

GREATER MINNESOTA HOUSING FUND
CONSOLIDATED FINANCIAL STATEMENTS
AND SINGLE AUDIT COMPLIANCE REPORTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Minnesota Housing Fund
Saint Paul, Minnesota

Report on the Audit of the Consolidated 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, 2024 and 2023, 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, 2024 and 2023, 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.

We did not audit the 2023 financial statements of NOAH Impact Fund, a wholly owned subsidiary, which statements reflect total assets of \$(2,470,983) as of December 31, 2023, and total revenues of \$(2,845,218) for the year 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 as of December 31, 2023, and for the year then ended, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 audit. 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2025, on our consideration of Greater Minnesota Housing Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Minnesota Housing Fund’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Minnesota Housing Fund’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 9, 2025

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

ASSETS	2024	2023
CURRENT ASSETS		
Cash	\$ 15,623,597	\$ 9,130,600
Restricted Cash	6,418,518	5,391,319
Total Cash	22,042,115	14,521,919
Interest Receivable on Investments	101,166	226,208
Investments, Current	21,183,877	24,523,962
Other Assets	383,354	272,157
Loans Held for Sale	2,503,452	-
Contributions Receivable, Current	2,335,000	2,335,000
Right-to-Use Asset - Operating, Current	36,026	88,235
Loans and Interest Receivable, Current (Net of \$919,891 and \$633,400 Allowance for Credit Losses in 2024 and 2023, respectively)	49,928,463	23,540,863
Total Current Assets	98,513,453	65,508,344
PROPERTY AND EQUIPMENT		
Furniture, Fixtures, and Equipment (Net of Accumulated Depreciation of \$53,460 and \$445,214 in 2024 and 2023, Respectively)	88,958	81,018
RIGHT-TO-USE ASSET - OPERATING, NET OF CURRENT	-	33,530
LONG-TERM CONTRIBUTIONS RECEIVABLE		
Contributions Receivable, Long-Term (Net of \$-0- and \$142,197 Present Value Discount in 2024 and 2023, Respectively)	-	1,942,803
INVESTMENTS, NET OF CURRENT	36,515,172	20,302,563
EQUITY INVESTMENTS	1,102,764	96,956
LONG-TERM LOANS RECEIVABLE		
Loans and Interest Receivable, Long-Term (Net of \$25,726,777 and \$27,299,986 Present Value Discount and \$5,675,450 and \$4,216,387 Allowance for Credit Losses in 2024 and 2023, Respectively)	166,556,917	148,570,510
Total Long-Term Assets	204,263,811	171,027,380
Total Assets	\$ 302,777,264	\$ 236,535,724

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023**

	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 2,617,647	\$ 1,690,656
Unfunded Commitment Liability - Credit Losses	707,443	421,573
Unearned Revenue	8,268,579	4,623,097
Grants Payable	908,715	225,373
Current Portion of Long-Term Debt	11,361,219	7,723,017
Lease Liability - Operating	36,026	88,235
Total Current Liabilities	23,899,629	14,771,951
 LONG-TERM LIABILITIES		
Notes Payable, Long Term (Net of \$8,146,862 and \$3,276,649 Present Value Discount in 2024 and 2023, Respectively), Less Current Portion	124,863,997	87,430,309
Community Investment Advance	2,000,000	6,000,000
Lease Liability - Operating, Less Current Portion	-	33,530
Total Long-Term Liabilities	126,863,997	93,463,839
Total Liabilities	150,763,626	108,235,790
 NET ASSETS		
Without Donor Restriction	141,061,089	119,484,223
With Donor Restriction	10,952,549	8,815,711
Total Net Assets	152,013,638	128,299,934
Total Liabilities and Net Assets	\$ 302,777,264	\$ 236,535,724

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 25,966,670	\$ 22,431	\$ 25,989,101
Program Service Revenues:			
Interest Income on Loans Receivable	7,250,956	-	7,250,956
Earnings (Losses) on NOAH Pool I LLC	(1,214,629)	-	(1,214,629)
Loan Commitment / Origination Fees	367,268	-	367,268
Loss On Sale of Loans to Lending Partner	(53,506)	-	(53,506)
MEF Acquisition Fees	596,517	-	596,517
HHMFC Dues	160,000	-	160,000
Noah Impact Fund Program Fees	293,004	-	293,004
Other Program Service Revenue	221,292	-	221,292
Total Program Service Revenues	<u>7,620,902</u>	<u>-</u>	<u>7,620,902</u>
Loans Amortization of Present Value Discount	1,573,209	-	1,573,209
Notes Payable Amortization of Present Value Discount	-	4,870,213	4,870,213
Interest and Dividends, Net	2,140,925	-	2,140,925
Unrealized Gain (Loss) on Investments	(457,518)	-	(457,518)
Realized Gain (Loss) on Investments	(440,197)	-	(440,197)
Total	<u>36,403,991</u>	<u>4,892,644</u>	<u>41,296,635</u>
Net Assets Released from Restrictions	<u>2,755,806</u>	<u>(2,755,806)</u>	<u>-</u>
Total Support and Revenue	39,159,797	2,136,838	41,296,635
EXPENSE			
Program Services	14,713,430	-	14,713,430
Support Services:			
Management and General	<u>2,869,501</u>	<u>-</u>	<u>2,869,501</u>
Total Expense	<u>17,582,931</u>	<u>-</u>	<u>17,582,931</u>
CHANGE IN NET ASSETS	21,576,866	2,136,838	23,713,704
Net Assets - Beginning of Year	<u>119,484,223</u>	<u>8,815,711</u>	<u>128,299,934</u>
NET ASSETS - END OF YEAR	<u>\$ 141,061,089</u>	<u>\$ 10,952,549</u>	<u>\$ 152,013,638</u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 443,414	\$ 12,871,541	\$ 13,314,955
Program Service Revenues:			
Interest Income on Loans Receivable	6,141,186	-	6,141,186
Earnings (Losses) on NOAH Pool I LLC	(3,259,633)	-	(3,259,633)
Loan Commitment / Origination Fees	1,060,830	-	1,060,830
Gain On Sale of Loans to Lending Partner	81,654	-	81,654
MEF Acquisition Fees	416,567	-	416,567
HHMFC Dues	157,500	-	157,500
Noah Impact Fund Program Fees	318,940	-	318,940
Other Program Service Revenue	233,967	-	233,967
Total Program Service Revenues	5,151,011	-	5,151,011
Amortization of Present Value Discount	509,075	-	509,075
Notes Payable Amortization of Present Value Discount	-	978,106	978,106
Interest and Dividends, Net	2,160,531	-	2,160,531
Unrealized Gain (Loss) on Investments	1,309,798	-	1,309,798
Realized Gain (Loss) on Investments	(443,794)	-	(443,794)
Total	9,130,035	13,849,647	22,979,682
Net Assets Released from Restrictions	10,248,072	(10,248,072)	-
Total Support and Revenue	19,378,107	3,601,575	22,979,682
EXPENSE			
Program Services	7,518,640	-	7,518,640
Support Services:			
Management and General	2,201,101	-	2,201,101
Total Expense	9,719,741	-	9,719,741
CHANGE IN NET ASSETS	9,658,366	3,601,575	13,259,941
Net Assets - Beginning of Year	109,825,857	5,214,136	115,039,993
NET ASSETS - END OF YEAR	\$ 119,484,223	\$ 8,815,711	\$ 128,299,934

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 3,111,179	\$ 1,158,609	\$ 4,269,788
Payroll Taxes	227,613	84,763	312,376
Benefits	890,979	331,802	1,222,781
Total Personnel Costs	<u>4,229,771</u>	<u>1,575,174</u>	<u>5,804,945</u>
Program Grants	1,901,137	-	1,901,137
Professional Fees	684,079	417,574	1,101,653
Board Expense	-	33,500	33,500
Contract Services	944,565	528,716	1,473,281
Insurance	110,954	83,184	194,138
Public Information	-	40,500	40,500
Telephone	16,071	5,985	22,056
Travel	68,049	25,341	93,390
Occupancy	136,129	50,695	186,824
Training and Development	125,025	20,979	146,004
Repairs and Maintenance	201,212	74,932	276,144
Provision (Credit) for Credit Losses	2,140,637	-	2,140,637
Interest	3,282,006	-	3,282,006
Miscellaneous	849,222	3,770	852,992
Total Expenses Before Depreciation	<u>14,688,857</u>	<u>2,860,350</u>	<u>17,549,207</u>
Depreciation	<u>24,573</u>	<u>9,151</u>	<u>33,724</u>
Total Expenses by Function	<u>\$ 14,713,430</u>	<u>\$ 2,869,501</u>	<u>\$ 17,582,931</u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 2,518,545	\$ 950,351	\$ 3,468,896
Payroll Taxes	197,926	74,685	272,611
Benefits	747,110	281,915	1,029,025
Total Personnel Costs	<u>3,463,581</u>	<u>1,306,951</u>	<u>4,770,532</u>
Program Grants	1,320,007	-	1,320,007
Professional Fees	697,740	252,418	950,158
Board Expense	-	21,864	21,864
Contract Services	502,912	423,460	926,372
Insurance	147,655	40,029	187,684
Public Information	92,198	-	92,198
Telephone	12,277	4,632	16,909
Travel	46,082	17,388	63,470
Occupancy	130,672	49,308	179,980
Training and Development	30,345	11,450	41,795
Repairs and Maintenance	164,139	61,936	226,075
Provision (Credit) for Credit Losses	(853,521)	-	(853,521)
Present Value Discount	(697,784)	-	(697,784)
Interest	2,429,276	-	2,429,276
Miscellaneous	15,172	4,915	20,087
Total Expenses Before Depreciation	7,500,751	2,194,351	9,695,102
Depreciation	<u>17,889</u>	<u>6,750</u>	<u>24,639</u>
Total Expenses by Function	<u>\$ 7,518,640</u>	<u>\$ 2,201,101</u>	<u>\$ 9,719,741</u>

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 23,713,704	\$ 13,259,941
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized (Gain) Loss on Investments	457,518	(1,309,798)
Realized (Gain) Loss on Investments	440,197	443,794
Depreciation	33,724	24,639
Provision for Long-Term Loans Receivable	1,573,209	(697,784)
Provision (Credit) for Credit Losses	2,140,637	(853,520)
Amortization of Note Payable Discount	(4,870,213)	(697,784)
(Increase) Decrease in Current Assets:		
Interest Receivable	125,042	(115,344)
Other Assets	(111,197)	142,401
Contributions Receivable	1,942,803	(4,027,803)
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Accrued Expenses	926,991	282,197
Unearned Revenue	3,645,482	4,474,751
Grants Payable	683,342	(230,495)
Unfunded Commitment Liability - Credit Losses	285,870	421,573
Net Cash Provided by Operating Activities	30,987,109	11,116,768
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts on Loans Receivable	97,266,903	45,351,181
Advances on Loans Receivable	(147,858,208)	(65,537,367)
Sales of Investments	116,391,894	67,441,787
Purchase of Investments	(130,162,133)	(60,887,213)
Equity Investments	(1,005,808)	3,043,306
Purchase of Property and Equipment	(41,664)	(58,723)
Net Cash Used by Investing Activities	(65,409,016)	(10,647,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	50,686,600	5,653,862
Payments on Long-Term Debt	(4,744,497)	(437,351)
Line of Credit Payments	(4,000,000)	(4,000,000)
Net Cash Provided by Financing Activities	41,942,103	1,216,511
NET INCREASE IN CASH AND RESTRICTED CASH	7,520,196	1,686,250
Cash and Restricted Cash - Beginning of Year	14,521,919	12,835,669
CASH AND RESTRICTED CASH - END OF YEAR	\$ 22,042,115	\$ 14,521,919
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 2,921,975	\$ 2,229,466

See accompanying Notes to Consolidated Financial Statements.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 1996 by The McKnight Foundation and Charles K. Blandin Foundation, 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.

GMHF serves the housing needs of Minnesota residents across the spectrum of the affordable housing continuum. 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 \$60 million and \$100 million in a variety of loans to assist affordable housing development organizations create or preserve between 1,200 and 1,600 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 grants to advance its program objectives described below and to 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.

Programs – GMHF is known for its innovative and creative approaches to Minnesota's affordable housing challenges. GMHF offers three programs:

1. Emerging Developers of Color Programs supports BIPOC led organizations in their growth as affordable housing developers by offering grant funding, low-cost financing, technical assistance, and training to support developers of color creating community-aware housing solutions.
2. Housing and Health Equity Initiative links health care partners with the housing community to create investment and innovative housing solutions as we believe housing is health and the most critical social detriment of health.
3. Rural and Tribal Capacity Building Program serves housing development and innovation needs in Greater MN by bringing resources from grants to loan products, to coalition building and advocacy for investment in housing.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

Organization (Continued)

In addition, GMHF has built a library of education resources to promote best practices in the field of affordable housing, notably:

- Employer-Assisted Housing to promote workforce housing production with the support from major employers;
- Building Better Neighborhoods to promote compact land use patterns and smaller, neo-traditional single-family home plans to reduce costs;
- Rebuilding Better Neighborhoods that provide case studies of model projects to inspire communities to develop affordable housing; and
- Prosperity's Front Door – How Homes Build Strong Communities designed to increase public awareness and understanding of the importance affordable housing is to MN's economy, improving health and education outcomes.

GMHF also serves as the fiscal sponsor and is a member of the Heading Home Minnesota Funders Collaborative that engages philanthropy in supporting state and local plans to prevent and end homelessness and greater production of permanent supportive housing.

Consolidated 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.

GMHF had no donor-restricted net assets that are required to be held in perpetuity at December 31, 2024 and 2023.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

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 and NOAH Pool II 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 Guaranty Program, Heading Home Minnesota Funders Collaborative, and escrow holdings related to loan borrowers 3-month interest/principal payment deposits.

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, 2024 AND 2023**

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

Loans Held for Sale

Loans held for sale include loans originated with the intent to be sold and are carried at the lower of cost, equal to the amount of unpaid principal, net of unearned discounts and deferred fees, or estimated fair value.

Loans Receivable and Allowance for Discounts and Credit Losses on Loans

Greater Minnesota Housing Fund operates a \$136 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.

Interest income is accrued on the unpaid principal balance. GMHF has determined the application of guidance in the nonrefundable fees and other costs standard regarding the deferral of loan origination fees and direct loan origination costs, does not have a material effect on its consolidated financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

Loans are generally placed on non-accrual basis for recognition of interest income when principal and interest is past due 90 days or more, and in the opinion of management, there is reasonable doubt as to the collectability of interest or principal. All interest accrued but not collected for loans that are placed on non-accrual basis is reversed against interest income. The non-recognition of interest income does not constitute forgiveness of the interest. Nonaccrual loans are returned to accrual status when the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Subsequent cash payments received on non-accrual loans that do not bring the loan current are recorded on a cash basis.

GMHF elected to exclude accrued interest receivable from the amortized cost basis of loans. As of December 31, 2024 and 2023, accrued interest receivable for loans totaled \$2,419,740 and \$3,629,515, respectively, and is included in loans and interest receivable on the consolidated balance sheets.

Interim loan products with amounts outstanding at December 31, 2024 include:

Multi-Family Predevelopment Loans (MF Pre-Development)

GMHF offers predevelopment loans to finance project-related hard and soft costs incurred by the borrower prior to closing on construction of, or permanent financing for, an affordable housing project. Predevelopment loans are subject to a minimum loan size of \$100,000 and a maximum of \$1,000,000.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Loans Receivable and Allowance for Discounts and Credit Losses on Loans
(Continued)

Multi-Family Mezzanine Loans (MF Mezzanine)

GMHF provides mezzanine loans as a flexible source of subordinate, second mortgage financing for existing or newly created affordable housing. These loans may be structured as amortizing loans, interest-only loans, cashflow notes or a combination of interest-only and amortizing, based on the needs of the project and its ability to repay within the term of the loan. Mezzanine loans are subject to a minimum loan size of \$20,000 and a maximum of \$5,000,000.

Long-Term Amortizing Loans (LT Amortizing)

GMHF offers permanent financing through its Permanent First Mortgage and Tax Increment Financing (TIF) Loan products, respectively. Permanent First Mortgage loan proceeds are used to finance existing or newly created affordable housing and are subject to a minimum loan size of \$100,000 and a maximum of \$5,000,000. TIF loan proceeds are used to capitalize pay-as-you-go tax increment subsidy payments from a local government entity for existing or newly created affordable housing. TIF loans are subject to a minimum loan size of \$100,000 and a maximum of \$1,000,000.

Acquisition and Rehabilitation Loans

Loans made 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 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.

TIF Loans

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.

Enterprise Loans

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 organizations. These low interest, long-term funds are provided at full recourse to the organization.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**Loans Receivable and Allowance for Discounts and Credit Losses on Loans
(Continued)**

Single-Family Interim Loans

In its efforts to maintain the inventory of affordable single-family homes in Greater Minnesota, GMHF offers interim financing for the construction or rehabilitation of affordable single-family homes. These loans are made to the home builders or remodelers and repaid upon the sale of the homes to income-qualified buyers. These loans may be used for project-related hard and soft costs incurred by the borrower, are subject to a maximum 85% Loan-to-Value, and are secured by a first lien on the real estate.

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, 2024 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 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 Loans

GMHF provides single-family subordinate mortgages to low-income borrowers for the purchase or improvement of affordable single-family homes. These loans are made available through a network of regional, community-based non-profit housing organizations that pre-qualify the borrowers and administer the loans. Repayment is deferred until the borrower sells or refinances 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, 2025 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 \$25,726,777 and \$27,299,986 at December 31, 2024 and 2023, respectively. 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 7.35%, which was based on the Federal Home Loan Mortgage Corporation’s (FHLMC) interest rate during the year the loan was made.

**GREATER MINNESOTA HOUSING FUND
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**Loans Receivable and Allowance for Discounts and Credit Losses on Loans
(Continued)**

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.

The allowance for credit losses on loans is a valuation account that is deducted from the balance of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount not expected to be collected at the balance sheet date. Loan losses are charged off against the allowance for credit losses on loans when GMHF determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans.

On January 1, 2023, GMHF adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC326)*. This standard implements an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology.

CECL requires an estimate of credit losses for the remaining estimated life of financial instruments using historical experience, current conditions, and reasonable and supportable forecasts. GMHF has applied this methodology to its loan receivables and its unfunded loan commitment. Expected credit losses are estimated on a collective basis for groups of loans that share similar risk characteristics. Factors that may be considered in aggregating loans for this purpose include but are not necessarily limited to, product or collateral type, geography, and internal risk ratings. For loans that do not share similar risk characteristics with other loans such as collateral dependent loans, expected credit losses are estimated on an individual basis.

GREATER MINNESOTA HOUSING FUND
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DECEMBER 31, 2024 AND 2023

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

Loans Receivable and Allowance for Discounts and Credit Losses on Loans
(Continued)

GMHF implemented CECL by completing the following:

- Used the weighted average remaining maturity (WARM) method, which estimates expected credit losses over the remaining life of the financial assets and uses a weighted average of the asset's contractual terms to estimate the portfolio classes' remaining contractual term. The WARM method uses average annual net charge-off rates and the amortization-adjusted remaining life, plus GMHF added and estimated prepayment rate as it historically received prepayment on its loans.
- Applied two qualitative factors that have an economic effect:
 - Unemployment: GMHF feels that changes in the unemployment rate will affect the ability of borrowers to repay on loans.
 - Inflation: GMHF feels that changes in inflation will affect the ability of borrowers to repay their loans.
- Applied an additional qualitative factor of its internal Risk Rating report, which is an analysis on its entire loan portfolio completed for each individual loan. The loans are rated by the following categories:
 - Sound: A sound loan is a credit with no existing or known potential weaknesses deserving of management's close attention.
 - Watch: Loans classified as Watch 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.
 - 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.
 - Doubtful: Loans classified as doubtful have a deteriorated financial condition that makes payment unlikely.
 - Loss: Loans classified as loss are considered uncollectible and charged off immediately.
- Used historical loan prepayments and applied the prepayment rate against its loan receivables.

GMHF records an estimate for estimate of credit losses based on management's best estimates. The estimate for credit losses is revised on a quarterly basis. Any loans receivables that are considered at loss will be written off immediately.

Although management believes the allowance for credit losses on loans to be adequate, ultimate losses may vary from its estimates. At least quarterly, the board of directors reviews the adequacy of the allowance for credit losses on loans, including consideration of the relevant risks in the portfolio, current economic conditions, and other factors.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

Off-Balance-Sheet Credit Related Financial Instruments

In the ordinary course of business, GMHF has entered into commitments to extend credit under credit arrangements. Such financial instruments are recorded when they are funded. Expected credit losses related to off-balance sheet credit exposures are estimated over the contractual period for which GMHF is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by GMHF. Expected credit losses are estimated using similar methodologies employed to estimate expected credit losses on loans, taking into consideration the likelihood and extent of additional amounts expected to be funded over the terms of the commitments. The liability for credit losses on off-balance sheet credit exposures is presented as the unfunded commitment liability – credit losses on the consolidated balance sheets. Adjustments to the liability are included in the provision for credit losses.

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.

Contribution Revenue

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at fair value. Contributions received with donor-imposed restrictions that are met within the same year as received are reported as revenues in net assets with donor restrictions. Expirations of restrictions on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions.

Revenue Recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration GMHF expects to receive in exchange for those goods or services. GMHF disaggregates revenue based on revenue stream and believes that the following information provides a reasonable representation of how performance obligations relate to the nature, amount, timing and uncertainty of revenue and cash flows.

**GREATER MINNESOTA HOUSING FUND
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

Interest Income on Loans Receivable

Interest income on loans receivable is recognized over the life of the loan, based on the agreed-upon interest rate and repayment schedule.

Loan Commitment / Origination Fees

Loan commitment and origination fees are recognized at the time the loan is closed on.

Other Program Service Revenue

Other program service revenue is recognized based on the specific performance obligations of the service and is recognized throughout the time period of that service.

Grants from Governmental Agencies

Conditional government grants and contracts are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as deferred revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, GMHF will record such disallowance at the time the final assessment is made. A portion of GMHF's revenue is derived from cost reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GMHF has incurred expenditures in compliance with specific contract or grant provisions. GMHF received conditional grants of \$7,918,839 and \$4,478,839 that have not been recognized at December 31, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

Investments

Investments are recorded at fair value on a recurring basis on the consolidated balance sheets. 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
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**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 in the month in which the note is issued, and the discount is amortized over the term of the note.

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, 2024 and 2023, GMHF has approved grants of \$908,715 and \$225,373, respectively, which are subject to conditions and are reflected in the accompanying consolidated financial statements.

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.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reclassification

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements. Such reclassification has no effect on the change in net assets or the net assets previously stated.

Concentrations

GMHF held deposits with a financial institution which exceeded the federal guarantees of the FDIC during 2024 and 2023. Management of GMHF does not believe significant uninsured deposit risk exists at December 31, 2024.

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.

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.

Fair Value Hierarchy

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.

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.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Subsequent Events

In preparing these consolidated financial statements, GMHF has evaluated events and transactions for potential recognition or disclosure through May 9, 2025, the date the consolidated financial statements were available to be issued. Subsequent to year-end, GMHF sold \$620,000 worth of assets held for sale on the consolidated balance sheet at December 31, 2024.

GMHF

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2024 and 2023 consist of commitments from various foundation donors. There was no need to impute a discount rate on December 31, 2024, as all contribution receivables were current. The discount rate was imputed at 6.82% for the year ended December 31, 2023, which was based on the Federal Home Loan Mortgage Corporation's interest rate at December 31, 2023. There is no allowance for uncollectible accounts, as management believes all contributions receivable are collectible.

	<u>2024</u>	<u>2023</u>
Unconditional Promises to Give	\$ 2,335,000	\$ 4,420,000
Unamortized Discount	-	(142,197)
Total	<u>\$ 2,335,000</u>	<u>\$ 4,277,803</u>
Current Portion	\$ 2,335,000	\$ 2,335,000
Long-Term Portion	-	1,942,803
Total	<u>\$ 2,335,000</u>	<u>\$ 4,277,803</u>
Amounts Due in:		
Less Than One Year	\$ 2,335,000	\$ 2,335,000
One to Five Years	-	2,085,000
Total	<u>\$ 2,335,000</u>	<u>\$ 4,420,000</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 LOANS AND INTEREST RECEIVABLE

Loans receivable by loan product are as follows:

	2024		
	Current	Long-Term	Total
Interim or Amortizing Loans:			
MF Pre-Development	\$ -	\$ 7,412,508	\$ 7,412,508
MF Mezzanine	-	11,841,907	11,841,907
LT Amortizing	-	122,680,961	122,680,961
Acquisition and Rehabilitation	-	1,164,000	1,164,000
Construction or Bridge	50,174,358	2,966,090	53,140,448
TIF	-	477,269	477,269
Enterprise	-	36,354	36,354
Single-Family Interim	35,008	435,714	470,722
Deferred Loans:			
Multi-Family	420,000	42,153,670	42,573,670
Single-Family	-	6,370,931	6,370,931
Loans Receivable – Gross	<u>50,629,366</u>	<u>195,539,404</u>	<u>246,168,770</u>
Less: Reserve for Present Value Discount	-	(25,726,777)	(25,726,777)
Less: Allowance for Credit Losses	(919,891)	(5,675,450)	(6,595,341)
Accrued Interest and Loan Fees	195,434	2,419,740	2,615,174
Add: Loan Fees	23,554	-	23,554
Net Loans Receivable	<u>\$ 49,928,463</u>	<u>\$ 166,556,917</u>	<u>\$ 216,485,380</u>
	2023		
	Current	Long-Term	Total
Interim or Amortizing Loans:			
MF Pre-Development	\$ 1,500,000	\$ 1,110,424	\$ 2,610,424
MF Mezzanine	-	4,450,578	4,450,578
LT Amortizing	-	85,254,556	85,254,556
Acquisition and Rehabilitation	-	920,000	920,000
Construction or Bridge	20,550,981	34,653,894	55,204,875
TIF	-	491,044	491,044
Enterprise	-	41,346	41,346
Single-Family Interim	1,713,878	-	1,713,878
Deferred Loans:	-		
Multi-Family	245,000	43,184,324	43,429,324
Single-Family	-	6,351,202	6,351,202
Loans Receivable – Gross	<u>24,009,859</u>	<u>176,457,368</u>	<u>200,467,227</u>
Less: Reserve for Present Value Discount	-	(27,299,986)	(27,299,986)
Less: Allowance for Credit Losses	(633,400)	(4,216,387)	(4,849,787)
Accrued Interest and Loan Fees	114,108	3,629,515	3,743,623
Add: Loan Fees	50,296	-	50,296
Net Loans Receivable	<u>\$ 23,540,863</u>	<u>\$ 148,570,510</u>	<u>\$ 172,111,373</u>

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

Loans receivable will be repaid as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 50,629,366
2026	6,343,769
2027	7,657,158
2028	1,750,270
2029	1,758,963
Thereafter	<u>178,029,244</u>
Total	246,168,770
Plus: Interest Receivable	2,615,174
Plus: Loan Fees	23,554
Less: Allowance for Discounts and Credit Losses	<u>(32,322,118)</u>
Net Realizable Loans Receivable	216,485,380
Less: Loans Receivable, Current Portion, Net	<u>(49,928,463)</u>
Loans Receivable, Long-Term Portion, Net	<u><u>\$ 166,556,917</u></u>

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

	<u>2024</u>	<u>2023</u>
Loans Receivable, Current	\$ 50,629,366	\$ 24,009,859
Less: Allowance for Credit Losses	(919,891)	(633,400)
Interest Receivable on Loans, Current	195,434	114,108
Add: Loan Fees	23,554	50,296
Current Loans and Interest Receivable, Net	<u><u>\$ 49,928,463</u></u>	<u><u>\$ 23,540,863</u></u>
Loans Receivable, Long-Term	\$ 195,539,404	\$ 176,457,368
Less: Present Value Discount on Loans	(24,673,407)	(26,051,766)
Less: Allowance for Credit Losses	(5,675,450)	(4,216,387)
Interest Receivable on Loans, Long-Term	2,419,740	3,629,515
Less: Present Value Discount on Interest	<u>(1,053,370)</u>	<u>(1,248,220)</u>
Long-Term Loans and Interest Receivable, Net	<u><u>\$ 166,556,917</u></u>	<u><u>\$ 148,570,510</u></u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

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

	2024						
	Beginning Balance	Provision for Credit Losses	Loan Write-Offs	Interest Write-Offs	Loans Forgiven	Recoveries	Ending Balance
Interim/Amortizing Loans:							
RLF Multi - Family							
MF Pre-Development	\$ 1,489	\$ 174,097	\$ -	\$ -	\$ -	\$ -	\$ 175,586
MF Mezzanine	189,891	84,212	-	-	-	-	274,103
LT Amortizing	3,162,671	334,477	-	-	-	-	3,497,148
Acquisition and Rehabilitation	4,732	16,128	-	-	-	-	20,860
TIF	2,526	6,027	-	-	-	-	8,553
Enterprise	2,067	24,840	-	-	-	-	26,907
Construction or Bridge	143,945	882,619	(1,061)	(58,331)	-	-	967,172
RLF Single Family							
Construction or Bridge	47,712	(586)	-	-	-	-	47,126
Total	3,555,033	1,521,814	(1,061)	(58,331)	-	-	5,017,455
Deferred Loans:							
Gap Multi-Family	367,329	257,500	-	-	-	-	624,829
Gap Single-Family	927,425	75,453	(49,821)	-	-	-	953,057
Total	<u>\$ 4,849,787</u>	<u>\$ 1,854,767</u>	<u>\$ (50,882)</u>	<u>\$ (58,331)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,595,341</u>
	2023						
	Beginning Balance	Provision for Credit Losses	Loan Write-Offs	Interest Write-Offs	Loans Forgiven	Recoveries	Ending Balance
Interim/Amortizing Loans:							
RLF Multi - Family							
MF Pre-Development	\$ 107,460	\$ (105,971)	\$ -	\$ -	\$ -	\$ -	\$ 1,489
MF Mezzanine	179,032	10,859	-	-	-	-	189,891
LT Amortizing	2,765,836	396,835	-	-	-	-	3,162,671
Acquisition and Rehabilitation	267	4,465	-	-	-	-	4,732
TIF	19,317	(16,791)	-	-	-	-	2,526
Enterprise	1,636	431	-	-	-	-	2,067
Construction or Bridge	2,164,330	(1,995,385)	-	(25,000)	-	-	143,945
RLF Single Family							
Construction or Bridge	9,487	38,225	-	-	-	-	47,712
Total	5,247,365	(1,667,332)	-	(25,000)	-	-	3,555,033
Deferred Loans:							
Gap Multi-Family	873,828	(506,499)	-	-	-	-	367,329
Gap Single-Family	120,651	899,375	(91,673)	(928)	-	-	927,425
Loan Fees	638	(638)	-	-	-	-	-
Total	<u>\$ 6,242,482</u>	<u>\$ (1,275,094)</u>	<u>\$ (91,673)</u>	<u>\$ (25,928)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,849,787</u>

In addition, to the allowance for credit losses on loans above, GMHF has established an allowance for credit losses on unfunded commitments, classified in unfunded commitment liability – credit losses on the consolidated balance sheets. This allowance is maintained at a level that management believes is sufficient to absorb losses arising from unfunded loan commitments and is determined based on a methodology similar to the methodology for determining the allowance for credit losses on loans. The allowance for credit losses on unfunded commitments as of December 31, 2024 and 2023 was \$707,443 and \$421,573, respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 LOANS AND INTEREST RECEIVABLE (CONTINUED)

The provision for credit losses is determined by GMHF as the amount to be added to the allowance for credit losses for loans and unfunded commitments after net charge-offs have been deducted to bring the allowance for credit losses to a level that, in management's judgment, is necessary to absorb expected credit losses over the lives of the respective financial instruments. The components of the provision for credit losses included in the consolidated statements of activities for the years ended December 31 are as follows:

	2024	2023
Change in Provision	\$ 1,854,767	\$ (1,275,094)
Unfunded Commitments	285,870	421,573
Total	\$ 2,140,637	\$ (853,521)

A loan is considered to be collateral dependent when, based upon management's assessment, the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. For collateral dependent loans, expected credit losses are based on the estimated fair value of the collateral at the consolidated balance sheet date, with consideration for estimated selling costs if satisfaction of the loan depends on the sale of the collateral. There were no collateral dependent loans as of December 31, 2024 and 2023.

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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:

	2024					
	Sound	Watch	Substandard	Doubtful	Loss	Total
Interim/Amortizing Loans:						
MF Pre-Development	\$ 6,079,956	\$ 1,332,552	\$ -	\$ -	\$ -	\$ 7,412,508
MF Mezzanine	11,127,085	506,146	157,000	51,676	-	11,841,907
LT Amortizing	112,881,096	5,865,080	2,246,974	1,687,811	-	122,680,961
Acquisition and Rehabilitation	1,164,000	-	-	-	-	1,164,000
Construction or Bridge	53,140,448	-	-	-	-	53,140,448
TIF	477,269	-	-	-	-	477,269
Enterprise	-	36,354	-	-	-	36,354
Single-Family Interim	470,722	-	-	-	-	470,722
Total	<u>185,340,576</u>	<u>7,740,132</u>	<u>2,403,974</u>	<u>1,739,487</u>	<u>-</u>	<u>197,224,169</u>
Deferred Loans:						
Multi-Family	42,058,670	100,000	-	325,000	90,000	42,573,670
Single-Family	6,370,931	-	-	-	-	6,370,931
Total	<u>\$ 233,770,177</u>	<u>\$ 7,840,132</u>	<u>\$ 2,403,974</u>	<u>\$ 2,064,487</u>	<u>\$ 90,000</u>	<u>\$ 246,168,770</u>

	2023					
	Sound	Watch	Substandard	Doubtful	Loss	Total
Interim/Amortizing Loans:						
MF Pre-Development	\$ 1,110,424	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 2,610,424
MF Mezzanine	3,517,981	532,341	157,000	243,256	-	4,450,578
LT Amortizing	73,774,597	5,302,170	2,257,198	3,920,591	-	85,254,556
Acquisition and Rehabilitation	920,000	-	-	-	-	920,000
Construction or Bridge	55,204,875	-	-	-	-	55,204,875
TIF	491,044	-	-	-	-	491,044
Enterprise	-	41,346	-	-	-	41,346
Single-Family Interim	1,713,878	-	-	-	-	1,713,878
Total	<u>136,732,799</u>	<u>7,375,857</u>	<u>2,414,198</u>	<u>4,163,847</u>	<u>-</u>	<u>150,686,701</u>
Deferred Loans:						
Multi-Family	31,651,202	7,556,166	3,446,956	415,000	360,000	43,429,324
Single-Family	6,197,881	96,931	-	32,000	24,390	6,351,202
Total	<u>\$ 174,581,882</u>	<u>\$ 15,028,954</u>	<u>\$ 5,861,154</u>	<u>\$ 447,000</u>	<u>\$ 384,390</u>	<u>\$ 200,467,227</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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:

	2024				
	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Interim/Amortizing Loans:					
MF Pre-Development	\$ 7,409,968	\$ 2,540	\$ -	\$ -	\$ 7,412,508
MF Mezzanine	11,841,483	424	-	-	11,841,907
LT Amortizing	122,675,913	5,048	-	-	122,680,961
Acquisition and Rehabilitation	1,164,000	-	-	-	1,164,000
Construction or Bridge	53,126,162	14,286	-	-	53,140,448
TIF	477,269	-	-	-	477,269
Enterprise	36,354	-	-	-	36,354
Single-Family Interim	470,312	410	-	-	470,722
Total	<u>197,201,461</u>	<u>22,708</u>	<u>-</u>	<u>-</u>	<u>197,224,169</u>
Deferred Loans:					
Multi-Family	42,573,670	-	-	-	42,573,670
Single-Family	6,370,931	-	-	-	6,370,931
Total	<u>\$ 246,146,062</u>	<u>\$ 22,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,168,770</u>

	2023				
	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Interim/Amortizing Loans:					
MF Pre-Development	\$ 2,609,944	\$ 480	\$ -	\$ -	\$ 2,610,424
MF Mezzanine	4,444,800	3,529	2,249	-	4,450,578
LT Amortizing	85,205,769	40,017	8,770	-	85,254,556
Acquisition and Rehabilitation	920,000	-	-	-	920,000
Construction or Bridge	55,165,907	38,968	-	-	55,204,875
TIF	491,044	-	-	-	491,044
Enterprise	41,346	-	-	-	41,346
Single-Family Interim	1,713,758	120	-	-	1,713,878
Total	<u>150,592,568</u>	<u>83,114</u>	<u>11,019</u>	<u>-</u>	<u>150,686,701</u>
Deferred Loans:					
Multi-Family	43,429,324	-	-	-	43,429,324
Single-Family	6,351,202	-	-	-	6,351,202
Total	<u>\$ 200,373,094</u>	<u>\$ 83,114</u>	<u>\$ 11,019</u>	<u>\$ -</u>	<u>\$ 200,467,227</u>

Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral. There were no modifications to loans for the year ended December 31, 2024 and 2023.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 NET ASSETS

Net assets at December 31 consist of the following:

	<u>2024</u>	<u>2023</u>
With Donor Restriction:		
Purpose Restricted	\$ 535,032	\$ 1,039,062
Time Restricted	<u>10,417,517</u>	<u>7,776,649</u>
Total With Donor Restriction	10,952,549	8,815,711
Without Donor Restriction - Board-Designated:		
Net Loans Receivable	216,485,380	172,111,373
Approved Loans to be Disbursed	88,775,399	130,352,092
Less: Lending Committed from Notes Payable	(146,372,078)	(104,429,975)
Approved Conditional Grants to be Disbursed	<u>908,715</u>	<u>225,373</u>
Total Without Donor Restriction - Board-Designated	<u>159,797,416</u>	<u>198,258,863</u>
Without Donor Restriction - Undesignated	(18,736,327)	(78,774,640)
Total Without Donor Restriction	<u>141,061,089</u>	<u>119,484,223</u>
Total Net Assets	<u>\$ 152,013,638</u>	<u>\$ 128,299,934</u>

Net Assets Released from Restrictions

During the years ended December 31, 2024 and 2023, \$2,755,806 and \$10,248,072, 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, 2024 and 2023, the amount of the board-designated amount was \$159,797,416 and \$198,258,863, 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, 2024 and 2023, the amount of the undesignated amount was \$(18,736,327) and \$(78,774,640), respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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 \$397,106 and \$309,686 during 2024 and 2023, respectively.

GMHF 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, 2024 and 2023.

GMHF also offers an unfunded, nonqualified deferred compensation plan, commonly referred to as a Section 457(f) 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. As of December 31, 2024, the plan was held at \$-0- and fully paid out to participants. Changes to the deferred balance and the corresponding investment account included an addition of \$30,000 during the years ended December 31, 2023.

NOTE 6 INVESTMENTS

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

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 21,183,877	\$ 24,758,133
Fixed Income	9,950,736	-
Exchange Traded Funds	15,608,397	-
Corporate Bonds	3,571,165	11,105,710
Equities	6,394,878	-
Federal Loan Mortgage	297,413	8,222,781
Mortgage-Backed Securities	692,583	739,901
Total	<u>\$ 57,699,049</u>	<u>\$ 44,826,525</u>

Interest and dividends as presented on the consolidated statements of activities is net of investment fees of \$147,604 and \$106,692 for 2024 and 2023, respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 EQUITY INVESTMENTS

The equity investments on the consolidated balance sheets are made up of two investments.

Investment in NOAH Pool I and II, LLC

On June 1, 2017, the NOAH Impact Fund LLC and the NOAH Pool I LLC began operations. On May 31, 2024, NOAH Pool II LLC began operations. GMHF's investment in these entities is shown on the consolidated balance sheets as of December 31, 2024 and 2023 as an Investment in the NOAH Pool I and II LLC for \$-0- and \$(944,275) respectively. A loan from GMHF to the NOAH Pool I LLC for \$2,500,000 has been eliminated on the consolidated financial statements. GMHF has written down this loan in 2024 by writing off \$1,578,637 and increasing their provision for credit losses for the remaining \$921,363. In addition, accrued interest receivable of \$758,904 has been eliminated on the consolidated financial statements. Lastly, a loan from GMHF to the NOAH Pool II LLC for \$1,400,000 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 and NOAH Pool II LLC. NOAH Impact Fund LLC does not have control over NOAH Pool I LLC or NOAH Pool II LLC, and thus, the activity has not been consolidated into NOAH Impact Fund LLC's financial statements.

The summarized information for NOAH Pool I, LLC is below:

	2024	2023
Assets	\$ 23,633,410	\$ 25,572,988
Liabilities	29,117,536	29,017,262
Net Deficit Without Donor Restrictions	(5,484,126)	(3,444,274)
Revenues	1,027,755	1,012,696
Expenses	3,067,606	3,563,069
Results of Operation	(2,039,851)	(2,550,373)

The summarized information for NOAH Pool II, LLC is below:

	2024	2023
Assets	\$ 3,806,840	\$ -
Liabilities	3,750,000	-
Net Assets Without Donor Restrictions	56,840	-
Revenues	61,840	-
Expenses	5,000	-
Results of Operation	56,840	-

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 EQUITY INVESTMENTS (CONTINUED)

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, 2024 and 2023 is \$1,102,764 and \$1,041,231, respectively.

The summarized information for Minnesota Housing Finance Agency is below:

	<u>2024</u>	<u>2023</u>
Assets	\$ 24,041,698	\$ 30,286,836
Liabilities	22,889,290	29,245,605
Net Assets Without Donor Restrictions	1,041,231	824,904
Revenues	1,273,218	1,479,130
Expenses	1,162,041	1,262,803
Results of Operation	111,177	216,327

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 NOTES PAYABLE

Name	Interest Rate	Maturity Date	Discounted Fair Market Rate	2024	2023
Wells Fargo Community Development Corporation	2.00%	10/23/2024	4.04%	\$ -	\$ 1,000,000
U.S. Department of Agriculture	1.00%	5/28/2044	4.19%	1,626,170	1,699,374
Blandin Foundation	2.00%	7/1/2026	3.44%	650,000	750,000
BMO (fka Bank of the West)	2.00%	5/3/2027	4.01%	1,000,000	1,000,000
Margaret A. Cargill Foundation	2.00%	12/31/2025	3.95%	5,000,000	5,000,000
U.S. Bancorp	3.00%	12/17/2024	4.64%	-	1,000,000
CDFI Bond Guarantee Program	3.90%	12/17/2046	N/A	9,208,880	9,480,601
CDFI Bond Guarantee Program	2.43%	12/15/2048	N/A	53,355,206	55,000,000
CDFI Bond Guarantee Program	5.00%	12/15/2051	N/A	18,318,564	-
Otto Bremer Foundation	2.50%	1/15/2025	3.72%	1,000,000	1,000,000
Otto Bremer Foundation	1.50%	7/15/2025	3.02%	1,500,000	1,500,000
Ameriprise Financial	2.00%	12/17/2027	2.68%	1,000,000	1,000,000
Ameriprise Financial	2.00%	12/17/2027	2.68%	1,000,000	1,000,000
Ameriprise Financial	2.00%	12/17/2030	2.68%	2,000,000	2,000,000
U.S. Bank	2.40%	2/25/2026	2.81%	4,345,222	5,000,000
Opportunity Finance Network	3.00%	8/6/2031	N/A	5,000,000	5,000,000
Otto Bremer Trust	2.00%	1/15/2027	3.10%	2,000,000	2,000,000
Federal Home Loan Bank of Des Moines	Daily	N/A	N/A	2,000,000	6,000,000
Otto Bremer Trust	4.25%	10/5/2030	7.62%	2,000,000	2,000,000
Allina Health System	2.00%	9/30/2030	7.62%	3,000,000	3,000,000
U.S. Bank	5.64%	5/24/2027	7.10%	12,000,000	-
U.S. Bank	3.50%	5/29/2030	7.10%	2,000,000	-
CNote	4.80%	11/10/2026	7.10%	2,118,036	-
Wilson Foundation	0.00%	7/31/1931	7.10%	1,000,000	-
Graves Foundation	2.75%	12/1/1934	6.18%	250,000	-
Common Spirit	3.00%	11/1/1939	5.90%	10,000,000	-
Wells Fargo Bank	2.00%	12/20/1936	5.90%	5,000,000	-
Subtotal				146,372,078	104,429,975
Less: Present Value Discount				(8,146,862)	(3,276,649)
Total				<u>\$ 138,225,216</u>	<u>\$ 101,153,326</u>

Maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 11,361,219
2026	9,660,497
2027	23,269,750
2028	5,295,120
2029	8,882,075
Thereafter	87,903,417
Subtotal	146,372,078
Less: Present Value Discount	(8,146,862)
Total	138,225,216
Less: Current	(11,361,219)
Total Long-Term Debt	<u>\$ 126,863,997</u>

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 NOTES PAYABLE (CONTINUED)

Subsequent to year-end, new debt was taken out with CDFI Fund on February 6, 2025, for \$1,250,000 at an interest rate of 4.19%, with a maturity date of December 31, 2037. Secondly, new debt was taken out with BGP on February 28, 2025, for \$12,035,000 at an interest rate of 4.89%, with a maturity date of December 15, 2051. Lastly, new debt was taken out with PNC Bank on April 28, 2025, for \$2,000,000 at an interest rate of 3.0%, with a maturity date of April 25, 2030.

NOTE 9 COMMUNITY INVESTMENT ADVANCE AND LINE OF CREDIT

In 2018, GMHF entered into an agreement with Federal Home Loan Bank of Des Moines. As of December 31, 2024 and 2023, GMHF had \$2,000,000 and \$6,000,000 outstanding on the community investment advance, respectively. The total advances on this line of credit are based on the amount of securities that GMHF has pledged. The interest rate adjusts daily.

In 2023, GMHF entered into an agreement with US Bank. As of December 31, 2024 and 2023, GMHF had \$-0- outstanding on the line of credit. The line of credit matures on July 31, 2024. The interest rate is variable of 1.25% plus the SOFR rate.

NOTE 10 RELATED PARTY TRANSACTIONS

Certain board members are associated with organizations that receive grants and loans from GMHF. Grants to related parties totaled \$250,000 and \$498,500 for the years ended December 31, 2024 and 2023, respectively. Loans receivable from related parties totaled \$8,254,471 and \$28,046,917 as of December 31, 2024 and 2023, respectively.

NOTE 11 MAJOR SOURCE AND CONCENTRATION OF SUPPORT

For the years ended December 31, 2024 and 2023, 100% and 97% of GMHF's contributions receivables were from three and two donors, respectively.

Total contributions at December 31, 2024 and 2023, consist of 96% and 78% from two 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, 2024 AND 2023**

NOTE 12 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. During 2024, a new lease was entered into for a copier. The lease is for five years with a monthly payment of \$375 and has been deemed immaterial to calculate a right to use asset and lease liability. In addition, GMHF signed a new office space lease in 2024 that commences on June 1, 2025.

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

	<u>2024</u>	<u>2023</u>
Lease Cost:		
Operating Lease Cost	<u>\$ 213,325</u>	<u>\$ 213,325</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 85,739	\$ 84,017
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ -
Weighted-Average Remaining Lease Term - Operating Lease	1.4 Years	2.4 Years
Weighted-Average Discount Rate - Operating Leases	2.05%	2.05%
Current Portion of Operating Lease	\$ 36,026	\$ 88,235
Long-Term Portion of Operating Lease	\$ -	\$ 33,530

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	<u>\$ 36,765</u>
Total	36,765
Amount Representing Interest	(739)
Total Lease Liability - Operating	<u>\$ 36,026</u>

GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 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:

	2024			
	Level 1	Level 2	Level 3	Total
<u>Investments</u>				
Fixed Income	\$ 9,950,736	\$ -	\$ -	\$ 9,950,736
Exchange Traded Funds	15,608,397	-	-	15,608,397
Equities	6,394,878	-	-	6,394,878
U.S. Government Issues	3,571,165	-	-	3,571,165
Real Estate Securities	-	297,413	-	297,413
Mortgage-Backed Securities	-	692,583	-	692,583
Subtotal	35,525,176	989,996	-	36,515,172
Cash and Cash Equivalents	-	-	-	21,183,877
Total	<u>\$ 35,525,176</u>	<u>\$ 989,996</u>	<u>\$ -</u>	<u>\$ 57,699,049</u>

	2023			
	Level 1	Level 2	Level 3	Total
<u>Investments</u>				
U.S. Government Issues	\$ 11,105,710	\$ -	\$ -	\$ 11,105,710
Federal Loan Mortgage	8,222,781	-	-	8,222,781
Mortgage-Backed Securities	-	739,901	-	739,901
Subtotal	19,328,491	739,901	-	20,068,392
Cash and Cash Equivalents	-	-	-	24,758,133
Total	<u>\$ 19,328,491</u>	<u>\$ 739,901</u>	<u>\$ -</u>	<u>\$ 44,826,525</u>

NOTE 14 COMMITMENTS

GMHF has loans approved but not disbursed totaling \$88,775,399 and \$130,352,092 as of December 31, 2024 and 2023, respectively.

**GREATER MINNESOTA HOUSING FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 15 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:

	<u>2024</u>	<u>2023</u>
Cash	\$ 15,623,597	\$ 9,130,600
Interest Receivable on Investments	101,166	226,208
Accounts Receivable	151,132	-
Loans and Interest Receivable, Current	49,928,463	23,540,863
Contributions Receivable, Current	2,335,000	2,335,000
Investments	57,699,049	44,826,525
Less: Designated Investments	-	(111,328)
Total	<u>\$ 125,838,407</u>	<u>\$ 79,947,868</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
CONSOLIDATING BALANCE SHEET (UNAUDITED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	GMHF	NOAH Impact Fund	Eliminations	Consolidated
CURRENT ASSETS				
Cash	\$ 15,484,464	\$ 139,133	\$ -	\$ 15,623,597
Restricted Cash	6,418,518	-	-	6,418,518
Total Cash	21,902,982	139,133	-	22,042,115
Interest Receivable on Investments	101,166	-	-	101,166
Investments, Current	21,183,877	-	-	21,183,877
Other Assets	346,778	36,576	-	383,354
Due from Related Entity	-	890,808	(890,808)	-
Loans Held for Sale	2,503,452	-	-	2,503,452
Contributions Receivable, Current	2,335,000	-	-	2,335,000
Right-to-Use Asset - Operating, Current	36,026	-	-	36,026
Loans and Interest Receivable, Current (Net of \$919,891 and \$633,400 Allowance for Credit Losses in 2024 and 2023, respectively)	49,928,463	-	-	49,928,463
Total Current Assets	98,337,744	1,066,517	(890,808)	98,513,453
PROPERTY AND EQUIPMENT				
Furniture, Fixtures, and Equipment (Net of Accumulated Depreciation of \$53,460 and \$445,214 in 2024 and 2023, Respectively)	88,958	-	-	88,958
LONG-TERM CONTRIBUTIONS RECEIVABLE				
Contributions Receivable, Long Term (Net of \$-0- and \$142,197 Present Value Discount in 2024 and 2023, Respectively)	-	-	-	-
INVESTMENTS, NET OF CURRENT	36,515,172	-	-	36,515,172
EQUITY INVESTMENTS	1,102,764	-	-	1,102,764
LONG-TERM LOANS RECEIVABLE				
Loans and Interest Receivable, Long-Term (Net of \$25,726,777 and \$27,299,986 Present Value Discount and \$5,675,450 and \$4,216,387 Allowance for Credit Losses in 2024 and 2023, Respectively)	168,715,821	-	(2,158,904)	166,556,917
Total Long-Term Assets	206,422,715	-	(2,158,904)	204,263,811
Total Assets	<u>\$ 304,760,459</u>	<u>\$ 1,066,517</u>	<u>\$ (3,049,712)</u>	<u>\$ 302,777,264</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 2,617,647	\$ -	\$ -	\$ 2,617,647
Unfunded Commitment Liability - Credit Losses	707,443	-	-	707,443
Due to Related Entity	890,808	-	(890,808)	-
Unearned Revenue	8,268,579	-	-	8,268,579
Grants Payable	908,715	-	-	908,715
Line of Credit	-	-	-	-
Current Portion of Long-Term Debt	11,361,219	-	-	11,361,219
Lease Liability - Operating	36,026	-	-	36,026
Total Current Liabilities	24,790,437	-	(890,808)	23,899,629
LONG-TERM LIABILITIES				
Notes Payable, Long Term (Net of \$8,146,862 and \$3,276,649 Present Value Discount in 2024 and 2023, Respectively), Less Current Portion	124,863,997	-	-	124,863,997
Community Investment Advance	2,000,000	-	-	2,000,000
Lease Liability - Operating, Less Current Portion	-	-	-	-
Total Long-Term Liabilities	126,863,997	-	-	126,863,997
Total Liabilities	151,654,434	-	(890,808)	150,763,626
NET ASSETS				
Without Donor Restriction - Undesignated	(17,643,940)	1,066,517	(2,158,904)	(18,736,327)
Without Donor Restriction - Board-Designated	159,797,416	-	-	159,797,416
Total Without Donor Restriction	142,153,476	1,066,517	(2,158,904)	141,061,089
With Donor Restriction	10,952,549	-	-	10,952,549
Total Net Assets	153,106,025	1,066,517	(2,158,904)	152,013,638
Total Liabilities and Net Assets	<u>\$ 304,760,459</u>	<u>\$ 1,066,517</u>	<u>\$ (3,049,712)</u>	<u>\$ 302,777,264</u>

GREATER MINNESOTA HOUSING FUND
CONSOLIDATING STATEMENT OF ACTIVITIES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	GMHF		NOAH Impact Fund			Consolidated		
	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	Eliminations	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE								
Contributions	\$ 25,966,670	\$ 22,431	\$ -	\$ -	\$ -	\$ 25,966,670	\$ 22,431	\$ 25,989,101
Program Service Revenues:								
Interest Income on Loans Receivable	7,250,956	-	-	-	-	7,250,956	-	7,250,956
Losses from NOAH Pool I	-	-	3,444,275	-	(4,658,904)	(1,214,629)	-	(1,214,629)
Loan Commitment / Origination Fees	367,268	-	-	-	-	367,268	-	367,268
Loss On Sale of Loans to Lending Partner	(53,506)	-	-	-	-	(53,506)	-	(53,506)
MEF Acquisition Fees	596,517	-	-	-	-	596,517	-	596,517
HHMFC Dues	160,000	-	-	-	-	160,000	-	160,000
Noah Impact Fund Program Fees	-	-	414,399	-	(121,395)	293,004	-	293,004
Other Program Service Revenue	221,292	-	-	-	-	221,292	-	221,292
Total Program Service Revenues	8,542,527	-	3,858,674	-	(4,780,299)	7,620,902	-	7,620,902
Loans Amortization of Present Value Discount	1,573,209	-	-	-	-	1,573,209	-	1,573,209
Notes Payable Amortization of Present Value Discount	-	4,870,213	-	-	-	-	4,870,213	4,870,213
Interest and Dividends, Net	2,140,925	-	-	-	-	2,140,925	-	2,140,925
Unrealized Loss on Investments	(457,518)	-	-	-	-	(457,518)	-	(457,518)
Realized Loss on Investments	(440,197)	-	-	-	-	(440,197)	-	(440,197)
Total	37,325,616	4,892,644	3,858,674	-	(4,780,299)	36,403,991	4,892,644	41,296,635
Net Assets Released from Restrictions	2,755,806	(2,755,806)	-	-	-	2,755,806	(2,755,806)	-
Total Support and Revenue	40,081,422	2,136,838	3,858,674	-	(4,780,299)	39,159,797	2,136,838	41,296,635
EXPENSE								
Program Services	14,645,825	-	111,013	-	(43,408)	14,713,430	-	14,713,430
Support Services:								
Management and General	5,237,327	-	210,161	-	(2,577,987)	2,869,501	-	2,869,501
Total Expense	19,883,152	-	321,174	-	(2,621,395)	17,582,931	-	17,582,931
CHANGE IN NET ASSETS	20,198,270	2,136,838	3,537,500	-	(2,158,904)	21,576,866	2,136,838	23,713,704
Net Assets - Beginning of Year	121,955,206	8,815,711	(2,470,983)	-	-	119,484,223	8,815,711	128,299,934
NET ASSETS - END OF YEAR	\$ 142,153,476	\$ 10,952,549	\$ 1,066,517	\$ -	\$ (2,158,904)	\$ 141,061,089	\$ 10,952,549	\$ 152,013,638



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Greater Minnesota Housing Fund
Saint Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the consolidated financial statements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Greater Minnesota Housing Fund, which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 9, 2025. The financial statements of NOAH Impact Fund LLC were not audited in accordance with *Government Accounting Standards*, and accordingly, this report does not include the reporting on internal control over financial reporting or instances of reportable noncompliance associated with NOAH Impact Fund LLC.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Greater Minnesota Housing Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Minnesota Housing Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater Minnesota Housing Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Minnesota Housing Fund’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Greater Minnesota Housing Fund’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Greater Minnesota Housing Fund’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Greater Minnesota Housing Fund’s response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 9, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Greater Minnesota Housing Fund
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Greater Minnesota Housing Fund's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greater Minnesota Housing Fund's major federal programs for the year ended December 31, 2024. Greater Minnesota Housing Fund's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greater Minnesota Housing Fund complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Greater Minnesota Housing Fund's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Greater Minnesota Housing Fund's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greater Minnesota Housing Fund's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greater Minnesota Housing Fund's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Greater Minnesota Housing Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greater Minnesota Housing Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Greater Minnesota Housing Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 9, 2025

**GREATER MINNESOTA HOUSING FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of the Treasury				
Passed through the Opportunity Finance Network:				
Community Development Financial Institutions				
		17-1-BG-012323	\$ -	\$ 64,480,601
Bond Guarantee Program - Beginning Loan Balance	21.014	22-BGA-00065		
Bond Guarantee Program - Loans Advanced in 2024	21.014	22-BGA-00065	-	18,318,564
Total 21.014			-	82,799,165
Community Development Financial Institutions				
Capital Magnet Fund	21.011	N/A	-	6,960,000
Total U.S. Department of Treasury			-	89,759,165
U.S. Department of Agriculture				
Rural Development Section 515 Multi-Family Housing				
Beginning Loan Balance	10.415	N/A	-	1,669,374
Total U.S. Department of Agriculture			-	1,669,374
Total Federal Expenditures			\$ -	\$ 91,428,539

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**GREATER MINNESOTA HOUSING FUND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards (Schedule) includes the federal award activity of Greater Minnesota Housing Fund under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of both 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Greater Minnesota Housing Fund, it is not intended to and does not present the consolidated balance sheets, consolidated statements of activities, or consolidated statements of cash flows of Greater Minnesota Housing Fund.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Greater Minnesota Housing Fund has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 OUTSTANDING LOANS PAYABLE

Program Title	ALN	Beginning Balance	Loans Disbursed	Payments on Loans	Outstanding Balance at December 31, 2024
Rural Development Section 515 Multi-Family Housing	10.415	\$ 1,669,374	\$ -	\$ (43,204)	\$ 1,626,170
Bond Guarantee Program	21.014	64,480,601	18,318,564	(1,916,515)	80,882,650

**GREATER MINNESOTA HOUSING FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section 1 – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

ALN Number(s)

21.011
21.014

Name of Federal Program or Cluster

Capital Magnet Fund
Bond Guarantee Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

**GREATER MINNESOTA HOUSING FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

2024 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Bond Guarantee Program was determined to be a federal loan program required to be included on the schedule of expenditures of federal awards (SEFA).

Criteria or specific requirement: Management is responsible for establishing and maintaining internal controls for the fair presentation of the SEFA. In addition, an auditee must prepare a SEFA that includes the total federal awards expended as determined in accordance with the federal regulations 200.502 (Uniform Guidance).

Effect: The SEFA was materially misstated and incomplete.

Cause: The Organization had received information in the past indicating the program did not have to be included in the SEFA. It was reevaluated in the current year.

Repeat Finding: No

Recommendation: We recommend reviewing all federal programs and pass-through activity with the originating agency to ensure appropriate presentation and inclusion on the SEFA.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

Section III - Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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