

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED FINANCIAL STATEMENTS
AND SINGLE AUDIT COMPLIANCE REPORTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Minnesota Housing Fund
Saint Paul, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Greater Minnesota Housing Fund which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater Minnesota Housing Fund as of December 31, 2022 and 2021, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the NOAH Impact Fund LLC, for which Greater Minnesota Housing Fund is the sole member, which statements reflect total assets of \$565,314 and \$366,980 as of December 31, 2022 and 2021, respectively, and total revenues of \$432,970 and \$416,680 for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for NOAH Impact Fund LLC, is based solely on the report of other auditors.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greater Minnesota Housing Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Minnesota Housing Fund's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated balance sheet – excluding present value discounts, the consolidated statement of activities – excluding present value discounts, the consolidating balance sheet, and the consolidating statement of activities, which are the responsibility of management, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 3, 2023

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 998,673	\$ 378,332
Restricted Cash	11,836,996	10,298,572
Total Cash	12,835,669	10,676,904
Interest Receivable on Investments	110,864	111,689
Investments, Current	23,716,809	51,937,482
Other Assets	414,558	2,154,567
Contributions Receivable, Current	250,000	3,140,000
Right to Use Asset - Operating, Current	82,235	83,549
Loans and Interest Receivable, Current (Net of \$633,400		
Allowance for Uncollectible Amounts in		
2022 and 2021)	25,038,996	15,302,029
Total Current Assets	62,449,131	83,406,220
PROPERTY AND EQUIPMENT		
Furniture, Fixtures, and Equipment (Net of Accumulated Depreciation		
of \$464,232 and \$445,798 in 2022 and 2021, Respectively)	46,934	26,393
RIGHT TO USE ASSET - OPERATING, NET OF CURRENT	123,547	200,614
INVESTMENTS, NET OF CURRENT	26,798,286	16,429,537
INVESTMENT IN NOAH IMPACT FUND LLC	2,315,358	2,297,668
INVESTMENT IN MINNESOTA HOUSING FINANCE AGENCY	824,904	65,248
LONG-TERM LOANS RECEIVABLE		
Loans and Interest Receivable, Long-Term (Net of		
\$28,787,167 and \$28,857,213 Present Value Discount		
and \$5,609,082 and \$4,430,486 Allowance for		
Uncollectible Amounts in 2022 and 2021, Respectively)	125,334,887	106,689,866
Total Long-Term Assets	155,443,916	125,709,326
 Total Assets	 <u>\$ 217,893,047</u>	 <u>\$ 209,115,546</u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,408,459	\$ 1,534,944
Unearned Revenue	148,346	79,933
Grants Payable	455,868	100,333
Line of Credit	-	3,384,400
Current Portion of Long-Term Debt	8,436,693	355,169
Lease Liability - Operating	<u>82,235</u>	<u>83,549</u>
Total Current Liabilities	10,531,601	5,538,328
 LONG-TERM LIABILITIES		
Notes Payable, Long Term (Net of \$2,578,865 and \$3,178,327 Present Value Discount in 2022 and 2021, Respectively), Less Current Portion	82,197,906	85,716,891
Community Investment Advance	10,000,000	10,000,000
Lease Liability - Operating, Less Current Portion	<u>123,547</u>	<u>200,614</u>
Total Long-Term Liabilities	<u>92,321,453</u>	<u>95,917,505</u>
 Total Liabilities	102,853,054	101,455,833
 NET ASSETS		
Without Donor Restriction	109,825,857	100,557,935
With Donor Restriction	<u>5,214,136</u>	<u>7,101,778</u>
Total Net Assets	<u>115,039,993</u>	<u>107,659,713</u>
 Total Liabilities and Net Assets	<u><u>\$ 217,893,047</u></u>	<u><u>\$ 209,115,546</u></u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Contributions	\$ 564,340	\$ 13,750,000	\$ 14,314,340
Program Service Revenues:			
Interest Income on Loans Receivable	5,388,749	-	5,388,749
Earnings (Losses) on NOAH Pool I LLC	17,690	-	17,690
Other Program Service Revenue	3,971,561	-	3,971,561
Total Program Service Revenues	9,378,000	-	9,378,000
Amortization of Present Value Discount	70,046	-	70,046
Interest and Dividends, Net	1,198,612	-	1,198,612
Unrealized Gain (Loss) on Investments	(5,292,583)	-	(5,292,583)
Realized Gain (Loss) on Investments	91,988	-	91,988
Total	6,010,403	13,750,000	19,760,403
Net Assets Released from Restrictions	15,637,642	(15,637,642)	-
Total Support and Revenue	21,648,045	(1,887,642)	19,760,403
EXPENSE			
Program Services	10,318,128	-	10,318,128
Support Services:			
Management and General	2,061,995	-	2,061,995
Total Expense	12,380,123	-	12,380,123
CHANGE IN NET ASSETS	9,267,922	(1,887,642)	7,380,280
Net Assets - Beginning of Year	100,557,935	7,101,778	107,659,713
NET ASSETS - END OF YEAR	<u>\$ 109,825,857</u>	<u>\$ 5,214,136</u>	<u>\$ 115,039,993</u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,915,757	\$ 10,651,430	\$ 12,567,187
Program Service Revenues:			
Interest Income on Loans Receivable	4,235,462	-	4,235,462
Earnings (Losses) on NOAH Pool I LLC	(4,557)	-	(4,557)
Other Program Service Revenue	1,459,579	-	1,459,579
Total Program Service Revenues	5,690,484	-	5,690,484
Amortization of Present Value Discount	2,662,918	-	2,662,918
Interest and Dividends, Net	830,428	-	830,428
Unrealized Gain (Loss) on Investments	(1,556,087)	-	(1,556,087)
Realized Gain (Loss) on Investments	(16,978)	-	(16,978)
Total	9,526,522	10,651,430	20,177,952
Net Assets Released from Restrictions	9,368,145	(9,368,145)	-
Total Support and Revenue	18,894,667	1,283,285	20,177,952
EXPENSE			
Program Services	6,782,278	-	6,782,278
Support Services:			
Management and General	1,998,995	-	1,998,995
Total Expense	8,781,273	-	8,781,273
CHANGE IN NET ASSETS	10,113,394	1,283,285	11,396,679
Net Assets - Beginning of Year	90,444,541	5,818,493	96,263,034
NET ASSETS - END OF YEAR	<u>\$ 100,557,935</u>	<u>\$ 7,101,778</u>	<u>\$ 107,659,713</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Total
Salaries	\$ 2,204,224	\$ 888,854	\$ 3,093,078
Payroll Taxes	155,716	62,793	218,509
Benefits	578,130	233,131	811,261
Total Personnel Costs	2,938,070	1,184,778	4,122,848
Program Grants	1,411,700	-	1,411,700
Professional Fees	1,280,077	339,353	1,619,430
Board Expense	-	24,604	24,604
Contract Services	186,208	370,606	556,814
Insurance	77,089	31,086	108,175
Public Information	45,122	-	45,122
Telephone	12,604	5,082	17,686
Travel	15,657	6,314	21,971
Occupancy	103,337	41,671	145,008
Training and Development	22,993	9,272	32,265
Repairs and Maintenance	105,862	42,689	148,551
Discount and Allowance on Loans and Interest Receivable	1,778,058	-	1,778,058
Interest	2,325,131	-	2,325,131
Miscellaneous	3,083	1,243	4,326
Total Expense Before Depreciation	10,304,991	2,056,698	12,361,689
Depreciation	13,137	5,297	18,434
Total Expense	<u>\$ 10,318,128</u>	<u>\$ 2,061,995</u>	<u>\$ 12,380,123</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Total
Salaries	\$ 1,682,864	\$ 689,182	\$ 2,372,046
Payroll Taxes	125,215	51,279	176,494
Benefits	400,886	164,174	565,060
Total Personnel Costs	2,208,965	904,635	3,113,600
Program Grants	629,903	-	629,903
Professional Fees	278,370	595,203	873,573
Board Expense	-	20,224	20,224
Contract Services	279,883	318,531	598,414
Insurance	75,864	68,257	144,121
Public Information	19,628	-	19,628
Telephone	9,874	4,044	13,918
Travel	707	290	997
Occupancy	80,219	32,852	113,071
Training and Development	14,656	6,002	20,658
Repairs and Maintenance	82,248	33,683	115,931
Discount and Allowance on Loans and Interest Receivable	1,231,956	-	1,231,956
Interest	1,838,571	-	1,838,571
Miscellaneous	15,696	8,829	24,525
Total Expense Before Depreciation	6,766,540	1,992,550	8,759,090
Depreciation	15,738	6,445	22,183
Total Expense	<u>\$ 6,782,278</u>	<u>\$ 1,998,995</u>	<u>\$ 8,781,273</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 7,380,280	\$ 11,396,679
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Loss on Investments	5,292,583	1,556,087
Realized (Gain) Loss on Investments	(91,988)	16,978
Noncash Transfer of Investments	-	(18,524,620)
Depreciation	18,434	22,183
Provision for Long-Term Loans Receivable	599,462	240,170
Provision for Loan Loss	1,178,596	991,786
Amortization of Note Payable Discount	599,462	240,170
(Increase) Decrease in Current Assets:		
Interest Receivable	825	25,068
Other Assets	1,740,009	(1,768,644)
Contributions Receivable	2,890,000	6,341,240
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Accrued Expenses	(126,485)	726,534
Unearned Revenue	68,413	65,959
Grants Payable	355,535	(219,462)
Net Cash Provided by Operating Activities	<u>19,905,126</u>	<u>1,110,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts on Loans Receivable	60,558,010	32,729,595
Advances on Loans Receivable	(90,718,056)	(57,685,330)
Sales of Investments	75,955,522	58,596,611
Purchase of Investments	(63,304,193)	(63,901,332)
Investment In Minnesota Housing Finance Agency	(759,656)	(65,248)
Investment in NOAH Impact Fund, LLC and Subsidiary	(17,690)	4,557
Purchase of Property and Equipment	(38,975)	(18,709)
Net Cash Used by Investing Activities	<u>(18,325,038)</u>	<u>(30,339,856)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	8,390,000	40,970,000
Payments on Long-Term Debt	(4,426,923)	(1,214,794)
Line of Credit Payments	(3,384,400)	(1,915,500)
Net Cash Provided by Financing Activities	<u>578,677</u>	<u>37,839,706</u>
NET INCREASE IN CASH AND RESTRICTED CASH	2,158,765	8,609,978
Cash and Restricted Cash - Beginning of Year	<u>10,676,904</u>	<u>2,066,926</u>
CASH AND RESTRICTED CASH - END OF YEAR	<u><u>\$ 12,835,669</u></u>	<u><u>\$ 10,676,904</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u><u>\$ 2,219,803</u></u>	<u><u>\$ 1,720,538</u></u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 1996 by The McKnight Foundation and Charles K. Blandin, Greater Minnesota Housing Fund (GMHF or the Organization) is a 501(c)(3) nonprofit, certified Community Development Financial Institution (CDFI) with the mission of supporting the creation of strong communities and affordable homes by making strategic investments and forming effective partnerships.

GMHF provides loans, grants and investments for the creation and preservation of multi-family rental housing and single-family homes, as well as mission-related program services such as capacity-building technical assistance and grant making.

GMHF operates educational programs, conducts research and development on affordable housing challenges and opportunities, conducts demonstration projects, pilots new programs and products, advocates for systems change, and promotes increased levels of public and private support for the creation and preservation of affordable housing in Minnesota.

GMHF serves the housing needs of Minnesota residents across the entire spectrum of the affordable housing continuum by providing financial resources, planning and technical assistance, education, training, and through convening strategic partners to advance systems change.

GMHF fulfills its mission by deploying its financing resources (see Note 15) through the following programs to create strong communities and affordable homes throughout Minnesota:

Revolving Loan Fund – Greater Minnesota Housing Fund (GMHF) operates a revolving loan fund and annually provides between \$30 million and \$75 million in a variety of loans to assist affordable housing development organizations create or preserve between 500 and 900 permanently affordable multi-family and single-family homes annually. GMHF provides low-cost loans for planning and predevelopment, site acquisition, construction, rehabilitation, tax increment and equity-bridge financing, first mortgage loans, and working capital enterprise level loans for qualified affordable housing development organizations. These loans ensure affordable housing developers have the capital necessary to undertake high-priority multi-family and single-family affordable housing real estate developments in communities throughout Minnesota.

Grantmaking – GMHF provides capacity-building and operating grants to nonprofit housing organizations in Minnesota who conduct specialized activities in the areas of housing advocacy, legal services, tenant organizing, homebuyer training, housing research, community-based planning, cross-sector collaboration, legal services, local planning and technical assistance, and other activities complementary to GMHF to advance affordable housing agenda in Minnesota.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Organization (Continued)

Programs – GMHF provides a series of educational programs to promote best practices in the field of affordable housing, including (a) the Employer-Assisted Housing program to promote workforce housing production with support from major employers, (b) Building Better Neighborhoods which promotes compact land use patterns and smaller, neo-traditional single-family home plans to reduce costs, (c) Rebuilding Better Neighborhoods to provide case studies of model projects to inspire communities to develop appropriate affordable housing, (d) Heading Home Minnesota Funders Collaborative to engage philanthropy in supporting state and local plans to end and prevent homelessness and greater production of permanent supportive housing with services, and (e) Prosperity's Front Door -- How Homes Build Strong Communities, a program to increase public awareness and understanding of the importance of affordable housing to Minnesota's economy, improving social outcomes in health and education.

Technical Assistance – GMHF provides direct planning technical assistance to support the development of local affordable housing projects that meet the needs of low-income populations in communities throughout Minnesota.

Research and Development (R&D) – GMHF conducts research on best practices and strategies in affordable housing and develops demonstration projects, as well as pilot programs and initiatives that can be adopted and implemented statewide. GMHF also develops public information educational materials based on research findings.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of GMHF are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represents resources received with no donor-imposed restrictions. Net assets without donor restrictions includes amounts that have been designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions represents resources subject to donor-imposed restrictions which will be satisfied by a specific purpose or time period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and release from restrictions when the assets are placed in service.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Financial Statement Presentation (Continued)

GMHF had no donor-restricted net assets that are required to be held in perpetuity at December 31, 2022 and 2021.

Principles of Consolidation

The consolidated financial statements include the accounts of GMHF and its controlled subsidiaries, Minnesota Equity Fund (MEF) and NOAH Impact Fund LLC, which includes the entity, NOAH Pool I LLC. In addition, GMHF's lending partnership with Minnesota Housing Finance Agency is treated as an equity method investment on the consolidated financial statements. All material intercompany transactions have been eliminated.

Tax-Exempt Status

GMHF is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is subject to federal income tax only on net unrelated business income. GMHF currently has no unrelated business income and is not considered a private foundation within the meaning of Section 509(a) of the IRC. Therefore, all contributions are considered tax deductible. Greater Minnesota Housing Corporation is a wholly owned limited liability corporation of GMHF and all its activities are included on the filings with GMHF. MEF and NOAH Impact Fund LLC are single member LLCs and all of their respective activities are included on the filings with the GMHF.

GMHF follows the income tax standard regarding the recognition and measurement of uncertain tax positions. GMHF is not aware of any uncertain tax positions it has taken. GMHF is not currently under examination by any taxing jurisdiction. Federal and state tax authorities have the right to examine returns for a period of three years after they are filed.

Cash

GMHF considers liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include checking, savings, and money market funds. At times balances are in excess of Federal Deposit Insurance Corporation insurance (FDIC) limits.

Restricted Cash

Restricted cash is mainly made up of cash restricted for the Bond Guarantee Program, a lending partnership with the Minnesota Housing Finance Agency, and for the Preservation Revolving Loan Fund.

Property and Equipment

GMHF's furniture, fixtures, and equipment are comprised of computers, desks, other general office furniture and equipment, and a vehicle over the capitalization threshold of \$1,000. Furniture, fixtures, and equipment are stated at cost at date of acquisition or fair market value at date of donation in the case of donated property. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of furniture and equipment are recorded as unrestricted. All assets are depreciated on a straight-line basis over the assets estimated useful lives.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Loans Receivable and Allowance for Discounts and Uncollectible Loans and Interest

Greater Minnesota Housing Fund operates a \$122 million revolving loan fund providing low-interest interim (amortizing) loans to public and private affordable housing developers, local units of government, and other nonprofit agencies and organizations. GMHF develops new interim loan products in response to the needs of its borrowers and is flexible in underwriting terms and conditions.

Interim loan products with amounts outstanding at December 31, 2022 include:

Acquisition Loans

Loans made available for the purchase of buildings including the preservation of existing affordable housing developments. Loan amounts of up to \$1 million are available on single-family affordable housing developments and up to \$5 million on multi-family affordable housing developments with priority given to preservation with expiring federal or state subsidies.

Construction or Bridge Loans

On affordable housing projects receiving low-income tax credit or historic tax credit allocation, GMHF provides loans to fund construction costs or bridge loans to fully fund a project until all the tax equity has been paid in to the project by the investors and tax syndicators. Construction and bridge loans are secured by either the property or by the expected equity contribution to a project and loan fees are charged on each draw during the construction or bridge period.

Single Family Acquisition and Rehabilitation

GMHF provides lines of credit to developers to finance acquisition, rehabilitation, and resale of single-family housing in an effort to maintain the inventory of single-family affordable homes in Greater Minnesota. Loans made through this program are interest bearing, secured by the property, and due and payable upon resale.

Enterprise

GMHF is offering Program Related Investments (PRI) funding to a select group of its preferred nonprofit partners in order to provide increased flexibility, decreased transaction costs, and to facilitate the growth and stability of the organizations. These low interest, long-term funds are provided at full recourse to the Organization.

Community Facilities and TIF-Eligible

GMHF advances loans with advantageous rates to other entities for the purpose of increasing the production and preservation of low-income housing. Some of GMHF's loans pay TIF-eligible project costs by leveraging the projected future value of TIF payments. GMHF also provides flexible loan capital to community facilities via loan participations.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**Loans Receivable and Allowance for Discounts and Uncollectible Loans and Interest
(Continued)**

GMHF also operates a subordinated, “soft second” gap or deferred loan pool for multi-family and single-family affordable housing projects. In rural Minnesota, these loans are a critical financial tool for use on projects in low-rent areas to enable them to support interest-bearing debt. GMHF make funds available for long-term, deferred, and subordinated loans to overcome barriers to home ownership and reduce monthly debt service costs on multi-family projects.

Deferred loan products with amounts outstanding at December 31, 2022 include:

Multi-Family Deferred Loans

Long-term, deferred loans are available for affordable housing developers applying for project funding through Minnesota’s statewide funding process. These loans reduce monthly rents for low-income tenants and help to address affordable housing needs in greater Minnesota by reducing the amount of amortizing debt on individual projects. Up to \$1 million per project is available and the loan is generally offered at 0% or 1% interest for a term that is usually coterminous with the first mortgage and generally does not exceed 40 years.

Single-Family Deferred Home Buyer Loans

GMHF makes single-family subordinate mortgages available through a network or regional community-based housing nonprofits that pre-qualify buyers and administer the loan. GMHF offers this product at no interest, subordinated to the first mortgage, and deferred until the homebuyer refinances or sells their home.

Single-Family Deferred Home Improvement Loans

Similar to the Home Buyer Loans mentioned above, a loan product is offered to low income homeowners who are making improvements to their homes. Home improvement loans are offered at no interest and repayment is deferred until the sale or refinancing of the property.

Greater Minnesota Housing Fund provides loans at below market rates for the purposes of increasing the number of units of low-income housing available in Minnesota. Loans receivable that are due after December 31, 2022 are recorded at the net present value of the amounts expected to be collected under the term of the loan agreement. The reserve for Present Value Discount is \$28,787,167 and \$28,857,213 at December 31, 2022 and 2021, respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**Loans Receivable and Allowance for Discounts and Uncollectible Loans and Interest
(Continued)**

GMHF advances loans with advantageous rates to other entities for the purpose of increasing the production and preservation of low-income housing. Loans receivable that are expected to be collected within one year are recorded at their net realizable value. Loans receivable that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. This value is determined to be fair value and is calculated using an income approach of applying a discount rate technique in the year in which the note is made. The discount rates range between 3.35% and 6.22%, which was based on the Federal Home Loan Mortgage Corporation's (FHLMC) interest rate during the year the loan was made. Management believes this is the best estimate of the discount percentage. Discounts on new loans are recorded as a program expense and classified as a discount for long-term loans receivable. Amortization of discount on loans made in prior years and the effect of discounts previously recorded on loans retired or partially refunded during the year are recorded as interest revenue.

GMHF records an allowance for uncollectible loans and interest based on management's best estimate of future defaults and is revised annually. Loans are sent to collections when the loans are in default. Loans and related interest are written off when the entity has filed for bankruptcy, GMHF has determined through collections the loan is uncollectible, or the loan has met the provisions of the loan to be forgiven.

A loan is considered impaired when, based on current information and events, it is probable that GMHF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Loans determined to be impaired are individually evaluated for impairment. When a loan is impaired, GMHF measures impairment based on the present value of expected future cash flows discounted at the original contractual interest rate, except that as a practical expedient, it may measure impairment based on an observable market price, or the fair value of the collateral if collateral dependent. A loan is collateral dependent if the repayment is expected to be provided solely by the underlying collateral.

GMHF assigns a risk rating to all loans and periodically performs detailed internal reviews of all such loans over a certain threshold to identify credit risks and to assess the overall collectability of the portfolio. During the internal reviews, management monitors and analyzes the financial condition of borrowers and guarantors, trends in the industries in which the borrowers operate and the fair values of collateral securing the loans. These credit quality indicators are used to assign a risk rating to each individual loan.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Loans Receivable and Allowance for Discounts and Uncollectible Loans and Interest
(Continued)

The risk ratings can be grouped into four major categories, defined as follows:

Sound: A sound loan is a credit with no existing or known potential weaknesses deserving of management's close attention.

Watch: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, this potential weakness may result in deterioration of the repayment prospects for the loan or of GMHF's credit position at some future date. Special Mention loans are not adversely classified and do not expose GMHF to sufficient risk to warrant adverse classification.

Substandard: Loans classified as substandard are not adequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged, if any. Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. Well-defined weaknesses include a borrower's lack of marketability, inadequate cash flow or collateral support, failure to complete construction on time, or the failure to fulfill economic expectations. They are characterized by the distinct possibility that GMHF will sustain some loss if the deficiencies are not corrected.

Loss: Loans classified as loss are considered uncollectible and charged off immediately.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. This value is determined to be fair value and is calculated using an income approach of applying a discount rate technique in the year in which the pledge is received. The discount is recorded as a reduction in contribution revenue in the year in which the pledge is received. The discount is amortized over the term of the promise. Amortization is recorded as contribution revenue. GMHF uses the reserve method for allowance for doubtful accounts. Management believes pledges are fully collectible.

Investments

Investments are recorded at fair value on a recurring basis on the consolidated balance sheet. Fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Investments included in current assets are for short term use within the next 12 months and are considered liquid.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Notes Payable

Notes payable that are payable within one year are recorded at their net realizable value. Notes payable that are payable in future years are recorded at the present value of the amounts expected to be repaid. This value is determined to be fair value and is calculated using an income approach of applying a discount rate technique in the year in which the note payable is issued. The present value discount is recorded as contribution revenue in the month in which the note is issued. The discount is amortized over the term of the note. Amortization is recorded as interest expense.

Right-of-Use Asset and Lease Liability

GMHF determines if an arrangement is a lease at inception. GMHF has one operating lease included in right-of-use (ROU) asset and lease liability in the consolidated balance sheets. The ROU assets represent GMHF's right to use an underlying asset for the lease term and lease liabilities represent GMHF's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the GMHF will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. GMHF has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense when incurred. These leases are not included as lease liabilities or right of use assets on the consolidated balance sheets. The individual lease contract does not provide information about the discount rate implicit in the lease. Therefore, GMHF has elected to use their borrowing rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Grants

GMHF provides grants for the purpose of increasing affordable housing for low-income persons. Grant commitments are charged to expense at the time the grants are approved by the board of directors and communicated to the recipient. All grant commitments are payable within one year. At December 31, 2022 and 2021, GMHF has approved grants of \$455,868 and \$100,333, respectively, which are subject to conditions and have not been reflected in the accompanying consolidated financial statements.

Other Program Service Revenue

Other service fee revenue is made up of below:

	2022	2021
Loan Commitment / Origination Fees	\$ 1,528,434	\$ 489,399
Gain On Sale of Loans to Lending Partner	704,930	61,455
MEF Acquisition Fees	1,066,949	411,977
HHMFC Dues	140,000	69,000
Noah Impact Fund Program Fees	275,633	265,096
Other Program Service Revenue	255,615	162,652
Total	<u>\$ 3,971,561</u>	<u>\$ 1,459,579</u>

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Allocation of Expense

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses not directly allocated to a function are allocated based on management's best estimate of the reason for incurring the cost. Fundraising expenses are minimal and, therefore, are included in management and general.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Concentrations

GMHF held deposits with a financial institution which exceeded the federal guarantees of the FDIC during 2022 and 2021. Management of GMHF does not believe significant uninsured deposit risk exists at December 31, 2022.

Fair Value Measurements

The standard on fair value measurements defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. GMHF accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. GMHF accounts for certain financial assets and liabilities at fair value under various accounting literature. GMHF also accounts for certain assets at fair value under applicable industry guidance.

Fair Value Hierarchy

In accordance with the standard on fair value measurements, GMHF has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. GMHF has the ability to access fair value as of the measurement date.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect Organization's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

Reclassification

Certain 2021 amounts in the accompanying consolidated financial statements have been reclassified to conform to the 2022 presentation. These reclassifications have no impact on total net assets.

Subsequent Events

In preparing these consolidated financial statements, GMHF has evaluated events and transactions for potential recognition or disclosure through May 3, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2022 and 2021 consist of commitments from various foundation donors. The balance is \$250,000 at December 31, 2022 and \$3,140,000 at December 31, 2021. There was no need to impute a discount rate at December 31, 2022 and 2021, as all contribution receivables were current. There is no allowance for uncollectible accounts, as management believes all contributions receivable are collectible.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 LOANS AND INTEREST RECEIVABLE

Loans receivable by loan product are as follows:

	2022		
	Current	Long-Term	Total
Interim or Amortizing Loans:			
MF Pre-Development	\$ -	\$ 2,677,297	\$ 2,677,297
LT Amortizing	-	11,874,050	11,874,050
Acquisition and Rehabilitation	6,881	-	6,881
Construction or Bridge	25,571,539	32,746,629	58,318,168
TIF	-	574,404	574,404
Enterprise	-	46,190	46,190
Single-Family Interim	-	236,482	236,482
Bond Guarantee Program	-	58,053,362	58,053,362
Deferred Loans:			
Multi-Family	-	43,442,637	43,442,637
Single-Family	-	6,758,612	6,758,612
Loans Receivable – Gross	25,578,420	156,409,663	181,988,083
Less: Reserve for Present Value Discount	-	(28,787,167)	(28,787,167)
Less: Loan Loss Reserve	(633,400)	(5,609,082)	(6,242,482)
Accrued Interest and Loan Fees	82,336	3,321,473	3,403,809
Add: Loan Fees	11,640	-	11,640
Net Loans Receivable	<u>\$ 25,038,996</u>	<u>\$ 125,334,887</u>	<u>\$ 150,373,883</u>

	2021		
	Current	Long-Term	Total
Interim or Amortizing Loans:			
MF Pre-Development	\$ 187,528	\$ 2,044,150	\$ 2,231,678
LT Amortizing	-	8,229,654	8,229,654
Acquisition and Rehabilitation	903,059	10,471	913,530
Construction or Bridge	13,051,871	24,392,141	37,444,012
TIF	-	662,385	662,385
Enterprise	1,019,734	107,144	1,126,878
Single-Family Interim	567,395	223,085	790,480
Bond Guarantee Program	-	51,645,641	51,645,641
Deferred Loans:			
Multi-Family	120,000	42,542,252	42,662,252
Single-Family	-	7,056,478	7,056,478
Loans Receivable – Gross	15,849,587	136,913,401	152,762,988
Less: Reserve for Present Value Discount	-	(28,857,213)	(28,857,213)
Less: Loan Loss Reserve	(633,400)	(4,430,486)	(5,063,886)
Accrued Interest and Loan Fees	79,643	3,064,164	3,143,807
Add: Loan Fees	6,199	-	6,199
Net Loans Receivable	<u>\$ 15,302,029</u>	<u>\$ 106,689,866</u>	<u>\$ 121,991,895</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

Loans receivable will be repaid as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 25,588,420
2024	16,384,482
2025	13,618,513
2026	744,621
2027	3,541,116
Thereafter	122,110,931
Total	181,988,083
Plus: Interest Receivable	3,403,809
Plus: Loan Fees	11,640
Less: Allowance for Discounts and Loan Losses	(35,029,649)
Net Realizable Loans Receivable	150,373,883
Less: Loans Receivable, Current Portion, Net	(25,038,996)
Loans Receivable, Long-Term Portion, Net	<u>\$ 125,334,887</u>

Loans and interest receivable, net at December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Loans Receivable, Current	\$ 25,578,420	\$ 15,849,587
Less: Allowance for Uncollectible Loans	(633,400)	(633,400)
Interest Receivable on Loans, Current	82,336	79,643
Add: Loan Fees	11,640	6,199
Current Loans and Interest Receivable, Net	<u>\$ 25,038,996</u>	<u>\$ 15,302,029</u>
Loans Receivable, Long Term	\$ 156,409,663	\$ 136,913,401
Less: Present Value Discount on Loans	(27,587,949)	(28,110,173)
Less: Allowance for Uncollectible Loans	(5,609,082)	(4,430,486)
Interest Receivable on Loans, Long-Term	3,321,473	3,064,164
Less: Present Value Discount on Interest	(1,199,218)	(747,040)
Long-Term Loans and Interest Receivable, Net	<u>\$ 125,334,887</u>	<u>\$ 106,689,866</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

Changes in the allowance for loan losses for the years ended December 31 are as follows:

		2022					
	Beginning Balance	Provision for Loan Losses	Loan Write-Offs	Interest Write-Offs	Loans Forgiven	Recoveries	Ending Balance
Interim/Amortizing Loans:							
Pre-Development	\$ 89,540	\$ 17,919	\$ -	\$ -	\$ -	\$ -	\$ 107,459
Acquisition and Rehabilitation	67,203	(57,448)	-	-	-	-	9,755
Construction or Bridge	1,503,566	839,796	-	-	-	-	2,343,362
LT Amortizing	2,365,118	400,718	-	-	-	-	2,765,836
TIF	22,477	(3,160)	-	-	-	-	19,317
Enterprise	44,164	(42,528)	-	-	-	-	1,636
Total	4,092,068	1,155,297	-	-	-	-	5,247,365
Deferred Loans:							
Multi-Family	849,997	23,831	-	-	-	-	873,828
Single-Family	121,573	6,578	(7,500)	-	-	-	120,651
Forgivable Flood Loans	-	-	-	-	-	-	-
Loan Fees	248	390	-	-	-	-	638
Total	<u>\$ 5,063,886</u>	<u>\$ 1,186,096</u>	<u>\$ (7,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,242,482</u>

		2021					
	Beginning Balance	Provision for Loan Losses	Loan Write-Offs	Interest Write-Offs	Loans Forgiven	Recoveries	Ending Balance
Interim/Amortizing Loans:							
Pre-Development	\$ 9,215	\$ 80,325	\$ -	\$ -	\$ -	\$ -	\$ 89,540
Acquisition and Rehabilitation	36,697	30,506	-	-	-	-	67,203
Construction or Bridge	1,194,491	309,075	-	-	-	-	1,503,566
LT Amortizing	1,785,261	579,857	-	-	-	-	2,365,118
TIF	25,421	(2,944)	-	-	-	-	22,477
Enterprise	52,061	(7,897)	-	-	-	-	44,164
Total	3,103,146	988,922	-	-	-	-	4,092,068
Deferred Loans:							
Multi-Family	849,858	139	-	-	-	-	849,997
Single-Family	126,499	2,574	(7,500)	-	-	-	121,573
Forgivable Flood Loans	-	-	-	-	-	-	-
Loan Fees	97	151	-	-	-	-	248
Total	<u>\$ 4,079,600</u>	<u>\$ 991,786</u>	<u>\$ (7,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,063,886</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

The following tables show the loan portfolio segments allocated by management's internal risk ratings for the years ended December 31:

	2022				
	Sound	Watch	Substandard	Loss	Total
Interim/Amortizing Loans:					
MF Pre-Development	\$ 2,677,297	\$ -	\$ -	\$ -	\$ 2,677,297
LT Amortizing	11,874,050	-	-	-	11,874,050
Acquisition and Rehabilitation	6,881	-	-	-	6,881
Construction or Bridge	57,602,923	170,381	544,864	-	58,318,168
TIF	574,404	-	-	-	574,404
Enterprise	-	46,190	-	-	46,190
Single-Family Interim	236,482	-	-	-	236,482
Bond Guarantee Program	56,938,296	1,115,066	-	-	58,053,362
Total	129,910,333	1,331,637	544,864	-	131,786,834
Deferred Loans:					
Multi-Family	32,079,516	7,556,166	3,446,955	360,000	43,442,637
Single-Family	6,624,903	40,478	6,558	86,673	6,758,612
Total	<u>\$ 168,614,752</u>	<u>\$ 8,928,281</u>	<u>\$ 3,998,377</u>	<u>\$ 446,673</u>	<u>\$ 181,988,083</u>

	2021				
	Sound	Watch	Substandard	Loss	Total
Interim/Amortizing Loans:					
MF Pre-Development	\$ 2,231,678	\$ -	\$ -	\$ -	\$ 2,231,678
LT Amortizing	8,229,654	-	-	-	8,229,654
Acquisition and Rehabilitation	913,530	-	-	-	913,530
Construction or Bridge	36,899,147	544,865	-	-	37,444,012
TIF	662,385	-	-	-	662,385
Enterprise	107,144	1,019,734	-	-	1,126,878
Single-Family Interim	790,480	-	-	-	790,480
Bond Guarantee Program	51,645,641	-	-	-	51,645,641
Total	101,479,659	1,564,599	-	-	103,044,258
Deferred Loans:					
Multi-Family	31,267,131	7,468,166	3,566,955	360,000	42,662,252
Single-Family	7,039,920	-	6,558	10,000	7,056,478
Total	<u>\$ 139,786,710</u>	<u>\$ 9,032,765</u>	<u>\$ 3,573,513</u>	<u>\$ 370,000</u>	<u>\$ 152,762,988</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

The following tables show an aging analysis of the loan portfolio by time past due for the years ended December 31:

2022					
	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Interim/Amortizing Loans:					
Pre-Development	\$ 2,677,297	\$ -	\$ -	\$ -	\$ 2,677,297
LT Amortizing	11,874,050	-	-	-	11,874,050
Acquisition and Rehabilitation	6,881	-	-	-	6,881
Construction or Bridge	58,318,168	-	-	-	58,318,168
TIF	574,404	-	-	-	574,404
Enterprise	46,190	-	-	-	46,190
Single-Family Interim	236,482	-	-	-	236,482
Bond Guarantee Program	58,053,362	-	-	-	58,053,362
Total	131,786,834	-	-	-	131,786,834
Deferred Loans:					
Multi-Family	43,442,637	-	-	-	43,442,637
Single-Family	6,758,612	-	-	-	6,758,612
Total	<u>\$ 181,988,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,988,083</u>
2021					
	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Interim/Amortizing Loans:					
Pre-Development	\$ 2,231,678	\$ -	\$ -	\$ -	\$ 2,231,678
LT Amortizing	8,229,654	-	-	-	8,229,654
Acquisition and Rehabilitation	913,530	-	-	-	913,530
Construction or Bridge	37,444,012	-	-	-	37,444,012
TIF	662,385	-	-	-	662,385
Enterprise	1,126,878	-	-	-	1,126,878
Single-Family Interim	790,480	-	-	-	790,480
Community Facilities	51,645,641	-	-	-	51,645,641
Total	103,044,258	-	-	-	103,044,258
Deferred Loans:					
Multi-Family	42,662,252	-	-	-	42,662,252
Single-Family	7,056,478	-	-	-	7,056,478
Total	<u>\$ 152,762,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,762,988</u>

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 NET ASSETS

Net assets at December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
With Donor Restriction:		
Purpose Restricted	885,271	4,901,778
Time Restricted	4,328,865	2,200,000
Total With Donor Restriction	<u>5,214,136</u>	<u>7,101,778</u>
Without Donor Restriction - Board-Designated:		
Net Loans Receivable	150,373,883	121,991,895
Approved Loans to be Disbursed	133,632,012	76,918,462
Less: Lending Committed from Notes Payable	(103,213,464)	(99,250,387)
Approved Conditional Grants to be Disbursed	<u>455,868</u>	<u>100,333</u>
Total Without Donor Restriction - Board Designated	<u>181,248,299</u>	<u>99,760,303</u>
Without Donor Restriction - Undesignated	\$ (71,422,442)	\$ 797,632
Total Without Donor Restriction	109,825,857	100,557,935
Total Net Assets	<u><u>\$ 115,039,993</u></u>	<u><u>\$ 107,659,713</u></u>

Net Assets Released from Restrictions

During the years ended December 31, 2022 and 2021, \$15,637,642 and \$9,368,145, respectively, of donor-restricted net assets were released from restrictions. The net assets released from restrictions were released due to meeting program use and/or time restrictions.

Net Assets Without Donor Restriction – Board Designated

This balance is made up of board designated loans that have been approved to be disbursed as well as conditional grants approved to be disbursed in the future. As of December 31, 2022 and 2021, the amount of the board-designated amount was \$181,248,299 and \$99,760,303, respectively.

Net Assets Without Donor Restriction – Undesignated

This balance is made up of forward commitments on loans made by GMHF that could be disbursed in the future. GMHF manages these forward commitments through oversight of its cash flows and the forward commitments will be funded via repayment proceeds from other loans, existing lending partnerships, new capital and use of GMHF investments. As of December 31, 2022 and 2021, the amount of the undesignated amount was \$(71,422,442) and \$797,632, respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 RETIREMENT PLAN

GMHF has a defined contribution plan which covers all full-time personnel employed by GMHF beginning the first of the month following 90 days of service. GMHF contributes an amount equal to 10% of each employee's annual compensation. Contributions totaled \$265,529 and \$204,083 during 2022 and 2021, respectively.

GMHF also offers an unfunded, nonqualified deferred compensation plan, commonly referred to as a Section 457(b) plan, to certain key employees. Amounts needed to fund deferred compensation are invested in various mutual funds managed by the Woodbury Financial but are subject to the claims of general creditors of GMHF. All deferred amounts are fully vested and included in expense as they are earned by participating employees. Changes to the deferred balance and the corresponding investment account included an addition of \$15,000 during the years ended December 31, 2022 and 2021.

NOTE 6 INVESTMENTS

The fair market value for investments is as follows at December 31:

	2022	2021
Cash and Cash Equivalents	\$ 2,217,427	\$ 1,599,189
Fixed Income	23,716,809	37,777,849
Corporate Bonds	15,799,983	18,901,600
Federal Loan Mortgage	8,014,430	9,315,711
Mortgage Backed Securities	766,446	772,670
Total	<u>\$ 50,515,095</u>	<u>\$ 68,367,019</u>

Interest and dividends as presented on the consolidated statements of activities include \$1,252,585 and \$929,306 of interest and dividends and is net of investment fees of \$60,172 and \$98,878 for 2022 and 2021, respectively.

NOTE 7 INVESTMENT IN NOAH IMPACT FUND, LLC

On June 1, 2017, the NOAH Impact Fund LLC and the NOAH Pool I LLC began operations. GMHF's investment in these entities is shown on the consolidated balance sheets as of December 31, 2022 and 2021 as an Investment in the NOAH Impact Fund LLC for \$2,315,357 and \$2,297,668 respectively. A loan from GMHF to the NOAH Pool I LLC for \$2,500,000 has been eliminated on the consolidated financial statements. GMHF is the sole owner of the NOAH Impact Fund LLC. NOAH Impact Fund LLC is a 100% owner of the NOAH Pool I LLC. NOAH Impact Fund LLC does not have control over NOAH Pool I LLC, and thus, the activity has not been consolidated into NOAH Impact Fund LLC's financial statements.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 INVESTMENT IN MINNESOTA HOUSING FINANCE AGENCY

On December 9, 2020 GMHF entered into a lending partnership with Minnesota Housing Finance Agency in order to increase the availability of affordable housing throughout Minnesota by originating and servicing loans and participating those loans with Minnesota Housing. The investment is valued based on the equity method. GMHF's investment as of December 31, 2022 and 2021 is \$824,904 and \$65,248, respectively.

NOTE 9 NOTES PAYABLE

<u>Description</u>	<u>2022</u>	<u>2021</u>
In 2003, GMHF signed a \$1,000,000 unsecured note with Wells Fargo Community Development Corporation bearing interest at 2% to fund GMHF's affordable housing interim loan fund. The note requires quarterly interest payments and is payable on October 23, 2024. The \$1,000,000 below market rate loan at 2% interest was discounted at the fair market rate of 4.04%.	\$ 1,000,000	\$ 1,000,000
On May 28, 2014, GMHF entered into a secured loan agreement for \$2,125,000 with the U.S. Department of Agriculture. The loan has an annual interest rate of 1% and is due May 28, 2044. The funding from the loan was used to establish a Preservation Revolving Loan Fund. This below market rate loan at 1% interest was discounted at the fair market rate of 4.19%.	1,772,495	1,844,249
On July 1, 2016, GMHF entered into an unsecured loan agreement for \$1,000,000 with the Blandin Foundation. The loan has an annual interest rate of 2% and it is due on July 1, 2021. The funding from the loan was used for the revolving loan fund. The below market rate loan was discounted at the fair market rate of 3.44%.	850,000	950,000
On May 3, 2017, GMHF entered into an unsecured loan agreement for \$1,000,000 with Bank of the West. The loan has an annual interest rate of 2% and it is due on May 3, 2027. The funding from the loan was used for the revolving loan fund. The below market rate loan was discounted at the fair market rate of 4.01%.	1,000,000	1,000,000
On December 5, 2017, GMHF entered into an unsecured loan agreement for \$5,000,000 with the Margaret A. Cargill Foundation. The loan has an annual interest rate of 2% and it is due on December 31, 2025. The funding from the loan was used for the revolving loan fund. The below market rate loan was discounted at the fair market rate of 3.95%.	5,000,000	5,000,000
On October 30, 2018, GMHF entered into an unsecured loan agreement for \$4,000,000 with Bank of America. The loan has an annual interest rate of 3% and is due on August 6, 2028. The funding from the loan was used for the revolving loan fund. The market rate loan was discounted at the fair market rate of 4.83%.	-	4,000,000

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>2022</u>	<u>2021</u>
On December 17, 2018, GMHF entered into an unsecured loan agreement for \$1,000,000 with U.S. Bancorp. The loan has an annual interest rate of 3% and it is due on December 17, 2023. The funding from the loan was used for the revolving loan fund. The below market rate loan was discounted at the fair market rate of 4.64%.	\$ 1,000,000	\$ 1,000,000
On September 25, 2017, GMHF entered into a secured agreement to advance up to \$10,000,000 with the CDFI Bond Guarantee Program. The funding from these advances was used for the revolving loan fund. During the years ended December 31, 2022 and 2021, the amounts advanced had weighted interest rate of 3.90% and are due on December 17, 2046.	9,744,831	10,000,000
On November 4, 2019, GMHF entered into a secured agreement to advance up to \$55,000,000 with the CDFI Bond Guarantee Program. The funding from these advances was used for the revolving loan fund. During the year ended December 31, 2022 and 2021, the amount advanced had a weighted interest rate of 2.43% and is due on December 15, 2048.	54,346,138	45,956,138
On December 12, 2019, GMHF entered into an unsecured loan agreement for \$1,000,000 with the Otto Bremer Foundation. The loan has an annual interest rate of 2.5% and it is due on January 15, 2025. The funding from the loan was used for the NOAH project. The below market rate loan was discounted at the fair market rate of 3.72%.	1,000,000	1,000,000
On July 15, 2020, GMHF entered into an unsecured loan agreement for \$1,500,000 with the Otto Bremer Trust. The loan has an annual interest rate of 1.5% and it is due on July 15, 2025. The below market rate loan was discounted at the fair market rate of 3.02%.	1,500,000	1,500,000
On December 17, 2020, GMHF entered into an unsecured loan agreement for \$1,000,000 with Ameriprise Financial. The loan has an annual interest rate of 2.0% and it is due on December 17, 2027. The below market rate loan was discounted at the fair market rate of 2.68%.	1,000,000	1,000,000

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>2022</u>	<u>2021</u>
On December 17, 2020, GMHF entered into an unsecured loan agreement for \$1,000,000 with Ameriprise Financial. The loan has an annual interest rate of 2.0% and it is due on December 17, 2027. The below market rate loan was discounted at the fair market rate of 2.68%.	\$ 1,000,000	\$ 1,000,000
On December 17, 2020, GMHF entered into an unsecured loan agreement for \$2,000,000 with Ameriprise Financial. The loan has an annual interest rate of 2.0% and it is due on December 17, 2030. The below market rate loan was discounted at the fair market rate of 2.68%.	2,000,000	2,000,000
On February 25, 2021, GMHF entered into an unsecured loan agreement for \$5,000,000 with U.S. Bank. The loan has an annual interest rate of 2.4% and it is due on February 25, 2026. The below market rate loan was discounted at the fair market rate of 2.81%.	5,000,000	5,000,000
On August 6, 2021, GMHF entered into an unsecured loan agreement for \$5,000,000 with Opportunity Finance Network. The loan has an annual interest rate of 3.0% and it is due on August 6, 2031.	5,000,000	5,000,000
On December 17, 2021, GMHF entered into an unsecured loan agreement for \$2,000,000 with Otto Bremer Trust. The loan has an annual interest rate of 2.0% and it is due on January 15, 2027. The below market rate loan was discounted at the fair market rate of 3.10%.	2,000,000	2,000,000
Community Investment Advance with Federal Home Loan Bank of Des Moines. The total advances on the line of credit are based on the amount of securities that GMHF has pledged. The interest rate adjusts daily.	10,000,000	10,000,000
Subtotal	103,213,464	99,250,387
Less: Present Value Discount	(2,578,865)	(3,178,327)
Total	<u>\$ 100,634,599</u>	<u>\$ 96,072,060</u>

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 NOTES PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 8,436,693
2024	7,009,274
2025	12,667,430
2026	7,622,857
2027	7,414,994
Thereafter	60,062,216
Subtotal	103,213,464
Less: Present Value Discount	(2,578,865)
Total	100,634,599
Less: Current	(8,436,693)
Total Long-Term Debt	<u>\$ 92,197,906</u>

NOTE 10 LINE OF CREDIT

In 2018, GMHF entered into an agreement with Federal Home Loan Bank of Des Moines. As of December 31, 2022 and 2021, GMHF had \$- and \$3,384,400 outstanding on the line of credit, respectively. The total advances on the line of credit are based on the amount of securities that GMHF has pledged. The interest rate adjusts daily.

NOTE 11 RELATED PARTY TRANSACTIONS

Certain board members are associated with organizations that receive grants and loans from GMHF. Grants to related parties totaled \$115,000 and \$96,667 for the years ended December 31, 2022 and 2021, respectively. Loans receivable from related parties totaled \$15,237,164 and \$13,025,250 as of December 31, 2022 and 2021, respectively.

NOTE 12 MAJOR SOURCE AND CONCENTRATION OF SUPPORT

For the years ended December 31, 2022 and 2021, 100% and 82% of GMHF's contributions receivables were from one and two donors, respectively.

Total contributions at December 31, 2022 and 2021, consist of 95% and 70% from two and three donors, respectively.

If these contribution receivables are not received, or if a significant reduction in the level of this support were to occur, it might have a significant effect on GMHF's programs and activities.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 13 LEASES

On January 1, 2019, GMHF entered into a rental space lease agreement. A lease modification was done in November 2021 extending the lease through May 31, 2025. The lease is presented as a right to use asset and corresponding liability on the consolidated balance sheet. Rent expense under the leases was \$81,200 and \$76,223 in 2022 and 2021, respectively.

The following table provides quantitative information concerning GMHF's lease:

	<u>2022</u>	<u>2021</u>
Lease Cost:		
Operating Lease Cost	<u>\$ 213,325</u>	<u>\$ 284,163</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 78,381	\$ 76,112
Right-of-Use Asset Obtained in Exchange for New		
Operating Lease Liabilities	\$ -	\$ -
Weighted-Average Remaining Lease Term -		
Operating Lease	3.4 Years	4.4 Years
Weighted-Average Discount Rate - Operating Leases	2.05%	2.05%
Current Portion of Operating Lease	\$ 82,235	\$ 83,549
Long Term Portion of Operating Lease	\$ 123,547	\$ 200,614

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 88,235
2024	88,235
2025	41,933
Total	<u>218,403</u>
Amount Representing Interest	<u>(12,621)</u>
Total Lease Liability - Operating	<u>\$ 205,782</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 14 FAIR VALUE MEASUREMENTS

GMHF uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how GMHF measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

Assets Measured at Fair Value on a Recurring Basis:

	2022			
<u>Investments</u>	Level 1	Level 2	Level 3	Total
Fixed Income	\$ 23,716,809	\$ -	\$ -	\$ 23,716,809
Corporate Bonds	-	15,799,983	-	15,799,983
Federal Loan Mortgage	8,014,430	-	-	8,014,430
Mortgage Backed Securities	-	766,446	-	766,446
Total	31,731,239	16,566,429	-	48,297,668
Cash and Cash Equivalents	-	-	-	2,217,427
Total	<u>\$ 31,731,239</u>	<u>\$ 16,566,429</u>	<u>\$ -</u>	<u>\$ 50,515,095</u>

	2021			
<u>Investments</u>	Level 1	Level 2	Level 3	Total
Fixed Income	\$ 37,777,849	\$ -	\$ -	\$ 37,777,849
Corporate Bonds	-	18,901,600	-	18,901,600
Federal Loan Mortgage	9,315,711	-	-	9,315,711
Mortgage Backed Securities	-	772,670	-	772,670
Total	47,093,560	19,674,270	-	66,767,830
Cash and Cash Equivalents	-	-	-	1,599,189
Total	<u>\$ 47,093,560</u>	<u>\$ 19,674,270</u>	<u>\$ -</u>	<u>\$ 68,367,019</u>

NOTE 15 PROGRAM RELATED MISSION IMPACT (INCLUSIVE OF LENDING ACTIVITIES)

Since its inception in 1996, Greater Minnesota Housing Fund has financed the creation and preservation of safe, decent, affordable housing for low-income Minnesota individuals and families. To fulfill its mission, GMHF provides a variety of program-related loans through its revolving loan fund to help affordable housing development organizations create or preserve between 500 and 900 permanently affordable multi-family and single-family homes annually. GMHF provides low-cost loans to ensure affordable housing developers have the capital necessary to create and preserve high-priority multi-family and single-family affordable housing real estate developments across Minnesota.

GMHF operates educational programs, conducts research and development on affordable housing challenges and opportunities, conducts demonstration projects, pilots new programs, advocates for systems change, and promotes increased levels of public and private support for the creation and preservation of affordable housing in Minnesota.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 15 PROGRAM RELATED MISSION IMPACT (INCLUSIVE OF LENDING ACTIVITIES)
(CONTINUED)

It is useful to identify GMHF's combined mission related activities to better describe and quantify the total charitable impact of GMHF's work, given the scale and importance of its community development financing activities. For the years ended December 31, 2022 and 2021, the combined mission impact within each of these categories is as follows:

Combined Program Related Activities of Greater Minnesota Housing Fund:

	2022		2021	
<u>Program Related Lending Activities</u>				
Interim or Amortizing Loans	\$ 90,718,056	57 %	\$ 57,685,330	69 %
Gap or Deferred Loans	-	-	-	-
Total Program Related Lending Activities	90,718,056	57	57,685,330	69
<u>Program Related Investing Activities</u>				
MEF Syndications Closed	55,040,364	35	17,641,320	21
NOAH Equity Deployed	-	-	-	-
Total Program Related Investing Activities	55,040,364	36	17,641,320	21
Total Program Lending and Investing-Related Activities	\$ 145,758,420	92	\$ 75,326,650	90
<u>Program Services and Grantmaking</u>				
Direct Program Services	\$ 8,906,428	6	\$ 6,152,375	7
Program Grant Making	1,411,700	1	629,903	1
Total	10,318,128	7	6,782,278	8
<u>All Program Related Activities Combined:</u>				
Total Program Lending and Investing Related Activities	145,758,420	92	75,326,650	90
Total Program Services and Grantmaking	10,318,128	7	6,782,278	8
Total	156,076,548	99	82,108,928	98
Management and General Expenses	2,061,995	1	1,998,995	2
Total Program Related, Management and General	\$ 158,138,543	100	\$ 84,107,923	100

The program-related lending activities are comprised exclusively of closed (disbursed) loans as of December 31, 2022. In addition to the loans closed and disbursed in the years shown above, GMHF has loans approved but not disbursed totaling \$133,632,012 and \$76,918,462 as of December 31, 2022 and 2021, respectively.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 16 LIQUIDITY

The Organization regularly monitors liquidity required to meet operating needs and contractual commitments, while also striving to maximize the investment of its available funds. As of December 31, the following assets could be made readily available within one year to meet general expenditures:

	2022	2021
Cash	\$ 998,673	\$ 378,332
Interest Receivable on Investments	110,864	111,689
Accounts Receivable	262,388	2,068,416
Loans and Interest Receivable, Current	25,038,996	15,302,029
Contributions Receivable, Current	250,000	3,140,000
Investments	50,515,095	68,367,019
Less: Designated Investments	(110,844)	(110,752)
Total	<u>\$ 77,065,172</u>	<u>\$ 89,256,733</u>

The majority of the Organization's liquidity is provided by short-term investments in U.S. government securities and corporate bonds are convertible to cash in the short-term.

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED BALANCE SHEET — EXCLUDING
PRESENT VALUE DISCOUNTS (UNAUDITED)
DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS

CURRENT ASSETS

Cash	\$ 998,673
Restricted Cash	11,836,996
Interest Receivable	110,864
Investments, Current	23,716,809
Other Receivables	414,558
Contributions Receivable, Current	250,000
Right to Use Asset - Operating, Current	82,235
Loans and Interest Receivable, Current	25,672,396
Less: Allowance for Loan Losses	(633,400)
Total Current Assets	<u>62,449,131</u>

PROPERTY AND EQUIPMENT

Furniture, Fixtures, and Equipment (Net of Accumulated Depreciation of \$445,798)	46,934
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RIGHT TO USE ASSET - OPERATING, NET OF CURRENT

123,547

INVESTMENTS, NET OF CURRENT

26,798,286

INVESTMENT IN NOAH IMPACT FUND LLC

2,315,358

INVESTMENT IN MINNESOTA HOUSING FINANCE AGENCY

824,904

LONG-TERM LOANS RECEIVABLE

Long-Term Loans and Interest Receivable	159,731,136
Less: Allowance for Loan Losses	(5,609,082)
Long-Term Loans Receivable, Net	<u>154,122,054</u>
Total Long-Term Assets	<u>184,231,083</u>
Total Assets	<u><u>\$ 246,680,214</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 1,408,459
Unearned Revenue	148,346
Grants Payable	455,868
Line of Credit	-
Notes Payable, Current	8,436,693
Lease Liability - Operating	82,235
Total Current Liabilities	<u>10,531,601</u>

LONG-TERM LIABILITIES

Notes Payable, Long-Term	84,776,771
Community Investment Advance	10,000,000
Lease Liability - Operating, Less Current Portion	123,547
Total Long-Term Liabilities	<u>94,900,318</u>
Total Liabilities	105,431,919

NET ASSETS

Without Donor Restriction	138,613,024
With Donor Restriction	2,635,271
Total Net Assets	<u>141,248,295</u>
Total Liabilities and Net Assets	<u><u>\$ 246,680,214</u></u>

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF ACTIVITIES — EXCLUDING
PRESENT VALUE DISCOUNTS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Contributions	\$ 564,340	\$ 13,750,000	\$ 14,314,340
Program Service Revenues	9,378,000	-	9,378,000
Interest and Dividends, Net	1,198,612	-	1,198,612
Unrealized Gain on Investments	(5,292,583)	-	(5,292,583)
Realized Gain on Investments	91,988	-	91,988
Total	5,940,357	13,750,000	19,690,357
Net Assets Released from Restrictions	15,038,180	(15,038,180)	-
Total Support and Revenue	20,978,537	(1,288,180)	19,690,357
EXPENSE			
Program Services	9,718,666	-	9,718,666
Support Services:			
Management and General	2,061,995	-	2,061,995
Total Expense	11,780,661	-	11,780,661
CHANGE IN NET ASSETS	9,197,876	(1,288,180)	7,909,696
Net Assets - Beginning of Year	129,415,148	3,923,451	133,338,599
NET ASSETS - END OF YEAR	<u>\$ 138,613,024</u>	<u>\$ 2,635,271</u>	<u>\$ 141,248,295</u>

GREATER MINNESOTA HOUSING FUND
CONSOLIDATING BALANCE SHEET (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	GMHF	NOAH Impact Fund	Eliminations	Consolidated
CURRENT ASSETS				
Cash	\$ 963,124	\$ 35,549	\$ -	\$ 998,673
Restricted Cash	11,836,996	-	-	11,836,996
Total Cash	12,800,120	35,549	-	12,835,669
Interest Receivable on Investments	110,864	-	-	110,864
Investments, Current	23,716,809	-	-	23,716,809
Other Assets	414,558	-	-	414,558
Contributions Receivable, Current	250,000	-	-	250,000
Right to Use Asset - Operating, Current	82,235	-	-	82,235
Loans and Interest Receivable, Current (Net of \$633,400 and \$633,440 Allowance for Uncollectible Amounts in 2022 and 2021, Respectively)	25,038,996	714,408	(714,408)	25,038,996
Total Current Assets	62,413,582	749,957	(714,408)	62,449,131
PROPERTY AND EQUIPMENT				
Furniture, Fixtures, and Equipment (Net of Accumulated Depreciation of \$464,232 and \$445,798 in 2022 and 2021, Respectively)	46,934	-	-	46,934
RIGHT TO USE ASSET - OPERATING, NET OF CURRENT	123,547	-	-	123,547
INVESTMENTS, NET OF CURRENT	26,798,286	-	-	26,798,286
INVESTMENT IN NOAH IMPACT FUND LLC	-	(184,642)	2,500,000	2,315,358
INVESTMENT IN MINNESOTA HOUSING FINANCE AGENCY	824,904	-	-	824,904
LONG-TERM LOANS RECEIVABLE				
Loans and Interest Receivable, Long-Term (Net of \$28,787,167 and \$28,857,213 Present Value Discount and \$5,609,082 and \$4,430,486 Allowance for Uncollectible Amounts in 2022 and 2021, Respectively)	127,834,887	-	(2,500,000)	125,334,887
Total Long-Term Assets	155,628,558	(184,642)	-	155,443,916
Total Assets	<u>\$ 218,042,140</u>	<u>\$ 565,315</u>	<u>\$ (714,408)</u>	<u>\$ 217,893,047</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	2,122,867	\$ -	\$ (714,408)	\$ 1,408,459
Unearned Revenue	148,346	-	-	148,346
Grants Payable	455,868	-	-	455,868
Line of Credit	-	-	-	-
Current Portion of Long-Term Debt	8,436,693	-	-	8,436,693
Lease Liability - Operating	82,235	-	-	82,235
Total Current Liabilities	11,246,009	-	(714,408)	10,531,601
LONG-TERM LIABILITIES				
Notes Payable, Long Term (Net of \$2,578,865 and \$3,178,327 Present Value Discount in 2022 and 2021, Respectively), Less Current Portion	82,197,906	-	-	82,197,906
Community Investment Advance	10,000,000	-	-	10,000,000
Lease Liability - Operating, Less Current Portion	123,547	-	-	123,547
Total Long-Term Liabilities	92,321,453	-	-	92,321,453
Total Liabilities	103,567,462	-	(714,408)	102,853,054
NET ASSETS				
Without Donor Restriction - Undesignated	(71,987,757)	565,315	-	(71,422,442)
Without Donor Restriction - Board Designated	181,248,299	-	-	181,248,299
Total Without Donor Restriction	109,260,542	565,315	-	109,825,857
With Donor Restriction	5,214,136	-	-	5,214,136
Total Net Assets	114,474,678	565,315	-	115,039,993
Total Liabilities and Net Assets	<u>\$ 218,042,140</u>	<u>\$ 565,315</u>	<u>\$ (714,408)</u>	<u>\$ 217,893,047</u>

GREATER MINNESOTA HOUSING FUND
CONSOLIDATING STATEMENT OF ACTIVITIES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	GMHF	
	Without Donor Restriction	With Donor Restriction
SUPPORT AND REVENUE		
Contributions	564,340	13,750,000
Program Service Revenues:		
Interest Income on Loans Receivable	5,388,749	-
Losses from NOAH Pool I	-	-
Other Program Service Revenue	3,695,928	-
Total Program Service Revenues	9,084,677	-
Amortization of Present Value Discount	70,046	-
Interest and Dividends, Net	1,198,612	-
Unrealized Loss on Investments	(5,292,583)	-
Realized Loss on Investments	91,988	-
Total	5,717,080	13,750,000
Net Assets Released from Restrictions	15,637,642	(15,637,642)
Total Support and Revenue	21,354,722	(1,887,642)
EXPENSE		
Program Services	10,315,608	-
Support Services:		
Management and General	1,969,527	-
Total Expense	12,285,135	-
CHANGE IN NET ASSETS	9,069,587	(1,887,642)
Net Assets - Beginning of Year	100,190,955	7,101,778
NET ASSETS - END OF YEAR	<u>\$ 109,260,542</u>	<u>\$ 5,214,136</u>

GREATER MINNESOTA HOUSING FUND
CONSOLIDATING STATEMENT OF ACTIVITIES (UNAUDITED) (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	NOAH Impact Fund			Consolidated		
	Without Donor Restriction	With Donor Restriction	Eliminations	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Contributions	\$ -	\$ -	\$ -	\$ 564,340	\$ 13,750,000	\$ 14,314,340
Program Service Revenues:						
Interest Income on Loans Receivable	-	-	-	5,388,749	-	5,388,749
Losses from NOAH Pool I	17,690	-	-	17,690	-	17,690
Other Program Service Revenue	415,280	-	(139,647)	3,971,561	-	3,971,561
Total Program Service Revenues	432,970	-	(139,647)	9,378,000	-	9,378,000
Amortization of Present Value Discount	-	-	-	70,046	-	70,046
Interest and Dividends, Net	-	-	-	1,198,612	-	1,198,612
Unrealized Loss on Investments	-	-	-	(5,292,583)	-	(5,292,583)
Realized Loss on Investments	-	-	-	91,988	-	91,988
Total	432,970	-	(139,647)	6,010,403	13,750,000	19,760,403
Net Assets Released from Restrictions	-	-	-	15,637,642	(15,637,642)	-
Total Support and Revenue	432,970	-	(139,647)	21,648,045	(1,887,642)	19,760,403
EXPENSE						
Program Services	79,326	-	(76,806)	10,318,128	-	10,318,128
Support Services:						
Management and General	155,309	-	(62,841)	2,061,995	-	2,061,995
Total Expense	234,635	-	(139,647)	12,380,123	-	12,380,123
CHANGE IN NET ASSETS	198,335	-	-	9,267,922	(1,887,642)	7,380,280
Net Assets - Beginning of Year	366,980	-	-	100,557,935	7,101,778	107,659,713
NET ASSETS - END OF YEAR	<u>\$ 565,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,825,857</u>	<u>\$ 5,214,136</u>	<u>\$ 115,039,993</u>



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