1,855	4.00%	2014-2015	900	-	955
2004 Series D-2 (AMT)							
Term Bonds	6,000	6,000	4.70%	2022-2024	1,955	-	2,050
Term Bonds	10,000	9,605	4.90%	2029-2034	1,420	-	1,800
2004 Series D-3 (AMT)							
Term Bonds	15,000	15,000	Variable -.14%	2035-2039		3,000	
	40,000	33,350					
2005 SERIES A BONDS (M/F):							
2005 Series A-1 (Non-AMT)							
Serial Bonds	5,785	2,565	4.00%-4.40%	2013-2017	490	-	530
Term Bonds	5,425	5,100	4.90%	2028-2032	920	-	1,160
2005 Series A-2 (AMT)							
Term Bonds	9,715	8,740	4.95%	2018-2027	25	-	1,120
	20,925	16,405					
2005 SERIES B BONDS (M/F):							
2005 Series B (Federally Taxable)							
Term Bonds	15,000	15,000	Variable-.63%	2016-2020	2,840	-	3,115
2005 SERIES C BONDS (M/F):							
2005 Series C (AMT)							
Term Bonds	11,125	11,125	Variable-.12%	2036-2039	2,780	-	2,785

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2005 SERIES D BONDS (S/F):							
2005 Series D-1 (Non-AMT)							
Serial Bonds	3,000	1,105	3.70%-3.90%	2013-2015	355	-	380
2005 Series D-2 (AMT)							
Term Bonds	15,000	14,895	4.80%	2026-2036	1,075	-	1,520
2005 Series D-3 (AMT)							
Term Bonds	20,000	20,000	Variable-.14%	2028-2038	1,485	-	2,190
	38,000	36,000					
2005 SERIES E BONDS (S/F):							
2005 Series E-1 (Non-AMT)							
Serial Bonds	6,330	2,815	4.00%-4.25%	2013-2016	665	-	745
2005 Series E-2 (AMT)							
Term Bonds	9,765	9,765	4.90%	2017-2026	780	-	1,200
Term Bonds	6,965	6,965	4.95%	2027-2031	1,260	-	1,530
Term Bonds	6,940	6,685	5.10%	2032-2035	1,610	-	1,775
	30,000	26,230					
2005 SERIES G BONDS (M/F):							
2005 Series G (AMT)							
Term Bonds	22,300	21,715	Variable-.14%	2012-2037	155	-	4,385
2006 SERIES A BONDS (S/F):							
2006 Series A-1 (Non-AMT)							
Serial Bonds	6,680	3,395	3.70%-4.05%	2013-2017	625	-	735
2006 Series A-2 (AMT)							
Term Bonds	16,000	16,000	4.65%	2018-2025	1,680	-	2,360
Term Bonds	7,320	7,015	4.85%	2026-2036	515	-	800
	30,000	26,410					
2006 SERIES B BONDS (S/F):							
2006 Series B (AMT)							
Term Bonds	5,000	5,000	Variable-.12%	2026-2036	350	-	580
2006 SERIES D BONDS (S/F):							
2006 Series D-1 (Non-AMT)							
Serial Bonds	6,970	2,590	3.85%-4.05%	2013-2015	825	-	900
2006 Series D-2 (AMT)							
Term Bonds	7,170	7,170	4.75%	2018-2021	1,665	-	1,925
Term Bonds	10,915	10,915	4.85%	2022-2026	1,985	-	2,395
Term Bonds	7,075	6,855	4.95%	2027-2031	1,280	-	1,485
Term Bonds	12,870	12,870	4.90%	2032-2036	2,130	-	3,690
2006 Series D-3 (AMT)							
Term Bonds	5,000	5,000	Variable-.14%	2027-2035	455	-	670
	50,000	45,400					
2006 SERIES E BONDS (S/F):							
2006 Series E-1 (Non-AMT)							
Serial Bonds	6,895	2,790	3.90%-4.00%	2013-2015	900	-	960
2006 Series E-2 (AMT)							
Term Bonds	5,535	5,365	4.75%	2019-2021	1,725	-	1,845
Term Bonds	7,365	7,365	4.80%	2022-2026	1,360	-	1,590
Term Bonds	9,040	9,040	4.90%	2027-2031	1,665	-	1,960
Term Bonds	11,165	11,165	4.95%	2032-2036	2,045	-	2,430
	40,000	35,725					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2006 SERIES G BONDS (S/F):							
2006 SERIES G (AMT)							
Serial Bonds	6,170	2,990	4.05%-4.20%	2013-2016	705	-	790
Term Bonds	15,295	15,295	4.55%	2017-2026	830	-	2,350
Term Bonds	7,250	7,250	4.63%	2027-2031	1,320	-	1,590
Term Bonds	11,285	11,285	4.70%	2032-2037	1,665	-	2,115
	<u>40,000</u>	<u>36,820</u>					
2006 SERIES I BONDS (M/I):							
2006 Series I-1 (Non-AMT)							
Term Bonds	2,500	2,500	4.40%	2022-2026		500	
2006 Series I-2 (AMT)							
Term Bonds	9,000	8,800	4.75%	2032-2036	1,600	-	1,800
2006 Series I-3 (AMT)							
Term Bonds	7,500	0	Variable-.27%				
	<u>19,000</u>	<u>11,300</u>					
2007 SERIES A BONDS (S/F):							
2007 Series A (AMT)							
Serial Bonds	4,840	3,955	4.30%-4.45%	2014-2017	930	-	1,050
Term Bonds	4,855	4,855	4.70%	2018-2022	875	-	1,070
Term Bonds	7,240	7,240	4.75%	2023-2027	1,305	-	1,605
Term Bonds	8,065	8,065	4.75%	2028-2032	1,450	-	1,780
	<u>25,000</u>	<u>24,115</u>					
2007 SERIES C BONDS (S/F):							
2007 Series C (AMT)							
Term Bonds	5,000	5,000	5.05%	2018-2022	860	-	1,135
Term Bonds	8,000	8,000	5.13%	2023-2027	1,100	-	1,900
Term Bonds	12,000	12,000	5.15%	2028-2032	2,200	-	2,600
	<u>25,000</u>	<u>25,000</u>					
2007 SERIES E BONDS (S/I):							
2007 Series E-1 (AMT)							
Serial Bonds	2,885	0	4.65%				
Term Bonds	1,405	1,405	4.80%	2016-2017	685	-	720
Term Bonds	2,700	2,700	5.15%	2018-2020	700	-	1,200
Term Bonds	10,010	10,010	5.30%	2021-2023	1,810	-	4,300
2007 Series E2 (AMT)							
Term Bonds	8,000	8,000	Variable-.12%	2032-2041		800	
	<u>25,000</u>	<u>22,115</u>					
2008 SERIES A BONDS (S/F):							
2008 Series A-1 (Non-AMT)							
Serial Bonds	6,050	6,050	3.35%-3.65%	2013-2016	950	-	1,760
2008 Series A-2 (AMT)							
Term Bonds	10,180	10,020	4.85%	2017-2022	250	-	2,110
Term Bonds	10,985	10,845	5.05%	2023-2027	1,985	-	2,305
Term Bonds	7,785	7,520	5.20%	2028-2032	155	-	1,940
	<u>35,000</u>	<u>34,435</u>					
2008 SERIES B BONDS (S/I):							
2008 Series B (AMT)							
Term Bonds	15,000	15,000	Variable-1.50%	2032-2041	1,025	-	1,785
2008 SERIES C BONDS (S/F):							
2008 Series C-1 (Non-AMT)							
Serial Bonds	12,260	12,260	3.30%-4.00%	2013-2016	1,380	-	5,040
2008 Series C-2 (AMT)							
Term Bonds	1,740	745	5.00%	2017-2018	305	-	440
	<u>14,000</u>	<u>13,005</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2008 SERIES D BONDS (S/F):							
2008 Series D (AMT)							
Term Bonds	20,000	20,000	Variable-1.90%	2028-2042	905	-	1,870
2008 SERIES E BONDS (S/F – M/F):							
2008 Series E-1 (Non-AMT)							
Term Bonds	9,585	9,585	Variable-1.85%	2024-2030	1,185	-	1,400
Term Bonds	30,000	30,000	Variable-1.85%	2026-2032	4,000	-	5,000
2008 Series E-2 (AMT)							
Term Bonds	25,415	25,415	Variable-1.90%	2024-2030	1,415	-	4,000
Term Bonds	25,550	25,550	Variable-1.90%	2033-2037	2,135	-	6,415
	90,550	90,550					
2008 SERIES F BONDS (S/F):							
2008 Series F-1 (Non-AMT)							
Serial Bonds	9,585	5,975	3.55%-4.30%	2013-2018	930	-	1,075
2008 Series F-2 (Non-AMT)							
Term Bonds	5,580	5,580	4.95%	2019-2023	1,075	-	1,155
Term Bonds	7,100	7,100	5.15%	2024-2028	1,370	-	1,460
Term Bonds	2,735	2,650	5.30%	2029-2033	445	-	565
	25,000	21,305					
2008 SERIES G BONDS (S/F):							
2008 Series G-1 (Non-AMT)							
Serial Bonds	20,425	15,230	4.50%-5.35%	2013-2017	2,185	-	3,830
2008 Series G-2 (Non-AMT)							
Serial Bonds	4,150	0	5.50%				
Term Bonds	5,200	0	6.00%				
Term Bonds	7,925	0	6.25%				
	37,700	15,230					
2008 SERIES H BONDS (S/F):							
2008 Series H (Non-AMT)							
Term Bonds	23,000	23,000	Variable-.75%	2029-2040	1,525	-	2,360
2009 SERIES A BONDS (S/F):							
2009 Series A-1 (Non-AMT)							
Serial Bonds	9,595	5,015	2.75%-3.10%	2013-2014	1,930	-	3,085
2009 Series A-2 (Non-AMT)							
Serial Bonds	10,405	10,405	3.40%-4.13%	2015-2019	880	-	4,405
Term Bonds	5,000	5,000	4.90%	2020-2024	505	-	2,020
	25,000	20,420					
2009 SERIES B BONDS (S/F):							
2009 Series B (Non-AMT)							
Serial Bonds	11,150	8,330	2.20%-3.85%	2013-2019	565	-	1,520
Term Bonds	5,365	5,365	4.65%	2020-2024	975	-	1,170
Term Bonds	13,485	13,485	5.00%	2025-2029	2,440	-	2,975
	30,000	27,180					
2009 SERIES C BONDS (S/F):							
2009 Series C (Non-AMT)							
Serial Bonds	8,000	6,570	2.00%-3.70%	2013-2019	360	-	1,400
Term Bonds	2,885	2,885	4.50%	2020-2024	240	-	700
Term Bonds	11,795	11,795	5.00%	2025-2029	2,155	-	2,570
	22,680	21,250					
2009 SERIES D BONDS (S/F):							
2009 Series D (Non-AMT)							
Serial Bonds	23,010	18,410	1.90%-4.10%	2013-2021	1,575	-	2,705
Term Bonds	1,560	1,560	4.38%	2022-2024	500	-	540
Term Bonds	3,430	3,430	4.70%	2025-2027	1,090	-	1,195
	28,000	23,400					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2009 SERIES E BONDS (S/F):							
2009 Series E (Non-AMT)							
Term Bonds	42,000	41,160	3.96%	2028-2041	2,220	-	3,680
	42,000	41,160					
2009 SERIES F-1 BONDS (S/F):							
2009 Series F-1 (Non-AMT)							
Term Bonds	36,000	35,890	3.96%	2028-2041	1,960	-	3,170
	36,000	35,890					
2009 SERIES F-2 BONDS (S/F):							
2009 Series F-2 (Non-AMT)							
Term Bonds	21,000	20,880	3.16%	2027-2041	1,110	-	1,670
	21,000	20,880					
2009 SERIES F-3 BONDS (S/F):							
2009 Series F-3 (Non-AMT)							
Term Bonds	24,000	23,990	3.70%	2028-2041	580	-	2,210
	24,000	23,990					
2009 SERIES F-4 BONDS (S/F):							
2009 Series F-4 (Non-AMT)							
Term Bonds	22,000	22,000	0.77%	2027-2041	1,200	-	1,770
	22,000	22,000					
2010 SERIES A BONDS (S/F):							
2010 Series A (Non-AMT)							
Serial Bonds	20,405	19,655	1.00%-4.10%	2012-2024	760	-	1,905
Term Bonds	3,595	3,595	4.25%	2025-2027	1,140	-	1,255
	24,000	23,250					
2010 SERIES B BONDS (S/F):							
2010 Series B-1 (Non-AMT)							
Serial Bonds	8,750	8,750	1.15%-2.60%	2013-2017	500	-	3,070
2010 Series B-2 (Non-AMT)							
Term Bonds	9,495	9,495	4.10%	2022-2025	2,235	-	2,515
2010 Series B-3 (Non-AMT)							
Serial Bonds	33,435	32,020	2.20%-4.60%	2013-2021	610	-	5,740
	51,680	50,265					
2010 SERIES C BONDS (S/F):							
2010 Series C (Non-AMT)							
Serial Bonds	13,020	13,020	1.10%-4.25%	2012-2021	735	-	1,620
Term Bonds	980	980	4.75%	2022-2026	180	-	210
	14,000	14,000					
2010 SERIES D BONDS (M/F):							
2010 Series D-1 (Non-AMT)							
Serial Bonds	8,415	8,415	1.40%-4.05%	2012-2019	405	-	2,305
2010 Series D-2 (Non-AMT)							
Serial Bonds	9,785	9,785	1.40%-4.20%	2012-2020	240	-	3,210
Term Bonds	8,460	8,460	5.05%	2021-2025	950	-	2,200
Term Bonds	2,280	2,280	5.55%	2029-2040	45	-	265
	28,940	28,940					
2011 SERIES A BONDS (S/F):							
2011 Series A (Non-AMT)							
Serial Bonds	12,650	12,650	.65%-4.25%	2012-2025	845	-	1,195
Term Bonds	3,350	3,350	4.63%	2026-2028	790	-	1,310
	16,000	16,000					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2011 SERIES B BONDS (M/F):							
2011 Series B-1 (Non-AMT)							
Serial Bonds	20,490	20,490	2.70%-3.75%	2017-2021	3,425	-	4,735
Term Bonds	4,085	4,085	4.00%	2022-2023	1,000	-	3,085
2011 Series B-2 (Non-AMT)							
Term Bonds	4,750	4,750	4.38%	2024-2025	2,000	-	2,750
	<u>29,325</u>	<u>29,325</u>					
2011 SERIES C BONDS (M/F):							
2011 Series C-1 (Non-AMT)							
Serial Bonds	27,320	27,320	2.00%-3.75%	2016-2023	1,025	-	5,715
2011 Series C-2 (Non-AMT)							
Serial Bonds	6,000	6,000	3.88%-4.88%	2024-2041	530	-	3,470
	<u>33,320</u>	<u>33,320</u>					
2011 SERIES D BONDS (S/F):							
2011 Series D (Non-AMT)							
Serial Bonds	10,615	10,615	1.40%-3.30%	2015-2022	625	-	2,210
Term Bonds	7,385	7,385	4.00%	2023-2026	1,650	-	2,010
	<u>18,000</u>	<u>18,000</u>					
2011 SERIES E BONDS (M/F):							
2011 Series E (Non-AMT)							
Serial Bonds	10,440	10,440	.85%-1.70%	2013-2015		3,480	
Term Bonds	2,810	2,810	4.38%	2028-2031	700	-	705
	<u>13,250</u>	<u>13,250</u>					
		1,416,260					
Less: Unamortized Bond Discount		<u>(13,183)</u>					
Total Mortgage Purchase Fund Group bonds payable	<u>1,981,240</u>	<u>1,403,077</u>					
HOUSING FINANCE REVENUE FUND GROUP							
1995 SERIES I BONDS (HI):							
1995 Series I-1 (Non-AMT)							
Serial Bonds	2,235	0	5.00%				
Term Bonds	2,765	0	5.38%				
1995 Series I-2 (AMT)							
Serial Bonds	2,000	0	4.80%				
1995 Series I-4 (AMT)							
Serial Bonds	1,350	0	5.10%				
Term Bonds	2,120	0	5.70%				
Term Bonds	4,530	1,530	5.75%	2019-2030	100	-	165
	<u>15,000</u>	<u>1,530</u>					
		1,530					
Less: Unamortized Bond Discount		<u>(20)</u>					
Total Housing Finance Revenue Fund Group bonds payable	<u>15,000</u>	<u>1,510</u>					
Total Proprietary Funds							
bonds payable	<u>\$1,996,240</u>	<u>\$1,404,587</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
GOVERNMENTAL FUND							
MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND							
2010 Series 1(Non-AMT)							
Serial Bonds	<u>\$39,970</u>	<u>\$39,970</u>	2.50%-5.00%	2015-2026	355	-	3,800
	<u>39,970</u>	<u>39,970</u>					
2010 Series 2(Taxable)							
Serial Bonds	<u>9,630</u>	<u>9,630</u>	1.73%-3.03%	2012-2015	1,345	-	2,820
	<u>9,630</u>	<u>9,630</u>					
		49,600					
Plus: Unamortized Bond Premium		<u>523</u>					
Total Maine Energy, Housing & Recovery							
Fund Group bonds payable	<u>49,600</u>	<u>50,123</u>					
Total Governmental Funds							
bonds payable	<u>\$49,600</u>	<u>\$50,123</u>					

The following table summarizes the debt activity for the period ended December 31, 2011.

Fund	Outstanding at December 31, 2010	Issuance	Retirement	Outstanding at December 31, 2011
Mortgage Purchase Fund Group	\$1,429,555	\$109,895	(\$123,190)	\$1,416,260
Housing Finance Revenue Fund Group	7,860	0	(6,330)	1,530
Total Proprietary Funds	1,437,415	109,895	(129,520)	1,417,790
Maine Energy, Housing & Economic Recovery Fund	49,600	0	0	49,600
Total	<u>\$1,487,015</u>	<u>\$109,895</u>	<u>(\$129,520)</u>	<u>\$1,467,390</u>

Interest is payable semi-annually for the Mortgage Purchase Fund Group, Housing Finance Revenue Fund Group and the Maine Housing, Energy & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund Group, November 1 for the Housing Finance Revenue Fund Group and June 15 for the Maine Housing, Energy & Economic Recovery Fund.

The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2011 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 debt service requirements and net interest rate swap payments through 2016 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund Group					Housing Finance Revenue Fund Group		Maine Energy, Housing & Economic Recovery Fund Group	
	Fixed/Variable		Variable		Interest Rate Swaps, Net	Fixed		Fixed	
	Unswapped		Swapped			Unswapped		Unswapped	
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest
2012	7,035	49,065	160	2,032	7,862	0	88	2,710	1,585
2013	42,950	49,035	155	2,077	7,853	0	88	2,755	1,530
2014	49,145	47,712	165	2,077	7,843	0	88	2,820	1,463
2015	50,380	46,131	765	2,077	7,583	0	88	2,890	1,383
2016	44,085	44,391	3,695	2,077	6,531	0	88	2,980	1,294
2017-2021	261,235	193,554	18,025	10,075	25,327	310	422	16,265	5,073
2022-2026	258,330	130,926	26,300	9,527	15,206	610	284	19,180	2,038
2027-2031	215,735	75,664	61,670	6,028	8,808	610	90	0	0
2032-2036	173,255	30,928	72,165	2,660	2,827	0	0	0	0
2037-2041	78,270	7,335	51,685	869	141	0	0	0	0
2042-2045	0	0	1,055	20	0	0	0	0	0
Total	\$1,180,420	\$674,741	\$235,840	\$39,519	\$89,981	\$1,530	\$1,236	\$49,600	\$14,366

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 the various resolutions. Security for bonds in the Proprietary Funds includes the mortgage loans made or purchased under the resolutions and all monies and investments in the funds and accounts pledged under the resolutions. Bonds in the Proprietary funds may be redeemed in excess of the annual maturities in accordance with the terms of the various resolutions. 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 not be redeemed in excess of the annual maturities, until June 15, 2020.

Moral Obligation Debt

The reserve funds of the Mortgage Purchase Fund Group and Housing Finance Revenue Fund Group 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 was authorized to have bonds outstanding for these programs in an aggregate amount not to exceed \$2,150,000 as of December 31, 2011. Of that amount, \$1,467,390 was outstanding at December 31, 2011.

Other Debt

MaineHousing had \$24,000 of conduit debt outstanding at December 31, 2011. The conduit debt relates to revenue bonds issued by MaineHousing on behalf of a developer which will be paid solely from the revenues of the project, other assets of the developer, or an irrevocable direct pay letter of credit held by the Trustee. Therefore, these bonds are not a liability of MaineHousing and are not recognized in the accompanying financial statements.

(6.) DERIVATIVES AND HEDGING INSTRUMENTS

MaineHousing has entered into sixteen interest rate swap agreements with two counterparties as of December 31, 2011. The objective of the agreements is to attain a synthetic fixed interest rate on the underlying 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 on a notional principal amount of bonds 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 (SIMMA).

Fair Value – The fair value amounts represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs, and risk, position size, transaction and financing costs, and use of capital profit. If a swap is terminated, fair value represents the current amount required to settle the swap in the marketplace. A positive value represents money due to MaineHousing by the counterparty upon termination, while a negative value represents money payable by MaineHousing.

The fair value of swap agreements are reflected as a Derivative investment – interest rate swaps liability and an offsetting asset Accumulated decrease in fair value of hedging derivatives in the Mortgage Purchase Fund Group in the accompanying financial statements.

The following table contains the terms, fair values, and credit ratings of the outstanding agreements as of December 31, 2011. The credit ratings were issued by Moody's Investor Services and Standard & Poor's respectively.

Associated Debt Issuance	Current Notional Amount	Effective Date of Swap	Maturities/ Sinking Fund Installments	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2004 Series B-3	\$20,000	8/24/04	11/15/15-11/15/35	3.756%	63% of 30 day LIBOR plus .20%	(\$1,800)	11/15/2023 ²	Aa1/A+
2004 Series C-3	\$15,000	10/26/04	11/15/14-11/15/39	3.439%	63% of 30 day LIBOR plus .20%	(\$1,219)	11/15/2021 ²	Aa3/A
2004 Series D-3	\$15,000	1/18/05	11/15/16-11/15/39	3.587%	65% of 30 day LIBOR plus .20%	(\$1,267)	11/15/2021 ²	Aa1/A+
2005 Series B	\$15,000	4/26/05	11/15/16-11/15/20	4.852%	100 % of 90 day LIBOR	(\$2,291)	11/15/2015	Aa3/A
2005 Series C	\$11,125	8/23/05	11/01/28-11/01/39	3.832%	65% of 90 day LIBOR plus .10%	(\$1,116)	11/15/2032 ³	Aa3/A
2005 Series D-3	\$20,000	8/2/05	11/15/16-11/15/38	3.630%	65% of 30 day LIBOR plus .20%	(\$1,942)	11/15/2036 ⁴	Aa1/A+
2005 Series G	\$21,715	2/1/06	11/15/07-11/15/37	3.591%	65% of 30 day LIBOR plus .20%	(\$6,479)	11/15/2037	Aa1/A+
2006 Series B	\$5,000	3/14/06	11/15/19-11/15/36	3.670%	65% of 90 day LIBOR plus .20%	(\$906)	11/15/2019	Aa3/A
2006 Series D-3	\$5,000	7/11/06	11/15/16-11/15/35	3.922%	65% of 90 day LIBOR plus .20%	(\$742)	11/15/2016	Aa1/A+
2007 Series E-2	\$8,000	9/12/07	11/15/27-11/15/41	4.049%	65% of 90 day LIBOR plus .20%	(\$1,131)	11/15/2027 ⁵	Aa3/A
2008 Series B	\$15,000	1/29/08	11/15/23-11/15/41	3.710%	100% of SIFMA plus .06%	(\$2,691)	5/15/2023 ⁵	Aa1/A+
2008 Series D	\$20,000	4/08/08	11/15/22-11/15/42	3.397%	70% of 90 day LIBOR plus .20%	(\$2,239)	11/15/2022 ⁵	Aa3/A
2008 Series E-1, E-2	\$17,500	4/22/08	11/15/14-11/15/30	3.246%	67% of 30 day LIBOR	(\$2,046)	11/15/2018	Aa3/A
2008 Series E-1, E-2	\$17,500	12/23/03	11/15/14-11/15/30	3.246%	67% of 30 day LIBOR	(\$2,046)	11/15/2018	Aa1/A+
2008 Series E-1	\$15,000	4/22/08	11/15/26-11/15/32	3.831%	67% of 30 day LIBOR	(\$867)	11/15/2032 ¹	Aa3/A
2008 Series E-1	\$15,000	12/23/03	11/15/26-11/15/32	3.831%	67% of 30 day LIBOR	(\$867)	11/15/2032 ¹	Aa1/A+
Totals	\$235,840					(\$29,649)		

1 MaineHousing has the option of termination, with no Termination Payment on November 15, 2013 and on each May 15 and November 15 thereafter.

2 MaineHousing has the option of termination, with no Termination Payment on November 15, 2014 and on each May 15 and November 15 thereafter.

3 MaineHousing has the option of termination, with no Termination Payment on May 15, 2015 and on each May 15 and November 15 thereafter.

4 MaineHousing has the option of termination, with no Termination Payment on November 15, 2015 and on each May 15 and November 15 thereafter.

5 MaineHousing has the option of termination, with no Termination Payment on November 15, 2017 and on each May 15 and November 15 thereafter.

Credit Risk – As of December 31, 2011, MaineHousing is not exposed to credit risk because all outstanding swaps have negative fair values. A positive fair value of the swaps would represent MaineHousing's credit exposure to the two counterparties.

The swap agreements contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. These requirements are met as of December 31, 2011.

Basis Risk – The floating rate payments provided by the counterparties are based upon either the SIFMA index or the LIBOR index. The LIBOR rate will be adjusted on a monthly basis, except for 2005 Series B, which is adjusted on a quarterly basis. MaineHousing's floating rate bonds will have rates adjusted weekly. 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 December 31, 2011 the thirty day LIBOR rate was .30%, 67% of the thirty-day LIBOR rate was 0.20%, 63% of the thirty-day LIBOR rate plus .20% was 0.39% and 65% of the thirty-day LIBOR rate plus .20% was 0.39%. As of December 31, 2011 the ninety day LIBOR rate was .58% and 65% of the ninety-day LIBOR rate plus .10% was .48%, 65% of the ninety-day LIBOR rate plus .20% was .58% and 70% of the ninety-day LIBOR rate plus .20% was .61%. The SIFMA rate was 0.12% at December 31, 2011 and 100% of the SIFMA Rate plus .06% was .18%.

Termination Risk – In addition to the optional terminations embedded in some of MaineHousing's Swap Agreements, Swap 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 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. When these swaps terminate, or in the case of the termination option, if the counterparty exercises its option, MaineHousing will not realize the synthetic rate offered by the swaps.

(7.) EMPLOYEE BENEFITS PLANS

MaineHousing provides its employees with an option of participating in either a defined contribution retirement plan or a defined benefit retirement 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). MaineHousing makes direct contributions on behalf of participants to the 401(a) plan. Additionally, if a participant makes contributions to the 457 plan, a portion of the contribution is matched by MaineHousing. The employer match contribution is made to the 401(a) plan. Total expense under the defined contribution plan was \$245 for the year ended December 31, 2011.

MaineHousing is also a participating local district member of the Maine Public Employees Retirement System (MainePERS) and its employees may participate in a defined benefit plan offered by MainePERS. All employees that do not participate in MaineHousing's defined contribution plan are eligible. As such, MaineHousing's employer contributions on behalf of its employees were \$363, \$275 and \$170 for 2011, 2010, and 2009, respectively. As of December 31, 2011, MaineHousing's plan has a surplus balance with MainePERS of approximately \$606. This surplus will reduce or eliminate future employer costs. In 2011, 2010 and 2009 MaineHousing utilized \$73, \$72 and \$72 respectively of the surplus.

(8.) AVAILABLE BONDS PROCEEDS

MORTGAGE PURCHASE FUND GROUP

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

2010 Series B (S/F)	\$5,950
2010 Series C/2009 F-2 (S/F)	5,514
2010 Series D (M/F)	1,881
2011 Series B (M/F)	4,753
2011 Series C-2 (M/F)	6,002
2011 Series D/2009 F-4 (S/F)	3,998
2011 Series E (M/F)	12,100
	<u>\$40,198</u>

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND

The following are invested in various bond proceed sub-accounts and are available for program activities at December 31, 2011:

2010 Series 1	\$34,722
2010 Series 2	9,358
	<u>\$44,080</u>

(9.) COMMITMENTS

MORTGAGE COMMITMENTS

Mortgage commitments are agreements to lend 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 December 31, 2011, MaineHousing had outstanding commitments in several funds to originate multi-family mortgage loans of approximately \$52,198.

MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2011, single-family loans being processed by lenders for MaineHousing totaled approximately \$7,376.

LEASE COMMITMENT

MaineHousing has committed to a lease agreement for approximately 39,000 square feet of office space. Annual rent under this lease agreement is approximately \$616 and increases at a rate of 3% per year. This lease agreement expires on December 31, 2019. For the year ended December 31, 2011, MaineHousing had rental expense of \$616.

(10.) RESERVE FUNDS

MORTGAGE PURCHASE FUND GROUP – 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 December 31, 2011 was \$85,679.

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 December 31, 2011 was \$132,015.

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 December 31, 2011, 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 \$163,493.

HOUSING FINANCE REVENUE FUND GROUP – CAPITAL RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Capital Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Capital Reserve Fund Minimum Requirement. The Capital Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding bond year on bonds outstanding. The Capital Reserve Fund Minimum Requirement as of December 31, 2011 was \$88.

When issuing bonds MaineHousing must also meet the Capital Reserve Fund Maximum Requirement. The Capital Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent bond year. The Capital Reserve Fund Maximum Requirement as of December 31, 2011 was \$193.

At December 31, 2011, valuation of the investments in the Capital Reserve Fund computed at amortized value in accordance with the General Housing Finance Revenue Bond Resolution was \$3,331.

MAINE HOUSING, ENERGY & 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 December 31, 2011 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 December 31, 2011 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 (IRS) 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 December 31, 2011, the estimated arbitrage rebate liability in the Mortgage Purchase Fund Group was \$1,963. There are no other arbitrage liabilities to be rebated in the other fund groups at December 31, 2011.

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 an asset. MaineHousing has recorded assets, which are included in other assets, in the amount of \$373 and \$23 in the Mortgage Purchase Program Fund and Housing Finance Revenue Fund Group, respectively.

(12.) FUND TRANSFERS AND INTERFUND BALANCES

During the year ended December 31, 2011, MaineHousing made operating transfers between funds. The following is a summary of transfers in (out):

	General Administrative Fund	Section 8 Housing Programs	Other Federal And State Programs
Program Subsidies	<u>(\$146)</u>	<u>(\$113)</u>	<u>\$259</u>

During the year ended December 31, 2011, MaineHousing had outstanding balances between funds. The following is a summary of outstanding payables (receivables) between funds:

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Admin. Fund	HOME Fund	Section 8 Housing Programs	Low Income Housing Energy Assistance Program	American Recovery & Reinvestment Act Fund	Maine Energy, Housing & Economic Recovery Program	Other Federal And State Programs
Operating expenses	\$988	\$37	\$6	(\$5,182)	\$0	\$1,969	\$790	\$72	\$0	\$1,320
Funds for loan closings	(12)	0	7	203	(264)	0	0	0	0	66
Program revenues and fees	(738)	0	0	4,120	104	(3,737)	(3)	289	(816)	781
	<u>\$238</u>	<u>\$37</u>	<u>\$13</u>	<u>(\$859)</u>	<u>(\$160)</u>	<u>(\$1,768)</u>	<u>\$787</u>	<u>\$361</u>	<u>(\$816)</u>	<u>\$2,167</u>

(13.) REDEMPTION OF BONDS

For the period ended December 31, 2011, MaineHousing redeemed prior to maturity \$122,300 of its Mortgage Purchase Fund Group bonds and \$6,330 of its Housing Finance Revenue Fund Group from surplus revenues and the proceeds of refunding bonds. Mortgage Purchase Group losses of \$465 and Housing Finance Revenue Fund Group losses of \$42 were attributed to the recognition of bond discount and debt issuance expenses associated with the redeemed bonds. The following is a summary of bonds redeemed:

	Interest Rate	Original Maturity	Amount	Redemption Price
Mortgage Purchase Fund Group				
1997 Series F-1 Term Bonds	5.50%	2029	8,255	100%
1998 Series A-2 Term Bonds	5.33%	2032	465	100%
1998 Series C-2 Term Bonds	5.25%	2030	1,000	100%
1998 Series F-2 Term Bonds	5.25%	2027	210	100%
1998 Series F-2 Term Bonds	5.35%	2032	400	100%
1999 Series A-1 Term Bonds	5.05%	2018	3,375	100%
1999 Series A-1 Term Bonds	5.13%	2025	2,340	100%
1999 Series A-2 Serial Bonds	4.70%	2012	295	100%
1999 Series B-2 Term Bonds	5.30%	2032	845	100%
2001 Series A Serial Bonds	4.65%	2012	1,285	100%
2001 Series A Serial Bonds	4.75%	2013	1,345	100%
2001 Series A Serial Bonds	4.85%	2014	1,405	100%
2001 Series A Term Bonds	5.35%	2021	16,745	100%
2001 Series B Term Bonds	5.50%	2032	805	100%
2001 Series C Term Bonds	5.55%	2032	105	100%
2001 Series E-2 Term Bonds	4.25%	2019	520	100%
2001 Series F-1 Term Bonds	5.38%	2032	4,280	100%
2002 Series A-2 Serial Bonds	4.75%	2012	705	100%
2002 Series A-2 Term Bonds	4.55%	2026	125	100%
2002 Series B Serial Bonds	4.50%	2012	710	100%
2002 Series B Serial Bonds	4.65%	2013	740	100%
2002 Series B Serial Bonds	4.75%	2014	770	100%
2002 Series B Serial Bonds	4.85%	2015	815	100%
2002 Series B Term Bonds	5.30%	2023	7,095	100%
2002 Series C Serial Bonds	4.55%	2012	1,030	100%
2002 Series C Serial Bonds	4.65%	2013	1,080	100%
2002 Series C Serial Bonds	4.75%	2014	1,125	100%
2002 Series C Serial Bonds	4.85%	2015	1,180	100%
2002 Series C Term Bonds	5.30%	2023	8,495	100%
2002 Series D Serial Bonds	4.45%	2012	805	100%
2002 Series D Term Bonds	5.40%	2032	130	100%
2002 Series F-1 Serial Bonds	3.90%	2011	2,060	100%
2002 Series F-1 Serial Bonds	4.00%	2012	2,715	100%
2002 Series F-2 Serial Bonds	4.25%	2012	1,305	100%
2002 Series F-2 Term Bonds	3.75%	2019	1,105	100%
2002 Series G-1 Serial Bonds	3.80%	2012	215	100%
2002 Series G-2 Serial Bonds	4.00%	2012	330	100%
2003 Series A-1 Serial Bonds	3.80%	2012	125	100%
2003 Series A-2 Serial Bonds	4.10%	2012	270	100%
2003 Series A-3 Term Bonds	4.95%	2033	1,450	100%
2003 Series B-2 Serial Bonds	4.15%	2012	755	100%
2003 Series B-2 Term Bonds	3.65%	2020	390	100%
2003 Series C-2 Term Bonds	4.00%	2030	370	100%
2003 Series D-1 Serial Bonds	3.70%	2011	1,610	100%
2003 Series D-1 Serial Bonds	3.90%	2012	1,675	100%
2003 Series D-2 Term Bonds	4.90%	2022	475	100%
2003 Series D-2 Term Bonds	5.00%	2027	965	100%
2003 Series F Serial Bonds	3.50%	2011	2,000	100%
2003 Series F Serial Bonds	3.70%	2012	3,250	100%

	Interest Rate	Original Maturity	Amount	Redemption Price
2004 Series A-1 Serial Bonds	3.20%	2011	1,145	100%
2004 Series A-1 Serial Bonds	3.50%	2012	1,685	100%
2004 Series A-2 Term Bonds	5.00%	2021	1,285	100%
2004 Series B-1 Serial Bonds	3.75%	2012	1,175	100%
2004 Series C-1 Serial Bonds	3.55%	2012	950	100%
2004 Series D-1 Serial Bonds	3.65%	2012	845	100%
2005 Series A-1 Serial Bonds	3.85%	2012	480	100%
2005 Series D-1 Serial Bonds	3.55%	2012	340	100%
2005 Series E-1 Serial Bonds	3.90%	2012	640	100%
2006 Series A-1 Serial Bonds	3.60%	2012	600	100%
2006 Series D-1 Serial Bonds	3.80%	2012	800	100%
2006 Series E-1 Serial Bonds	3.80%	2012	870	100%
2006 Series E-2 Term Bonds	4.75%	2021	170	100%
2006 Series G Serial Bonds	4.00%	2012	685	100%
2008 Series A-2 Term Bonds	4.85%	2022	160	100%
2008 Series A-2 Term Bonds	5.20%	2032	100	100%
2008 Series C-2 Term Bonds	5.00%	2020	460	100%
2008 Series F-1 Serial Bonds	3.10%	2011	1,385	100%
2008 Series F-1 Serial Bonds	3.35%	2012	1,095	100%
2008 Series G-1 Serial Bonds	4.25%	2012	2,045	100%
2008 Series G-1 Serial Bonds	5.35%	2017	105	100%
2009 Series A-1 Serial Bonds	1.85%	2011	2,705	100%
2009 Series A-1 Serial Bonds	2.25%	2012	1,875	100%
2009 Series B Serial Bonds	1.45%	2011	1,400	100%
2009 Series B Serial Bonds	1.85%	2012	1,420	100%
2009 Series C Serial Bonds	1.05%	2011	710	100%
2009 Series C Serial Bonds	1.65%	2012	720	100%
2009 Series D Serial Bonds	1.20%	2011	2,290	100%
2009 Series D Serial Bonds	1.55%	2012	2,310	100%
2009 Series E Term Bonds	3.96%	2041	680	100%
2009 Series F-1 Term Bonds	3.96%	2041	80	100%
2009 Series F-2 Term Bonds	3.16%	2041	120	100%
2009 Series F-3 Term Bonds	3.70%	2041	10	100%
2010 Series B-3 Serial Bonds	1.90%	2012	1,415	100%
			<u>\$122,300</u>	

	Interest Rate	Original Maturity	Amount	Redemption Price
Housing Finance Revenue Fund				
1995 Series I-4 Term Bonds	5.75%	2030	1,000	100%
1998 Series I Term Bonds	5.45%	2017	5,135	100%
1998 Series I Term Bonds	5.45%	2018	195	100%
			<u>\$6,330</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

In January 2012, MaineHousing was awarded \$511 as part of a settlement in connection with an investigation by the United States Securities and Exchange Commission (SEC) into the bidding practices involving investment of bond proceeds by a banking and financial services company. Proceeds from this settlement are to be distributed within 60 days of the final order. MaineHousing received \$1,400 in 2011 as part of a similar SEC investigation and settlement with a different banking and financial services company.

On March 1, 2012 MaineHousing communicated to the Trustee its intention to redeem on April 10, 2012 at par \$44,045 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
Mortgage Purchase Fund Group				
1998 Series A-2 Term Bonds	5.33%	2032	140	100%
1998 Series C-2 Term Bonds	5.25%	2030	155	100%
1998 Series F-2 Term Bonds	5.25%	2027	535	100%
1999 Series B-2 Term Bonds	5.30%	2032	240	100%
2001 Series B Term Bonds	5.50%	2031	170	100%
2001 Series C Term Bonds	5.55%	2032	105	100%
2002 Series A-2 Serial Bonds	4.85%	2013	710	100%
2002 Series D Term Bonds	5.25%	2022	305	100%
2002 Series F-1 Term Bonds	4.63%	2017	1,125	100%
2002 Series F-2 Term Bonds	3.75%	2019	535	100%
2002 Series F-2 Term Bonds	5.15%	2022	775	100%
2002 Series G-1 Serial Bonds	3.95%	2013	575	100%
2003 Series A-1 Serial Bonds	3.90%	2013	135	100%
2003 Series A-2 Serial Bonds	4.20%	2013	280	100%
2003 Series B-1 Serial Bonds	3.90%	2013	925	100%
2003 Series B-2 Term Bonds	3.65%	2020	150	100%
2003 Series C-2 Term Bonds	4.00%	2030	240	100%
2003 Series D-1 Serial Bonds	4.00%	2013	1,740	100%
2003 Series D-2 Term Bonds	5.00%	2027	460	100%
2003 Series F Serial Bonds	3.85%	2013	1,745	100%
2004 Series A-1 Serial Bonds	3.75%	2013	1,745	100%
2004 Series A-2 Term Bonds	5.00%	2021	600	100%
2004 Series B-1 Serial Bonds	3.90%	2013	1,225	100%
2004 Series C-1 Serial Bonds	3.75%	2013	995	100%
2004 Series D-1 Serial Bonds	3.80%	2013	890	100%
2005 Series A-1 Serial Bonds	4.00%	2013	490	100%
2005 Series D-1 Serial Bonds	3.70%	2013	355	100%
2005 Series E-1 Serial Bonds	4.00%	2013	665	100%
2006 Series A-1 Serial Bonds	3.70%	2013	625	100%
2006 Series D-1 Serial Bonds	3.85%	2013	825	100%
2006 Series E-1 Serial Bonds	3.90%	2013	900	100%
2006 Series G Serial Bonds	4.05%	2013	705	100%
2008 Series A-1 Serial Bonds	3.35%	2013	950	100%
2008 Series C-1 Serial Bonds	3.30%	2013	1380	100%
2008 Series F-1 Serial Bonds	3.55%	2013	1,075	100%
2008 Series G-1 Serial Bonds	4.50%	2013	3,280	100%
2009 Series A-1 Serial Bonds	2.75%	2013	3,085	100%
2009 Series B Serial Bonds	2.20%	2013	1,470	100%
2009 Series C Serial Bonds	2.00%	2013	1,045	100%
2009 Series D Serial Bonds	1.90%	2013	2,330	100%
2009 Series E Term Bonds	3.96%	2041	370	100%
2009 Series F-1 Term Bonds	3.96%	2041	350	100%
2010 Series A Serial Bonds	1.00%	2012	760	100%
2010 Series B-3 Serial Bonds	2.20%	2013	610	100%
2010 Series C Serial Bonds	1.10%	2012	735	100%
2010 Series D-1 Serial Bonds	1.40%	2012	1,485	100%
2010 Series D-2 Serial Bonds	1.40%	2012	3,210	100%
2011 Series A Serial Bonds	0.65%	2012	845	100%
			<u>\$44,045</u>	