Minnesota Housing Finance Agency

2009 Financial Report

MINNESOTA HOUSING FINANCE AGENCY
Annual Financial Report as of and for the year ended June 30, 2009

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Commissioner's Report

While it is tempting to devote this space to reliving the turmoil of the past year in the financial markets and the broader economy, those topics have been exhaustively covered by the media. Certainly Minnesota Housing has not been immune to effects of the turmoil as evidenced by rates of single family loan delinquency and foreclosure and related loan losses for the past year that were higher than our historical experience. In fact, actual and reserves for expected loan losses account for nearly the entire reduction in the Agency's net earnings compared to the previous year. Financial results for the year were not up to expectations, reflecting the realities of general economic conditions. The Agency restricted its lending activities that rely on efficient access to capital markets while market conditions were volatile. And although reduced lending volume dampened earnings, the Agency continued to be operate programs because competent long-term financial planning had provided sufficient internal resources to continue programs at reduced levels of activity.

The Agency is financially strong and is positioning itself to ensure it remains strong. Issuer ratings of Aa1 and AA+ were affirmed earlier this year by Moody's and Standard & Poor's, respectively, with the latter assigning a positive outlook to the Agency's rating.

Rather than dwell on the challenges of the past year, I believe it is more important to discuss the ways in which we are moving forward, setting an aggressive pace for ourselves as we address the various industry crises and manage our core housing programs.

Changes in the mortgage industry are fundamentally changing the way we will do some of our business in the future. Work has been underway for several months to transition the Agency's homeownership lending program from whole loans to mortgage-backed securities. This strategy will better insulate the Agency from loan delinquencies and foreclosures for loans acquired after September 2009. Government-guaranteed mortgages will largely replace conventionally-insured mortgages as the dominant loan type. Conventionally-insured, whole loans will be used for loan programs that cannot utilize government guarantees and that are not easily securitized.

The Agency fared reasonably well during the legislative session. The State of Minnesota's $426 million budget shortfall for fiscal year 2009 and $4.8 billion forecast budget deficit for the 2010-2011 biennium resulted in modest reductions to our 2008-2009 appropriations and to appropriations for the 2010-2011 biennium, but a substantial base appropriation still remains to support affordable housing. While reductions in appropriations do not impact the Agency's operating budget, they did force the Agency to make difficult programmatic reductions.

Despite reductions in certain lending activities, the Agency has been busier than ever developing new programs and procedures to maximize use of one-time federal funding made available under the Housing and Economic Recovery Act and the American Reinvestment and Recovery Act to address stalled tax credit projects and stretch state and local funds to address foreclosure and other housing activities.

We recently updated our strategic plan to reflect our commitment to five strategic priorities: ending long-term homelessness; preserving existing affordable housing; financing new affordable housing opportunities; increasing emerging market homeownership, and addressing the foreclosure crisis. Efforts to implement our strategic plan will include a greater emphasis on community sustainability and the importance of transit-oriented affordable housing. We will continue to build on our existing "green housing" strategies, revisit our land acquisition strategies, promote innovative housing design, and continually work to improve and streamline our processes. We will also work to increase community impact which may spur new approaches to working in partnership to advance our mission.

As we look ahead, there are exciting opportunities because of new federal government leadership and direction. As a forward-looking housing finance agency, we are well positioned to lead and innovate while achieving financial success over the long run.

Regards,

Dan Bartholomay, Commissioner
Minnesota Housing
August 26, 2009

Independent Auditors' Report

To the Members of the Board of Directors of the
Minnesota Housing Finance Agency
St. Paul, Minnesota

We have audited the accompanying financial statements of the business-type activities and each major fund (General Reserve, Rental Housing, Residential Housing Finance, Single Family, State Appropriated, and Federal Appropriated) of Minnesota Housing Finance Agency (the Agency), a component unit of the State of Minnesota, as of and for the year ended June 30, 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the Agency's 2008 financial statements and, in our report dated August 27, 2009, we expressed unqualified opinions on the respective financial statements of the business-type activities and each major fund.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund (General Reserve, Rental Housing, Residential Housing Finance, Single Family, State Appropriated, and Federal Appropriated) of the Agency, as of June 30, 2009, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and supplemental information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

LarsonAllen LLP

LarsonAllen LLP

Minneapolis, Minnesota
August 26, 2009

Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations is not audited. However, it is supplementary information required by accounting principles generally accepted in the United States of America. This discussion should be read in conjunction with the financial statements and notes thereto.

Introduction

The Minnesota Housing Finance Agency (Minnesota Housing or the Agency) was created in 1971 by the Minnesota legislature through the enactment of Minnesota Statutes, Chapter 462A, which has been amended from time to time. It was established to facilitate the construction and rehabilitation of housing in Minnesota for families of low- and moderate-income by providing mortgage loans, development loans, and technical assistance to qualified housing sponsors. Minnesota Housing is a component unit of the State of Minnesota and receives appropriations from the state legislature, substantially all of which are used to make loans or grants under specified non-bond-financed programs. Minnesota Housing also receives funds appropriated by the federal government for similar purposes. The Agency articulates its mission as follows: Minnesota Housing finances and advances affordable housing opportunities for low- and moderate-income Minnesotans to enhance quality of life and foster strong communities.

Minnesota Housing is authorized to issue bonds and other obligations to fulfill its corporate purposes up to a total outstanding amount of $5.0 billion. The bonds and other obligations are not a debt of the State of Minnesota or any political subdivision thereof.

Minnesota Housing operates two program divisions — Multifamily and Minnesota Homes — which offer housing programs with funding from the sale of tax-exempt and taxable bonds, state and federal appropriations, allocation of the Federal Low Income Housing Tax Credit, the Housing Trust Fund and Minnesota Housing's Alternative Loan Fund.

The members of Minnesota Housing (the Board) consist of six public members appointed by the Governor with the advice and consent of the state senate and one ex-officio member (the State Auditor).

Discussion of Financial Statements

The financial section consists of three parts — independent auditors' report, management's discussion and analysis (this section), and the basic financial statements. The basic financial statements are presented on an accrual basis and include two kinds of statements: Agency-wide financial statements and fund financial statements.

- The first two statements are the Agency-wide financial statements that provide information about Minnesota Housing's overall financial position and results of operations. These statements consist of the Statement of Net Assets and the Statement of Activities. Significant interfund transactions have been eliminated within the Agency-wide statements. Assets and revenues of the separate funds that comprise the Agency-wide financial statements are generally restricted as to use and the reader should not assume they may be used for every corporate purpose.
- The remaining statements are the fund financial statements of Minnesota Housing's six proprietary funds.
- The financial statements also include "Notes to Financial Statements" which provide more detailed explanations of certain information contained in the Agency-wide and fund financial statements.
- Additional supplementary information is presented following the Notes to Financial Statements for certain funds of Minnesota Housing, which have been established under the bond resolutions under which Minnesota Housing borrows funds for its programs. These funds consist of General Reserve and the bond funds, which are Rental Housing, Residential Housing Finance, and Single Family.

The basic financial statements also include comparative totals as of and for the year ended June 30, 2008. Although not required, these comparative totals are intended to facilitate an enhanced understanding of Minnesota

Housing's financial position and results of operations for the current fiscal year in comparison to the prior fiscal year.

Discussion of Individual Funds

General Reserve

The purposes of General Reserve are to maintain sufficient liquidity for Minnesota Housing operations, to hold escrowed funds and to maintain the Housing Endowment Fund (also referred to as Pool 1). On the Statement of Revenues and Expenses for General Reserve the costs of administering Minnesota Housing programs are captured. The fees earned are generally related to the administration of the Federal Low Income Housing Tax Credit program, administration of the federal Housing Assistance Payment program, and contract administration of the Section 8 program for developments not financed by Minnesota Housing.

Rental Housing

The majority of the developments with a first mortgage loan presently held in Rental Housing receive Section 8 payments under contracts that are for substantially the same length of time as the mortgage loans.

Inherent risks remain in these portfolios, especially for multifamily developments without project-based tenant subsidies. Maintaining asset quality remains a high priority for Minnesota Housing, so this portfolio continues to receive a significant amount of staff attention.

All of Minnesota Housing's bond-financed multifamily loans are financed in Rental Housing. Funds in excess of bond resolution requirements may be used to redeem any Agency bonds, to fund housing programs and for Agency operations.

Residential Housing Finance

Included within Residential Housing Finance are the bonds issued and outstanding under the Residential Housing Finance bond resolution, the limited obligation notes issued under separate bond resolutions, and the restricted by covenant Alternative Loan Fund which consists of the Housing Investment Fund (Pool 2) and the Housing Affordability Fund (Pool 3).

Bonds issued to date were for the purpose of funding purchases of single family first mortgage loans, certain entry cost housing assistance loans, and unsecured or subordinated home improvement mortgage loans. The majority of the single family loans financed by these bond issues are insured by private mortgage insurance or the Federal Housing Administration (FHA), or guaranteed by the U.S. Department of Veterans Affairs (VA) or the U.S. Department of Agriculture Rural Development (RD).

This bond resolution is the principal source of financing for bond-financed homeownership programs. Minnesota Housing may also issue bonds for its home improvement loan program under this bond resolution although no bonds were issued to support home improvement lending during fiscal year 2009.

Assets of the Housing Investment Fund (Pool 2) consist of investment quality housing loans, as defined by the Agency, and investment grade securities. During fiscal year 2009 this fund provided capital for several Agency programs including its home improvement loan program, its multifamily first-mortgage loan program, for warehousing purchases of single family first-mortgage loans, contributions for limited obligation bond expenses, and for bond sale contributions. The fund may also provide funding for interim financing for construction and rehabilitation of single family housing and may be used to advance funds to retire debt.

Assets of the Housing Affordability Fund (Pool 3) consist of investment-grade securities when not utilized for program purposes. Program purposes include, but are not limited to: zero-percent loans; loans at interest rates substantially below market; high risk loans; deferred loans; revolving funds; and grants and rental assistance. During fiscal year 2009 resources from Pool 3 were used for entry cost assistance for first-time homebuyers, below-market interim financing for construction and rehabilitation of single family housing and innovative multifamily programs that were not eligible for bond financing such as non-profit capacity building and deferred, subordinated loans to support first mortgages.

Funds in excess of bond resolution requirements may be used to redeem any Agency bonds, to fund housing programs and for Agency operations.

Single Family

This fund was historically the principal source of financing for Minnesota Housing's bond-financed homeownership programs. Since fiscal year 2002 Minnesota Housing has utilized the Residential Housing Finance Fund as its principal source of financing for these programs because of the increased flexibility afforded by that bond resolution. The majority of the loans in Single Family have either FHA insurance or a VA or RD guarantee.

Funds in excess of bond resolution requirements may be used to redeem any Agency bonds, to fund housing programs and for Agency operations.

State and Federal Appropriated Funds

The appropriated funds are maintained by Minnesota Housing for the purpose of receiving and disbursing monies legislatively appropriated by the state and federal government for housing. All of the appropriated funds' net assets are restricted by law for specified uses set forth in the state appropriations or federal contracts and are not pledged or available to support the bondholders or creditors of Minnesota Housing.

The State Appropriated fund was established to account for funds received from the state legislature, which are to be used for programs for low- and moderate-income persons and families in the form of low-interest loans, no-interest deferred loans, low-interest amortizing loans, innovative development and other housing-related program costs.

The Federal Appropriated fund was established to account for funds received from the federal government which are to be used for programs for low- and moderate-income persons and families in the form of no-interest deferred loans, grants, support to nonprofit housing organizations and other housing-related program costs.

General Overview

Minnesota Housing financial statements are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds. The Agency defines the term "major funds" to include: General Reserve, Rental Housing, Residential Housing Finance, Single Family, State Appropriated, and Federal Appropriated. The combined Agency-wide financial statements are provided to display a comprehensive view of all Minnesota Housing funds as required by accounting principles generally accepted in the United States of America applicable to governmental entities under accounting standards promulgated from time to time by the Governmental Accounting Standards Board. The Agency-wide financial statements reflect totals of similar accounts of various funds. However, substantially all of the funds in these accounts are restricted as to use by Agency covenants or legislation as further described below.

Assets and revenues of the bond funds are restricted to uses specifically set forth in the respective bond resolutions and are pledged for the primary benefit of the respective bondholders and swap counterparties. General Reserve is created under the Minnesota Housing bond resolutions as part of the pledge of the general obligation of Minnesota Housing. Minnesota Housing covenants in the bond resolutions that it will use the assets in General Reserve only for administration and financing of programs in accordance with the policy and purpose of the Minnesota Housing enabling legislation, including reserves for the payment of bonds and notes and of loans made from the proceeds thereof, and shall accumulate and maintain therein such a balance of funds and investments as will be sufficient for the purpose.

Minnesota Housing has no taxing power and neither the State of Minnesota nor any political subdivision thereof is obligated to pay the principal of or interest on bonds or other obligations issued by Minnesota Housing. The state has pledged to and agreed with bondholders that it will not limit or alter the rights vested in Minnesota Housing to fulfill the terms of any agreements made with bondholders or in any way impair the rights and remedies of the bondholders.

Public funds directly appropriated to Minnesota Housing by the State of Minnesota or made available to Minnesota Housing from the federal government are restricted by law to specified uses set forth in the state appropriations or federal contracts. Assets and revenues of State Appropriated and Federal Appropriated funds are not pledged or available to support bonds or other obligations of Minnesota Housing or its general obligation pledge in respect thereof.

In addition to its audited annual financial statements, Minnesota Housing has published unaudited quarterly disclosure reports for the Single Family and Residential Housing Finance bond resolutions and unaudited semiannual disclosure reports for the Rental Housing bond resolution. Recent disclosure reports can be found in the "Investors" section on Minnesota Housing's web site at www.mnhousing.gov.

MINNESOTA HOUSING FINANCE AGENCY
Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)
Condensed Financial Information

Selected Elements From Statement of Net Assets (in $000's)

		Agency-wide Total			Combined General Reserve and Bond Funds		
					June 30, 2009		
		June 30, 2009	June 30, 2008	Change	Excluding Pool 3	Pool 3	Total
Assets	Cash and Investments	$1,025,277	$1,030,500	$(5,223)	$859,931	$62,914	$922,845
	Loans receivable, Net	2,428,625	2,398,136	30,489	2,370,170	22,052	2,392,222
	Interest Receivable	17,730	21,365	(3,635)	16,715	301	17,016
	Total Assets	3,514,210	3,480,950	33,260	3,287,861	85,267	3,373,128
Liabilities	Bonds Payable	2,473,733	2,411,376	62,357	2,473,733	—	2,473,733
	Interest Payable	49,956	53,009	(3,053)	49,956	—	49,956
	Accounts Payable and Other Liabilities	21,316	24,654	(3,338)	14,802	2,582	17,384
	Funds Held for Others	83,486	84,445	(959)	81,124	—	81,124
	Total Liabilities	2,628,491	2,573,484	55,007	2,619,619	2,670	2,622,289
Net Assets	Restricted by Bond Resolution	266,726	284,344	(17,618)	266,726	—	266,726
	Restricted by Covenant	481,528	476,878	4,650	398,931	82,597	481,528
	Restricted by Law	134,880	143,007	(8,127)	—	—	—
	Total Net Assets	885,719	907,466	(21,747)	668,242	82,597	750,839

Selected Elements From Statement of Revenues, Expenses, and Changes in Net Assets (in $000's)

		Agency-wide Total			Combined General Reserve and Bond Funds		
					Fiscal 2009		
		Fiscal 2009	Fiscal 2008	Change	Excluding Pool 3	Pool 3	Total
Revenues	Interest Earned	$172,092	$183,041	$(10,949)	$163,623	$3,262	$166,885
	Appropriations Received	231,925	266,273	(34,348)	—	—	—
	Fees and Reimbursements	14,796	14,378	418	34,245	78	34,323
	Total Revenues (1)	439,805	491,133	(51,328)	196,678	3,509	200,187
Expenses	Interest Expense	112,286	115,556	(3,270)	112,286	—	112,286
	Appropriations Disbursed	213,779	200,240	13,539	—	—	—
	Fees and Reimbursements	7,067	6,830	237	23,735	989	24,724
	Payroll, Gen. & Admin.	29,990	40,088	(10,098)	26,453	1,225	27,678
	Loan Loss/Value Adjust's	76,046	49,760	26,286	28,086	21,033	49,119
	Total Expenses (1)	461,552	435,306	26,246	190,560	23,247	213,807
	Change in Net Assets	(21,747)	55,827	(77,574)	6,118	(19,738)	(13,620)
	Beginning Net Assets	907,466	851,639	55,827	662,124	102,335	764,459
	Ending Net Assets	885,719	907,466	(21,747)	668,242	82,597	750,839

(1) Agency-wide totals include interfund amounts.

Combined General Reserve and Bond Funds		Combined State and Federal Appropriations Funds		
June 30, 2008	**Change**	**June 30, 2009**	**June 30, 2008**	**Change**
$917,567	$5,278	$102,432	$112,933	$(10,501)
2,361,274	30,948	36,403	36,862	(459)
20,283	(3,267)	714	1,082	(368)
3,329,271	43,857	141,082	151,679	(10,597)
2,411,376	62,357	—	—	—
53,009	(3,053)	—	—	—
22,127	(4,743)	3,932	2,527	1,405
82,391	(1,267)	2,362	2,054	308
2,564,812	57,477	6,202	8,672	(2,470)
284,344	(17,618)	—	—	—
476,878	4,650	—	—	—
—	—	134,880	143,007	(8,127)
764,459	(13,620)	134,880	143,007	(8,127)

Combined General Reserve and Bond Funds		Combined State and Federal Appropriations Funds		
Fiscal 2008	**Change**	**Fiscal 2009**	**Fiscal 2008**	**Change**
$176,309	$(9,424)	$5,207	$6,732	$(1,525)
—	—	231,925	266,273	(34,348)
34,193	130	2,857	3,017	(160)
213,249	(13,062)	239,618	277,884	(38,266)
115,556	(3,270)	—	—	—
—	—	213,779	200,240	13,539
23,664	1,060	4,727	5,998	(1,271)
36,644	(8,966)	2,312	3,444	(1,132)
23,916	25,203	26,927	25,844	1,083
199,780	14,027	247,745	235,526	12,219
13,469	(27,089)	(8,127)	42,358	(50,485)
750,990	13,469	143,007	100,649	42,358
764,459	(13,620)	134,880	143,007	(8,127)

FINANCIAL HIGHLIGHTS

When reading the following financial highlights section referring to the General Reserve and bond funds, the reader is encouraged to review the Fund Financial Statements included as supplementary information in this 2009 Financial Report.

General Reserve and Bond Funds — Statement of Net Assets

Loans receivable, investments, cash, cash equivalents, interest receivable, and unamortized bond issuance costs comprise the majority of assets in the General Reserve and bond funds. Equipment, fixtures, furniture, capitalized software costs, and other assets continue to be insignificant in relation to the total General Reserve and bond fund assets.

Loans receivable, net is the largest single category of bond fund assets. Loans are limited to housing-related lending for low- and moderate-income individuals and families. Loans receivable, net increased 1% to $2,392 million at June 30, 2009 as a result of new loan purchases and originations net of repayments, prepayments, and loss reserves. Amortizing homeownership loans at fixed interest rates, secured by first mortgages, continue to be the dominant loan product offered by Minnesota Housing (referred to as the homeownership portfolio). The majority of growth in loans receivable during fiscal year 2009 was attributable to the homeownership portfolio. The reserve for loan loss for the homeownership loan portfolio increased substantially due to an increase in the estimated loss per delinquent loan, an increase in homeownership loan delinquency rates as displayed in the following delinquency data, and the continued growth of the portfolio. Minnesota Housing also has amortizing home improvement and rental rehabilitation loans which are no-interest, low-interest, and market-rate loans that may be secured with second or subordinate mortgages, or may be unsecured as is the case for some loans in the home improvement loan portfolio. The reserve for loan loss for the home improvement loan portfolio decreased despite increased loan delinquency rates as displayed in the following delinquency data. The decrease is a result of the write-off during the year ended June 30, 2009 of delinquent home improvement loans for which collection efforts have ceased but a valid lien remains. Amortizing multifamily loans at fixed interest rates, secured by first mortgages (referred to as the multifamily portfolio) exhibited very little change in delinquency rate and the aggregate loan receivable balance. The reserve for loan loss for the multifamily portfolio was relatively unchanged during fiscal year 2009. Minnesota Housing's primary loan programs offer fixed interest rate/fixed payment financing and therefore differ from the high risk characteristics associated with some adjustable payment loan products.

Homeownership Loan Portfolio Delinquency
Actual Loan Count

	June 30, 2009		June 30, 2008	
Current and less than 60 days past due	18,224	92.3%	18,650	95.5%
60-89 days past due	398	2.0%	243	1.2%
90-119 days past due	240	1.2%	155	0.8%
120+ days past due and foreclosures(1)	891	4.5%	485	2.5%
Total count	19,753		19,533	
Total past due(1)	1,529	7.7%	883	4.5%

(1) In addition to loans customarily included in foreclosure statistics, "foreclosures" include homeownership loans for which the sheriff's sale has been held and the redemption period (generally six months) has not yet elapsed. This causes the delinquency rates in the table to be higher than delinquency rates reported by the Mortgage Bankers Association of America.

Home Improvement Loan Portfolio Delinquency
Actual Loan Count

	June 30, 2009		June 30, 2008	
Current and less than 60 days past due	8,638	95.6%	9,304	94.7%
60-89 days past due	86	1.0%	61	0.6%
90-119 days past due	58	0.6%	21	0.2%
120+ days past due(2)	257	2.8%	439	4.5%
Total count	9,039		9,825	
Total past due(2)	401	4.4%	521	5.3%

(2) In addition to loans customarily included in foreclosure statistics, the June 30, 2008 "120+ days past due" includes delinquent home improvement loans for which collection efforts have ceased but a valid lien remains. These loans are no longer included after June 30, 2008 which reduces the amounts displayed in the table for June 30, 2009 "120+ days past due".

The 60+ day delinquency rate as of June 30, 2009 for the entire Minnesota Housing homeownership loan portfolio, excluding those loans not customarily included in foreclosure statistics, exceed by approximately one percentage point the delinquency rates of similar loan data available as of March 31, 2009 from the Mortgage Bankers Association of America (as adjusted to reflect the proportions of insurance types in the Agency's loan portfolio).

Due to the unique program characteristics of the Minnesota home improvement loan portfolio, the Agency has determined comparable delinquency data is not available from other sources.

Mortgage insurance claims receivable consist of non-performing homeownership loans that are FHA insured or VA guaranteed. These loans are reclassified as claims receivable at the time the Agency files a claim. Mortgage insurance claims receivable increased 172% to $10.372 million at June 30, 2009 as a result of increased delinquency rates within the homeownership portfolio.

Real estate owned consists of homeownership loans that have been foreclosed and multifamily property carrying costs incurred through the process of acquiring and holding real property. Real estate owned increased 87% to $13.101 million at June 30, 2009 as a result of increased foreclosures within the homeownership portfolio.

While there has been a substantial increase in delinquency rates and foreclosures in the Agency's loan portfolio during fiscal year 2009, and increases in mortgage insurance claims and real estate owned, the combined total of mortgage insurance claims and real estate owned remains immaterial compared to total loans receivable at June 30, 2009, being less than 0.97% of total net loans receivable. Management believes that reserves for loan losses are adequate to assure the proper valuation of the loan assets based on the current assessment of asset quality.

There are no loans in General Reserve.

Investments, cash, and cash equivalents are the next largest categories of assets and are carefully managed to assure adequate resources for future debt service requirements and liquidity needs. The combined investments, cash, and cash equivalents increased less than 1% to $923 million at June 30, 2009.

Interest receivable on loans and investments is a function of the timing of interest payments and the general level of interest rates. Combined loan and investment interest receivable decreased 16% to $17.016 million at June 30, 2009. The average balance of loans receivable was higher in fiscal year 2009 than in the previous year but this increase was more than offset by a lower rate of return at the end of fiscal year 2009 on investments, cash and cash equivalents.

Bonds payable, net is the largest single category of liabilities, resulting from debt issued to fund housing-related lending. Bonds payable increased 3% to $2,474 million at June 30, 2009 resulting from new debt issuance exceeding bond redemptions and maturities.

The companion category of interest payable decreased 6% to $49.956 million at June 30, 2009 primarily due to lower interest rates on short-term debt during fiscal 2009.

While there is no debt issued in General Reserve, there is a significant liability for funds held for others. These funds are routinely collected and held in escrow on behalf of multifamily borrowers pursuant to loan documents and are used for future periodic payments of real property taxes, casualty insurance premiums, and certain operating expenditures. Funds held for others in General Reserve decreased 2% to $81.124 million at June 30, 2009 as multifamily escrows decreased slightly.

Accounts payable and other liabilities decreased 21% to $17.384 million at June 30, 2009 primarily as a result of a reduction in the reserve first established during fiscal 2008 for potential payment to HUD for projects funded through the HUD Home Investment Partnerships (HOME) Program which are not in compliance with certain HOME Program regulatory requirements. The largest component of accounts payable continues to be arbitrage rebate liability on tax-exempt bonds pursuant to federal law, which is payable to the United States Treasury, and yield compliance liability. Minnesota Housing obtains from independent calculation specialists annual calculations of its arbitrage rebate liability.

Interfund payable/receivable exists primarily as a result of interfund borrowing and pending administrative and program reimbursements among funds. Most administrative expenses are paid from General Reserve, with the bond funds and appropriated funds owing an administrative reimbursement to General Reserve for the respective fund's contribution to those administrative expenses.

Net assets of General Reserve and bond funds are divided into two primary categories. Net Assets Restricted by Bond Resolution are pledged to the payment of bonds, subject to bond resolution requirements that authorize Minnesota Housing to withdraw funds in excess of the amounts required to be maintained under the bond resolutions. Net Assets Restricted by Covenant are subject to a covenant with bondholders that the Agency shall use the money in General Reserve and money that would otherwise have been released to General Reserve only for the administration and financing of programs in accordance with the policy and purpose of the Minnesota Housing enabling legislation, including the creation of reserves for the payment of bonds and of loans made from the proceeds thereof, and shall accumulate and maintain therein such a balance of funds and investments as will be sufficient for the purpose. The Board of the Agency has established investment guidelines for these funds to provide financial security for the Agency's general obligation bonds. Net assets decreased 2% to $750.839 million at June 30, 2009 principally as a result of the planned disbursements from Pool 3 for the Agency's mission-intensive activity. Excluding Pool 3 net disbursements, net assets increased 1%.

General Reserve and Bond Funds — Revenues Over Expenses

Revenues over expenses of General Reserve and bond funds decreased 201% from fiscal year 2008 after considering Pool 3 net disbursements and the net effect of unrealized gains and losses that resulted from market valuation adjustments to certain investment assets. Ignoring the effects of unrealized gains and losses on investments, total revenues decreased 4%. Total expenses, excluding Pool 3, increased 11% compared to the prior year. The largest revenue component, interest earned, decreased during the year. Combined interest revenues of General Reserve and bond funds from loans and investments decreased 5% to $166.885 million compared to the prior year. Loan interest revenue increased 5% in fiscal year 2009 as new loan purchases and originations were made and the average balance of net loans outstanding was higher. This increase was negated by investment interest revenue which decreased 39% in fiscal year 2009 as investment yields decreased.

Administrative reimbursements to General Reserve from bond funds were $17.708 million in fiscal year 2009 compared to $16.878 million during the prior fiscal year. The rise is a result of an increase in the total assets of the bond funds upon which the administrative reimbursement is calculated. General Reserve also incurs overhead expenses to administer state and federal appropriated housing programs. General Reserve received overhead reimbursements of $6.667 million from the State and Federal Appropriated funds to recover certain overhead expenses incurred during fiscal year 2009 compared to $6.830 million during the prior fiscal year. The apparent decrease is mainly a result of additional overhead reimbursement from State Appropriated during fiscal 2008 from fiscal 2007 unreimbursed overhead. Investment earnings within the State Appropriated fund were insufficient to recapture $0.235 million of fiscal 2009 overhead expense.

Other fee income to General Reserve and bond funds decreased 5% to $9.948 million compared to the prior year. The decrease is a result of one-time funds received in fiscal 2008. The primary components are fees earned from the federal low income housing tax credit program, Section 8 contract administration, federal Housing Assistance Payments administration, and various loan programs.

Minnesota Housing recorded $1.021 million of unrealized losses on investment securities during fiscal year 2009, compared to $2.747 million of unrealized gains during the prior year, a decrease of $3.768 million. Interest expense of the bond funds decreased 3% to $112.286 million compared to the prior year as a result of lower interest rates on short-term debt during fiscal year 2009.

Combined expenses for loan administration, trustee fees and administrative reimbursements in the bond funds increased by 4% to $24.724 million compared to the prior year. $17.708 million of the total administrative reimbursement revenue in General Reserve was an interfund charge to the bond funds which was eliminated for purposes of financial reporting in the Agency-wide financial statements.

Salaries and benefits in General Reserve increased 7% to $17.743 million compared to the prior year. Other general operating expense in General Reserve and bond funds decreased 50% to $9.935 million compared to the prior year. The decrease is due to a $6.877 million reserve that was established during fiscal year 2008 for potential payment to HUD for projects funded through the HUD Home Investment Partnerships (HOME) Program which are not in compliance with certain Home Program regulatory requirements. That reserve was reduced by $4.288 million in fiscal 2009 thereby creating a negative expense. The change in the reserve explains the decrease in other general operating expense when comparing the two fiscal years.

Reductions in carrying value of certain low interest rate deferred loans in the bond funds increased 36% to $20.302 million as valuation reductions of new deferred loans exceeded recoveries from existing deferred loans.

Provision for loan loss expense in the bond funds increased 219% to $28.817 million. The provision for loan loss expense for the homeownership loan portfolio increased due to increased loan delinquency rates and an increase in the number and amount of loss per loan on real estate owned. The provision for loan loss expense for the home improvement loan portfolio increased as a result of increased loan delinquency rates. The provision for loan loss expense for the multifamily loan portfolio was relatively unchanged. Please refer to the loans receivable comments in the Financial Highlights section of the Management's Discussion and Analysis of Financial Condition and Results of Operations for more information regarding loan asset quality.

Non-operating transfers occur as a result of bond sale contributions related to new debt issues, the periodic transfer of assets to maintain the Housing Endowment Fund (Pool 1) requirement and Housing Investment Fund (Pool 2) requirement, and periodic transfers from the bond funds of amounts in excess of bond resolution requirements. During fiscal 2009, $7.907 million of Pool 1 funds in excess of requirements were transferred to Pool 2. Also, the Rental Housing bond fund transferred $9.500 million of funds in excess of resolution requirements to Pool 2 to provide liquidity for the purchase of homeownership loans.

Combined revenues over expenses, including unrealized gains and losses for General Reserve and the bond funds, decreased $27.089 million to a negative $13.620 million compared to the prior year. After removing the effects of unrealized gains and losses and Pool 3 revenues and expenses, the combined revenues over expenses decreased 78% or $26.186 million. That amount is a result of the decrease in interest earned net of interest expense combined with the increased provision for loan loss expense. Revenues over expenses in General Reserve that are in excess of the Housing Endowment Fund (Pool 1) requirement are transferred periodically to the Housing Investment Fund (Pool 2) for use in housing programs. Revenues over expenses plus non-operating transfers in the Housing Investment Fund (Pool 2) that are in excess of requirements are transferred periodically to the Housing Affordability Fund (Pool 3) for use in housing programs. Board policy establishes the balances for Pool 1 and Pool 2.

Total combined net assets of General Reserve and bond funds decreased 2% to $750.839 million as of June 30, 2009 as a result of expenses exceeding revenues for fiscal year 2009. The net assets of each individual bond fund decreased as a result of net revenues over expenses by fund and non-operating transfers of assets between funds. The net assets of General Reserve decreased slightly as a result of a decrease in net assets invested in capital assets.

State and Federal Appropriated Funds — Statement of Net Assets

Assets of the appropriated funds are derived from the appropriation of public funds by the State of Minnesota and funds made available to Minnesota Housing by the federal government for housing purposes. The public policy of housing preservation and development is a long-term commitment that ordinarily requires appropriations received in the current period to be expended over several future years of planned development. This timing difference is the primary reason for the presence of investments, cash, and cash equivalent assets in the appropriated funds and for the balance of net assets restricted by law.

Investments, cash, and cash equivalents are the largest category of assets in the appropriated funds. The June 30, 2009 combined balance decreased 9% to $102.432 million as a result of combined disbursements for programs, loans and expenses exceeding the combined appropriations received and revenues during the year.

Certain state appropriations are expended as housing loans with near- or below-market interest rates, resulting in net loans receivable. At June 30, 2009 State Appropriated fund net loans receivable decreased 1% to $36.403 million, reflecting slightly lower net loan program activity.

Interest receivable in appropriated funds is a function of the timing of interest payments and the general level of interest rates on investments. Interest receivable on appropriated funds at June 30, 2009 decreased 34% to $0.714 million primarily as a result of lower interest rates.

Accounts payable and other liabilities represent amounts payable for the U.S. Department of Housing and Urban Development (HUD) Section 236 interest reduction payments, HUD's share of savings from certain debt refinancing activities and accrued expenses for federal and state housing programs. The balance payable at June 30, 2009 was $3.932 million compared to $2.527 million at June 30, 2008. The increase in accounts payable and other liabilities is largely attributable to National Foreclosure Mitigation Counseling program funds received by the Agency at the end of fiscal 2009 that are payable to the ultimate recipients of those funds.

For administrative convenience, certain State Appropriated fund loans are administered within the bond funds, resulting in an interfund receivable for the loan disbursement and servicing activities. Interfund payable occurs in the Federal Appropriated fund as a result of overhead expense and indirect cost recoveries due to Minnesota Housing. At June 30, 2009 the combined net interfund receivable was $0.092 million.

Funds held for others represent excess federal housing assistance payments received for the administration of the Section 8 program and the interest income earned on those unexpended funds. At June 30, 2009 the balance of funds held for the federal government was $2.362 million.

All of the net assets of the appropriated funds are restricted by law for use with housing programs only and are not pledged or available to support the bonds or other obligations of Minnesota Housing or its general obligation pledge in respect thereof. The combined net assets of the appropriated funds decreased to $134.880 million as of June 30, 2009 compared to June 30, 2008, reflecting combined revenues less than disbursements and expenses during fiscal year 2009.

State and Federal Appropriated Funds — Revenues Over Expenses

State and Federal Appropriated funds are recorded as revenue in the period in which such appropriations are earned. Funds are spent for eligible program activities as defined by the various agreements between Minnesota Housing and the State of Minnesota or agencies of the federal government. Unexpended appropriations proceeds are invested and the interest income on the investments is recorded as it is earned, except for interest earned on certain unexpended federal appropriations, which is recorded as funds held for others. Similarly, interest income on certain State Appropriated fund loan receivables is recorded as it is earned.

The largest revenue category is appropriations received, and is a function of the fiscal, legislative, and political environment of the State of Minnesota and the federal government. The combined appropriations received decreased from $266.273 million at June 30, 2008 to $231.925 million at June 30, 2009. Federal appropriations received increased by $9.243 million while state appropriations received decreased by $43.591 million.

Interest income from investments decreased as investment yields in general were below the previous levels and the average balance of investment assets was less than the prior year. The combined interest income from investments decreased 23% to $5.037 million at June 30, 2009.

Loan interest income from State Appropriations loan assets continues to be minimal at $0.170 million as relatively few loans are interest bearing.

Fees earned and other income in the amount of $2.857 million were recorded in the State Appropriated fund during the year ended June 30, 2009. This consisted mainly of private donations and funds from a Minnesota state agency received to support certain state housing programs.

Unrealized gains on investments are recorded to reflect valuation adjustments to current market conditions for investments, and may be reversed over time as the investments are held. Combined unrealized losses of $0.371 million were recorded at June 30, 2009 compared to $1.862 million unrealized gains at June 30, 2008.

Administrative reimbursements to General Reserve of overhead expenses to administer State Appropriated fund programs decreased 21% to $4.676 million compared to the prior year. The Agency incurs the overhead expense in its General Reserve. The General Reserve is reimbursed for these overhead expenses by the State Appropriated fund to the extent that investment earnings are sufficient. During fiscal year 2009 investment earnings in the State Appropriated fund were insufficient to fully reimburse $0.235 million of overhead expenses incurred in General Reserve. However, overhead reimbursement received from State Appropriated funds during fiscal 2008 included $1.376 million for fiscal 2007 unreimbursed overhead thus, the decrease in administrative reimbursement in fiscal 2009.

Combined appropriations disbursed increased 7% to $213.779 million compared to the prior year, reflecting State Appropriations disbursed of $26.780 million and federal appropriations disbursed of $186.999 million to support housing policy objectives.

Increased expenditures of State Appropriated funds for below market and zero-percent interest rate loans resulted in greater expense from reductions in carrying value of certain loans. Net reductions of carrying value increased 3% to $25.894 million compared to the prior year as a result of making a larger amount of fully reserved deferred loans for low- and moderate-income housing.

Other general operating expenses represent fees for professional and technical support to implement and administer certain state housing programs and Agency funded expenses to administer a certain federally funded housing program. Other general operating expense decreased 33% to $2.312 million at June 30, 2009.

Combined revenues were less than combined expenditures of the appropriated funds by $8.127 million at June 30, 2009. Ultimately, the entire State and Federal Appropriated funds' net assets will be expended for housing.

Significant Long-Term Debt Activity

Minnesota Housing issues a significant amount of bonds, having outstanding at June 30, 2009 long-term bonds totaling $2,106.0 million and short-term bonds totaling $364.0 million. Bond proceeds and related revenues are held by trustees, who are responsible for administration of bond resolution requirements including payment of debt service. The bond resolutions require funding debt service reserve accounts and may require funding insurance reserve accounts. At June 30, 2009, amounts held by the trustees in principal, interest, redemption, and reserve accounts represented full funding of those requirements as of that date.

Minnesota Housing continually investigates and utilizes different financing and debt management techniques to achieve its goals of reducing interest expense and efficiently utilizing bonding authority while responding to changing capital markets. During the 2009 fiscal year, Minnesota Housing completed the issuance of 13 series of bonds and notes aggregating $1,075.9 million. This is compared to the issuance of 12 series totaling $631.1 million the previous fiscal year. Long-term debt issuance to finance mortgage lending continued to be suppressed in fiscal 2009 as it was in fiscal 2008, due to turbulence in the capital markets. Minnesota Housing internally financed its loan programs during much of fiscal 2009, relying on resources set aside for such occasions, rather than borrowing capital during the most inefficient period in capital markets history (see Significant Factors That May Affect Financial Condition and/or Operations–Mortgage Industry Credit Tightening). Long-term bonds are traditionally issued as capital is needed for program purposes and as opportunities arise to economically refund outstanding bonds. Short-term bonds and notes are issued to preserve tax-exempt bonding authority for future program use.

A total of $1,011.5 million in principal payments and $112.3 million of interest payments were made during the year. Of the total principal payments, $313.0 million were refundings of short-term debt and $108.8 million were made prior to the scheduled maturity date using a combination of optional and special redemption provisions.

Most of the bonds issued by Minnesota Housing bear interest that is not includable in gross income for federal and State of Minnesota income taxation, in accordance with requirements of the federal Internal Revenue Code and Treasury regulations governing either qualified mortgage bonds or bonds issued to provide qualified residential rental projects. Minnesota Housing's ability to issue tax-exempt debt is limited by its share of the state's allocation of private activity volume cap, which is established by Minnesota statutes. Minnesota Housing's ability to issue tax-exempt debt is also limited by a provision in the Internal Revenue Code (commonly known as the 10-year rule) that prohibits refunding of mortgage repayments and prepayments received more than ten years after the date of issuance of the bonds that financed such mortgage loans.

While most of the Agency's bonds are tax-exempt, taxable bonds are also issued to supplement limited tax-exempt authority in order to meet demand for mortgage loans. Taxable bonds may also be used to finance lending programs where federal tax-exempt bond restrictions are inconsistent with program goals. Variable-rate bonds and interest-rate swaps have been a component of Minnesota Housing's financings, enabling the Agency to provide below-market mortgage financing at synthetically fixed interest rates. Interest-rate swaps help to hedge the mismatch between fixed-rate loans and variable-rate bonds. (See Interest Rate Swaps under the notes to the financial statements for further discussion of interest-rate swaps and their risks.) Board policy governs the process Minnesota Housing follows to issue and manage debt. State statute limits total outstanding debt of Minnesota Housing to $5.0 billion.

Both Standard and Poor's Ratings Services and Moody's Investors Service affirmed issuer ratings for Minnesota Housing of "AA+" and "Aa1," respectively. Minnesota Housing's bond ratings are separate from, and are not directly dependent on, ratings on debt issued by the State of Minnesota. Ongoing reporting to and communications with the bond rating agencies are priorities for the Agency.

Significant Factors That May Affect Financial Condition and/or Operations

Legislative Actions

Like most states in the nation, Minnesota faces a significant forecast budget deficit of $4.8 billion for the fiscal 2010-2011 biennium. A near-term shortfall of $426 million was also forecast for the 2009 fiscal year. The fiscal 2008-2009 state budget was $34.6 billion.

The 2009 shortfall was addressed through unallotments ordered by Governor Pawlenty in December 2008. Four million dollars was unalloted from Minnesota Housing's 2009 general fund appropriations, a 7% reduction in fiscal 2009 appropriations.

The Governor's fiscal 2010-2011 budget recommended a 5% base reduction in general fund appropriations to Minnesota Housing and no renewal of $24.441 million in one-time funding provided for the fiscal 2008-2009 biennium. The recommended base reduction totaled $4.495 million, resulting in a biennial base appropriation of $85.420 million.

The 2009 Minnesota Legislature appropriated slightly more than the Governor's recommendation for Minnesota Housing for a biennial appropriation of $86.768 million' a 3.5% decrease from the base budget for the previous biennium. In July 2009 the Governor unalloted another $0.526 million from the Agency's biennial appropriation.

The 2009 Minnesota legislature also appropriated $2.0 million dollars in general obligation bond proceeds to the Agency for the rehabilitation of public housing. To provide relief to the areas damaged by the March 2009 storms and flooding of the Red River Valley, the 2009 Minnesota legislature appropriated $2.7 million to Minnesota Housing to assist with housing repairs and replacement.

State appropriations are used for specific programs and are not available to pay for Minnesota Housing operating expenses or debt service.

Changes in state and federal laws governing administration, funding objectives, housing policy and fiscal policy pose a potential risk to Minnesota Housing's attainment of mission and financial objectives.

Federal Stimulus Funds

As part of the Housing and Economic Recovery Act of 2008, Congress established and funded the Neighborhood Stabilization Program (NSP). NSP funds were allocated among states and communities on a formula basis. The Governor designated Minnesota Housing as administrator of the $38.8 million allocated to the State. Minnesota Housing has used both state appropriations and Agency resources to assist with efforts to remediate neighborhoods hardest hit by the foreclosure crisis.

The federal stimulus legislation (the American Recovery and Reinvestment Act) includes two funding programs to assist housing tax credit projects that have been stalled due to the unfavorable tax credit market. The Tax Credit Assistance Program (TCAP) funds are allocated on a formula basis. Minnesota Housing will administer $19.249 million in TCAP funds. The other program is the Tax Credit Exchange program. Minnesota Housing estimates that about $40 million in funds will be available to it for the Tax Credit Exchange program.

Nationwide Foreclosure Crisis

The nationwide housing foreclosure crisis impacted borrowers in Minnesota Housing's loan portfolio despite the Agency's practice to provide only mortgage products designed to promote sustainable homeownership. Loan delinquencies and foreclosures were higher in fiscal year 2009 for both the homeownership and home improvement portfolios as described in Management's Discussion and Analysis of Financial Condition and Results of Operations–Financial Highlights. The possible severity of general adverse economic conditions and the future impact to the Agency's loan portfolios are unpredictable. The Agency regularly reviews loan portfolio performance and records additional loss reserves when justified by actual delinquency, foreclosure and property loss experience.

The Agency is in the process of transitioning to a mortgage-backed securities business model during the next fiscal year. This model is designed to mitigate losses on future homeownership loans.

Additional Information

Questions and inquiries may be directed to either Mr. Bill Kapphahn or Ms. Sharon Spahn Bjostad at Minnesota Housing Finance Agency, 400 Sibley Street, Suite 300, St. Paul, MN 55101 (651-296-7608 or 800-657-3769 or if T.T.Y. 651-297-2361).

MINNESOTA HOUSING FINANCE AGENCY
Agency-wide Financial Statements
Statement of Net Assets (in thousands)
As of June 30, 2009 (with comparative totals as of June 30, 2008)

		Agency-wide Total as of June 30, 2009	Agency-wide Total as of June 30, 2008
Assets	Cash and cash equivalents	$ 410,786	$ 655,749
	Investment securities	614,491	374,751
	Loans receivable, net	2,428,625	2,398,136
	Interest receivable on loans	15,249	12,308
	Interest receivable on investments	2,481	9,057
	Mortgage insurance claims receivable	10,372	3,811
	Real estate owned	13,101	7,037
	Unamortized bond issuance costs	13,698	14,362
	Capital assets, net	2,585	3,237
	Other assets	2,822	2,502
	Total assets	$3,514,210	$3,480,950
Liabilities	Bonds payable, net	$2,473,733	$2,411,376
	Interest payable	49,956	53,009
	Accounts payable and other liabilities	21,316	24,654
	Funds held for others	83,486	84,445
	Total liabilities	2,628,491	2,573,484
	Commitments and contingencies		
Net Assets	Restricted by bond resolution	266,726	284,344
	Restricted by covenant	481,528	476,878
	Restricted by law	134,880	143,007
	Invested in capital assets	2,585	3,237
	Total net assets	885,719	907,466
	Total liabilities and net assets	$3,514,210	$3,480,950

See accompanying notes to financial statements.

MINNESOTA HOUSING FINANCE AGENCY
Agency-wide Financial Statements
Statement of Activities (in thousands)
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

		Agency-wide Total for the Year Ended June 30, 2009	Agency-wide Total for the Year Ended June 30, 2008
Revenues	Interest earned on loans	$141,193	$133,967
	Interest earned on investments	30,899	49,074
	Appropriations received	231,925	266,273
	Administrative reimbursement	1,991	876
	Fees earned and other income	12,805	13,502
	Unrealized gains (losses) on securities	(1,392)	4,609
	Total revenues	417,421	468,301
Expenses	Interest	112,286	115,556
	Loan administration and trustee fees	7,067	6,830
	Salaries and benefits	17,743	16,582
	Other general operating	12,247	23,506
	Appropriations disbursed	213,779	200,240
	Reduction in carrying value of certain low interest rate deferred loans	46,196	39,930
	Provision for loan losses	29,850	9,830
	Total expenses	439,168	412,474
	Change in net assets	(21,747)	55,827
Net Assets	Total net assets, beginning of year	907,466	851,639
	Total net assets, end of year	$885,719	$907,466

See accompanying notes to financial statements.

MINNESOTA HOUSING FINANCE AGENCY
Fund Financial Statements
Statement of Net Assets (in thousands)
Proprietary Funds
As of June 30, 2009 (with comparative totals as of June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance	Single Family
Assets	Cash and cash equivalents	$ 95,364	$ 26,170	$ 180,813	$ 66,064
	Investment securities	19,685	35,280	492,147	7,322
	Loans receivable, net	—	193,685	1,976,985	221,552
	Interest receivable on loans	—	1,068	12,679	1,488
	Interest receivable on investments	387	675	620	99
	Mortgage insurance claims receivable	—	—	7,963	2,409
	Real estate owned	—	—	12,071	1,030
	Unamortized bond issuance costs	—	1,799	10,049	1,850
	Capital assets, net	2,585	—	—	—
	Other assets	1,286	2	—	1
	Total assets	$119,307	$258,679	$2,693,327	$301,815
Liabilities	Bonds payable, net	$ —	$162,288	$2,105,655	$205,790
	Interest payable	—	3,245	41,254	5,457
	Accounts payable and other liabilities	3,866	4,517	7,144	1,857
	Interfund payable (receivable)	7,651	___	(30,169)	22,610
	Funds held for others	81,124	—	—	—
	Total liabilities	92,641	170,050	2,123,884	235,714
	Commitments and contingencies				
Net Assets	Restricted by bond resolution	—	88,629	111,996	66,101
	Restricted by covenant	24,081	—	457,447	—
	Restricted by law	—	—	—	—
	Invested in capital assets	2,585	—	—	—
	Total net assets	26,666	88,629	569,443	66,101
	Total liabilities and net assets	$119,307	$258,679	$2,693,327	$301,815

See accompanying notes to financial statements.

Appropriated Funds			
State Appropriated	Federal Appropriated	Total as of June 30, 2009	Total as of June 30, 2008
$ 35,517	$ 6,858	$ 410,786	$ 655,749
51,133	8,924	614,491	374,751
36,403	—	2,428,625	2,398,136
14	—	15,249	12,308
646	54	2,481	9,057
—	—	10,372	3,811
—	—	13,101	7,037
—	—	13,698	14,362
—	—	2,585	3,237
250	1,283	2,822	2,502
$123,963	$17,119	$3,514,210	$3,480,950
$ —	$ —	$2,473,733	$2,411,376
—	—	49,956	53,009
1,057	2,875	21,316	24,654
(652)	560	—	—
—	2,362	83,486	84,445
405	5,797	2,628,491	2,573,484
—	—	266,726	284,344
—	—	481,528	476,878
123,558	11,322	134,880	143,007
—	—	2,585	3,237
123,558	11,322	885,719	907,466
$123,963	$17,119	$3,514,210	$3,480,950

MINNESOTA HOUSING FINANCE AGENCY
Fund Financial Statements
Statement of Revenues, Expenses and Changes in Net Assets (in thousands)
Proprietary Funds
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance	Single Family
Revenues	Interest earned on loans	$ —	$12,946	$113,156	$14,921
	Interest earned on investments	874	2,182	19,071	3,735
	Appropriations received	—	—	—	—
	Administrative reimbursement	24,375	—	—	—
	Fees earned and other income	8,805	691	452	—
	Unrealized gains (losses) on securities	---	313	(1,558)	224
	Total revenues	34,054	16,132	131,121	18,880
Expenses	Interest	—	8,831	89,489	13,966
	Loan administration and trustee fees	—	136	6,071	809
	Administrative reimbursement	—	1,650	14,059	1,999
	Salaries and benefits	17,743	—	—	—
	Other general operating	8,601	—	1,334	—
	Appropriations disbursed	—	—	—	—
	Reduction in carrying value of certain low interest rate deferred loans	—	—	20,302	—
	Provision for loan losses	—	(560)	26,135	3,242
	Total expenses	26,344	10,057	157,390	20,016
	Revenues over (under) expenses	7,710	6,075	(26,269)	(1,136)
Other changes	Non-operating transfer of assets between funds	(7,907)	(9,500)	17,407	—
	Change in net assets	(197)	(3,425)	(8,862)	(1,136)
Net Assets	Total net assets, beginning of year	26,863	92,054	578,305	67,237
	Total net assets, end of year	$26,666	$88,629	$569,443	$66,101

See accompanying notes to financial statements.

Appropriated Funds			
State Appropriated	Federal Appropriated	Total for the Year Ended June 30, 2009	Total for the Year Ended June 30, 2008
$ 170	$ —	$141,193	$133,967
4,757	280	30,899	49,074
44,205	187,720	231,925	266,273
—	—	24,375	23,708
2,857	—	12,805	13,502
(489)	118	(1,392)	4,609
51,500	188,118	439,805	491,133
—	—	112,286	115,556
51	—	7,067	6,830
4,676	—	22,384	22,832
—	—	17,743	16,582
2,312	—	12,247	23,506
26,780	186,999	213,779	200,240
25,894	—	46,196	39,930
1,033	—	29,850	9,830
60,746	186,999	461,552	435,306
(9,246)	1,119	(21,747)	55,827
—	—	—	—
(9,246)	1,119	(21,747)	55,827
132,804	10,203	907,466	851,639
$123,558	$ 11,322	$885,719	$907,466

MINNESOTA HOUSING FINANCE AGENCY
Fund Financial Statements
Statement of Cash Flows (in thousands)
Proprietary Funds
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance	Single Family
	Principal repayments on loans	$ —	$17,277	$106,815	$26,606
Cash flows from operatingactivities:	Investment in loans	—	—	(266,924)	—
	Interest received on loans	—	13,198	109,617	14,161
	Other operating	—	—	(5,374)	—
	Fees and other income received	8,784	691	439	—
	Salaries, benefits and vendor payments	(24,482)	(141)	(6,410)	(816)
	Appropriations received	—	—	—	—
	Appropriations disbursed	—	—	—	—
	Administrative reimbursement from funds	26,468	(1,650)	(16,158)	(1,999)
	Interest transferred to funds held for others	(2,706)	—	—	—
	Deposits into funds held for others	31,523	—	—	—
	Disbursements made from funds held for others	(33,154)	—	—	—
	Interfund transfers and other assets	1,553	(8)	1,797	(108)
	Net cash provided (used) by operating activities	7,986	29,367	(76,198)	37,844
Cash flows from noncapital financing activities:	Proceeds from sale of bonds and notes	—	—	1,075,810	—
	Principal repayment on bonds and notes	—	(16,610)	(944,275)	(50,660)
	Interest paid on bonds and notes	—	(8,351)	(90,280)	(13,429)
	Financing costs paid related to bonds issued	—	—	(2,534)	—
	Interest paid/received between funds	—	—	1,435	(1,435)
	Principal paid/received between funds	—	—	685	(685)
	Premium paid on redemption of bonds	—	—	—	—
	Transfer of cash between funds	(6,556)	(9,500)	16,056	—
	Net cash provided (used) by noncapital financing activities	(6,556)	(34,461)	56,897	(66,209)
Cash flows from investing activities:	Investment in real estate owned	—	—	(1,296)	(303)
	Interest received on investments	3,935	2,354	21,574	3,815
	Proceeds from sale of mortgage insurance claims/real estate owned	—	—	22,371	2,793
	Proceeds from maturity, sale or transfer of investment securities	27,255	17,055	543,639	2,552
	Purchase of investment securities	---	(39,015)	(830,883)	(3,421)
	Purchase of loans between funds	—	—	1,311	1
	Net cash provided (used) by investing activities	31,190	(19,606)	(243,284)	5,437
	Net increase (decrease) in cash and cash equivalents	32,620	(24,700)	(262,585)	(22,928)
Cash and cash equivalents:	Beginning of Year	62,744	50,870	443,398	88,992
	End of Year	$95,364	$26,170	$180,813	$66,064

See accompanying notes to financial statements.

Appropriated Funds			
State Appropriated	Federal Appropriated	Total For the Year Ended June 30, 2009	Total For the Year Ended June 30, 2008
$ 2,930	$ —	$ 153,628	$ 144,225
(27,790)	—	(294,714)	(521,087)
170	—	137,146	129,838
(2,315)	—	(7,689)	(6,908)
2,982	—	12,896	13,434
(51)	—	(31,900)	(29,910)
44,205	186,864	231,069	266,039
(27,896)	(185,574)	(213,470)	(198,760)
(5,008)	—	1,653	702
—	(50)	(2,756)	(3,710)
—	337	31,860	32,005
—	(29)	(33,183)	(29,709)
(3,048)	—	186	(2,185)
(15,821)	1,548	(15,274)	(206,026)
—	—	1,075,810	633,221
—	—	(1,011,545)	(618,650)
—	—	(112,060)	(107,307)
—	—	(2,534)	(2,689)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	(50,329)	(95,425)
—	—	(1,599)	(1,010)
5,038	347	37,063	50,619
—	—	25,164	14,419
47,500	—	638,001	567,109
—	(4,670)	(877,989)	(457,039)
(1,312)	—	—	—
51,226	(4,323)	(179,360)	174,098
35,404	(2,775)	(244,964)	(127,353)
112	9,633	655,749	783,102
$35,517	$ 6,858	$ 410,786	$ 655,749

(continued)

MINNESOTA HOUSING FINANCE AGENCY
Fund Financial Statements
Statement of Cash Flows (in thousands)
Proprietary Funds (continued)
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance	Single Family
Reconciliation of revenue over (under) expenses to net cash provided (used) by operating activities:	Revenues over (under) expenses	$7,710	$ 6,075	$(26,269)	$ (1,136)
	Adjustments to reconcile revenues over (under) expenses to net cash provided (used) by operating activities:				
	Amortization of premiums (discounts) and fees on loans	—	(64)	2,103	(409)
	Depreciation	1,966	—	—	—
	Realized (gains) on sale of securities, net	—	(51)	(883)	(18)
	Unrealized losses (gains) on securities, net	—	(313)	1,558	(224)
	Provision for loan losses	—	(560)	26,135	3,242
	Reduction in carrying value of certain low interest rate and/or deferred loans	—	—	20,302	—
	Capitalized interest on loans and real estate owned	—	(130)	(2,492)	(349)
	Interest earned on investments	(874)	(2,090)	(17,970)	(4,213)
	Interest expense on bonds and notes	—	8,830	89,489	13,966
	Changes in assets and liabilities:				
	Decrease (increase) in loans receivable, excluding loans transferred between funds	—	17,277	(160,109)	26,606
	Decrease (increase) in interest receivable on loans	—	212	(3,150)	(2)
	Increase (decrease) in arbitrage rebate liability	—	194	(218)	496
	Interest transferred to funds held for others	(2,706)	—	—	—
	Increase (decrease) in accounts payable	(104)	(5)	(4,394)	(5)
	Increase (decrease) in interfund payable, affecting operating activities only	5,089	(10)	(786)	(110)
	Increase (decrease) in funds held for others	(1,631)	—	—	—
	Other	(1,464)	2	486	—
	Total	276	23,292	(49,929)	38,980
	Net cash provided (used) by operating activities	$7,986	$29,367	$(76,198)	$37,844

See accompanying notes to financial statements.

Appropriated Funds			
State Appropriated	Federal Appropriated	Total for the Year Ended June 30, 2009	Total for the Year Ended June 30, 2008
$ (9,246)	$1,119	$(21,747)	$ 55,827
—	—	1,630	1,567
—	—	1,966	2,049
—	—	(952)	(1,410)
489	(118)	1,392	(4,609)
1,033	—	29,850	9,830
25,894	—	46,196	39,930
—	—	(2,971)	(1,535)
(4,757)	(280)	(30,184)	(54,067)
—	—	112,285	115,556
(24,860)	—	(141,086)	(376,862)
—	—	(2,940)	(2,337)
—	—	472	4,579
—	(50)	(2,756)	(3,710)
(1,119)	2,228	(3,399)	8,319
(3,380)	(803)	—	10
—	308	(1,323)	2,296
125	(856)	(1,707)	(1,459)
(6,575)	429	6,473	(261,853)
$(15,821)	$1,548	$(15,274)	$(206,026)

Nature of Business and Fund Structure

The Minnesota Housing Finance Agency (the Agency or Minnesota Housing) was created in 1971 by the Minnesota legislature through the enactment of Minnesota Statutes, Chapter 462A, which has been amended from time to time. The Agency was established to facilitate the construction and rehabilitation of housing in Minnesota for families of low- and moderate-income by providing mortgage loans, development loans, and technical assistance to qualified housing sponsors. The Agency, as a special purpose agency engaged in business-type activities, is a component unit of the State of Minnesota, and is reflected as a proprietary fund in the state's comprehensive annual financial report. The Agency receives appropriations from the state legislature, substantially all of which are used to make loans or grants under specified non-bond-financed programs. The Agency also receives funds from the federal government or through other entities for similar purposes.

The Agency is authorized to issue bonds and other obligations to fulfill its corporate purposes up to a total outstanding amount of $5.0 billion. The bonds and other obligations are not a debt of the State of Minnesota or any political subdivision thereof.

The following describes the funds maintained by the Agency, which are included in this report, all of which conform with the authorizing legislation and bond resolutions:

General Reserve

General Reserve was established in fulfillment of the pledge by the Agency of its full faith and credit to the payment of its general obligation bonds in its bond resolutions. Administrative costs of the Agency and multifamily development escrow receipts and related disbursements are recorded in this account. The net assets of General Reserve are available to support the following funds which are further described below: Rental Housing, Residential Housing Finance and Single Family.

Rental Housing

Bond proceeds for the multifamily housing programs are maintained under the Rental Housing bond resolution. Loans are generally secured by first mortgages on real property. The Rental Housing bond resolution prescribes the application of bond proceeds, debt service requirements of the bond indebtedness, permitted investments, and eligible loans to be financed from the bond proceeds.

Residential Housing Finance

Included within Residential Housing Finance are the bond funds, which include bonds issued and outstanding under the Residential Housing Finance bond resolution, limited obligation notes issued under separate resolutions, and the Alternative Loan Fund which consists of the Housing Investment Fund (Pool 2) and the Housing Affordability Fund (Pool 3), both of which are restricted by a covenant with bondholders.

Bonds

Bonds issued to date were for the purpose of funding purchases of single family first mortgage loans, some related entry cost housing assistance loans, and unsecured or subordinated home improvement loans, although no bonds were issued to support home improvement lending during fiscal year 2009. The majority of the single family first mortgage loans financed by these bond issues are insured by private mortgage insurers or the Federal Housing Administration (FHA) or guaranteed by the U.S. Department of Veterans Affairs (VA) or the U.S. Department of Agriculture Rural Development (RD). Assets of the bonds issued and outstanding under the resolution are pledged to the repayment of Residential Housing Finance bonds, except that the limited obligation debt is issued under separate bond resolutions and is secured by the proceeds thereof as invested.

The Alternative Loan Fund has been established in Residential Housing Finance and residing therein are the subfunds, Housing Investment Fund (Pool 2) and Housing Affordability Fund (Pool 3). Funds deposited therein would otherwise be available to be transferred to General Reserve under the applicable bond resolution. The Alternative Loan Fund is not pledged to the payment of the Residential Housing Finance bonds or any other specific debt obligation of the Agency and, to the extent that funds are available therein, is available to honor the general obligation pledge of the Agency.

Assets of the Housing Investment Fund (Pool 2) consist of investment quality housing loans, as defined by the Agency, and investment grade securities. During fiscal year 2009 this fund provided capital for several Agency programs including its home improvement loan program, its multifamily first-mortgage loan program, warehousing purchases of single family first-mortgage loans and bond sale contributions. The fund may also provide interim financing for construction and rehabilitation of single family housing and may be used to advance funds to retire high-rate debt.

Assets of the Housing Affordability Fund (Pool 3) consist of investment-grade securities when not utilized for program purposes. Program purposes include, but are not limited to: zero-percent loans; loans at interest rates substantially below market; high risk loans; deferred loans; revolving funds; and grants and rental assistance. During fiscal year 2009 resources from Pool 3 were used for entry cost assistance for first-time homebuyers, below-market interim financing for construction and rehabilitation of single family housing and innovative multifamily programs that were not eligible for bond financing such as nonprofit capacity building and deferred, subordinated loans to support first mortgages.

The Residential Housing Finance bond resolution prescribes the application of bond proceeds, debt service requirements of the bond indebtedness, permitted investments, and eligible loans to be financed from the bond proceeds.

The limited obligation debt resolutions prescribe the application of debt proceeds, and permitted investments.

Single Family

Bonds issued for homeownership programs have been issued under Single Family and Residential Housing Finance. The Agency generally expects to issue bonds for homeownership programs under Residential Housing Finance and not Single Family. Loans are secured by first mortgages on real property.

The Single Family bond resolution prescribes the application of bond proceeds, debt service requirements of the bond indebtedness, permitted investments, and eligible loans to be financed from the bond proceeds.

State Appropriated

The State Appropriated fund was established to account for funds received from the Minnesota legislature which are to be used for programs for low- and moderate-income persons and families in the form of low-interest loans, no-interest deferred loans, innovative development and other housing-related program costs. The net assets of the State Appropriated fund are not pledged or available to support bondholders or creditors of the Agency.

Federal Appropriated

The Federal Appropriated fund was established to account for funds received from the federal government which are to be used for programs for low- and moderate-income persons and families in the form of no-interest deferred loans, grants, support to nonprofit housing organizations and other housing-related program costs. The net assets of the Federal Appropriated fund are not pledged or available to support bondholders or creditors of the Agency.

Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies.

Basis of Accounting

The Agency's financial statements have been prepared on the basis of the proprietary fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services.

Generally Accepted Accounting Principles

The Agency has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.* The Agency has applied all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins

(ARB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Since the business of the Agency is essentially that of a financial institution having a business cycle greater than one year, the statement of net assets is not presented in a classified format.

New Accounting Pronouncements

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations.* It requires that when any one of five specified obligating events occurs, a government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability and, if appropriate, capitalized when goods and services are acquired. Obligating events include the following:

- The government is compelled to take pollution remediation action because of an imminent endangerment.
- The government violates a pollution prevention–related permit or license.
- The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party for remediation, or as a government responsible for sharing costs.
- The government is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The government commences or legally obligates itself to commence pollution remediation.

GASB Statement No. 49 is required to be effective for the Agency's fiscal year ending June 30, 2009. The adoption of this Statement did not affect the Agency's financial statements.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* This Statement addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. It requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. It also provides guidance on recognizing internally generated computer software as an intangible asset. This Statement also establishes guidance on amortization of intangible assets. The provisions of this Statement generally are required to be applied retroactively. GASB Statement No. 51 is required to be effective for the Agency's fiscal year ending June 30, 2010. The adoption of this Statement is not expected to affect the Agency's financial statements.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* This Statement defines derivative instruments and requires governmental entities to measure most derivative instruments at fair value and report them on the financial statements as assets or liabilities. Changes in the fair value of derivative instruments would be reported in the financial statements as investment gains and losses, unless certain criteria are met for investing the derivative instrument as a hedge, in which case a deferred inflow or outflow would be reported on the statement of net assets. This statement also requires note disclosure that includes summary information about derivative instruments used as hedges and investments, and disclosure of the risk exposures resulting from the derivative instruments. GASB Statement No. 53 is required to be effective for the Agency's fiscal year ending June 30, 2010. The effect of this statement will increase or reduce net assets by the amount of unrealized gain or loss on interest rate swap agreements.

In March 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* which was effective upon issuance. The objective of GASB No. 55 is to incorporate the hierarchy of generally accepted accounting principles for state and local governments into GASB authoritative literature such that they derive from a single source. The adoption of GASB Statement No. 55 had no impact on the Agency.

In March 2009, the GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. The adoption of GASB Statement No. 56 had no impact on the Agency.

Cash and Cash Equivalents

Cash equivalents may include commercial paper, money market funds, repurchase agreements, investment agreements, State investment pool and any other investments, primarily US treasury and agency securities, which have 90 or less days remaining to maturity at the time of purchase.

Investment Securities

The Agency carries all investment securities at fair market value. Unrealized gains and losses on investment securities resulting from changes in market valuation are recorded as revenue. However, unrealized gains and losses on investments of multifamily development escrow funds resulting from changes in market valuation are recorded as funds held for others.

Loans Receivable, Net

Loans receivable are carried at their unpaid principal balances, net of an allowance for loan losses, unamortized premiums or discounts and fees.

The allowances for loan losses are established based on management's evaluation of the loan portfolio.

Generally, the Agency provides an allowance for loan losses for multifamily loans after considering the specific known risks: adequacy of collateral and projected cash flows; past experience; amount of federal or state rent subsidies, if any; the status and amount of past due payments, if any; the amount of deferred maintenance, if any; and current economic conditions.

For homeownership and home improvement loans, the Agency establishes varying amounts of reserves depending upon the number of delinquent loans, the estimated amount of loss per delinquent loan, the number of days delinquent and the type of insurance coverage in force, if any: Federal Housing Administration (FHA) insurance, Rural Development (RD) guarantee, Veterans Administration (VA) guarantee, or private mortgage insurance.

Actual gains and losses are posted to allowance for loan losses. Management believes the allowances for loan losses adequately reserve for probable losses inherent in the loan portfolios as of June 30, 2009.

Premiums, discounts or fees resulting from the purchase of homeownership mortgage loans at other than face value are amortized over the life of the loans using the effective interest method. Estimated loan prepayments are taken into account in determining the life of homeownership mortgage loans for purposes of such amortization. Premiums or discounts resulting from the purchase of home improvement loans are amortized straight-line over the average loan life. Premiums, discounts or fees resulting from the origination of multifamily development loans are amortized using the effective interest method over the term of the loan. The amount amortized is included in interest earned on loans.

Interest Receivable on Loans

The Agency accrues interest on its amortizing loans until they become 90 days or more delinquent in the case of multifamily loans, until they become "real estate owned" (described below) for homeownership loans, or until they are classified by the Agency as inactive for home improvement loans.

Mortgage Insurance Claims Receivable

Mortgages that are FHA insured or VA guaranteed, and for which insurance claims have been filed, are included in this category.

Real Estate Owned

Real estate acquired through foreclosure is recorded at the lower of the investment in the loan, or estimated fair market value less estimated selling costs. These properties may be RD guaranteed, uninsured or have private mortgage insurance.

Unamortized Bond Issuance Costs

Bond issuance costs are amortized using the effective interest method in the Single Family and Residential Housing Finance funds. In the Rental Housing fund, bond issuance costs are amortized using the bonds outstanding method due to the unpredictable nature of prepayments of multifamily loans.

Bonds Payable, Net

Bonds payable are carried at their unpaid principal balances, net of unamortized premiums, discounts and deferred gain or loss on refunding. Premiums and discounts are amortized using the effective interest method in the Residential Housing Finance fund and the Single Family fund. In the Rental Housing fund, deferred gain or loss on refunding is amortized using the bonds outstanding method due to the unpredictable nature of prepayments of multifamily loans.

Interfund Payable (Receivable)

Interfund payable (receivable) primarily reflects pending transfers of cash and assets between funds. The more significant activities that flow through this fund may include funds advanced for purposes of optionally redeeming bonds when economically advantageous; funds advanced for loan warehousing; administrative fees receivable and payable between funds; non-operating transfers among the Housing Endowment Fund (Pool 1), the Housing Investment Fund (Pool 2), and the Housing Affordability Fund (Pool 3); and certain mortgage payments received but not yet transferred to their respective funds.

Funds Held for Others

Funds held for others are primarily escrow amounts held by the Agency on behalf of multifamily housing developments where the Agency holds the first mortgages. These amounts are held under the terms of the related loans and federal regulations regarding subsidized housing. Investment income relating to these funds is credited directly to the escrow funds; it is not included in the investment income of General Reserve. Also included in funds held for others are unrealized gains and losses on investments of the multifamily housing development escrow funds and funds held for, and reimbursable to, HUD, such as Section 8 payments. In addition, investment income on unspent Section 8 funds is credited directly to Funds Held For Others and not included in the investment income of Federal Appropriated.

Restricted by Bond Resolution

Restricted by Bond Resolution Net Assets represents those assets restricted within the respective bond resolution due to the specific provisions of the bond resolutions.

Restricted by Covenant

Restricted by Covenant Net Assets represents those assets in General Reserve and those assets that would otherwise be available to be transferred to General Reserve under the applicable bond resolutions. Under the Agency's bond resolutions, the Agency covenants that it will use the assets in General Reserve only for the administration and financing of programs in accordance with the policy and purpose of the Minnesota Housing enabling legislation, including reserves for the payment of bonds and notes and of loans made from the proceeds thereof, and shall accumulate and maintain therein such balance of funds and investments as will be sufficient for the purpose. The Agency's Board is responsible for establishing the investment guidelines for these funds.

Restricted by Law

Undisbursed, recognized federal and state appropriations are classified as restricted by law.

Invested in Capital Assets

This represents the balance of capital assets, net of depreciation. No related debt exists.

Agency-wide Total

The Agency-wide Total columns reflect the totals of the similar accounts of the various funds. Since the assets of certain of the funds are restricted by either the related bond resolutions or legislation, the totaling of the accounts, including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in either the bond resolutions, Board resolutions or the legislation for the separate funds or groups of funds. The totals for fiscal year 2008 are for comparative purposes only.

Administrative Reimbursement

The largest source of funding for the Agency's administrative operations is a monthly transfer from each of the bond funds to General Reserve based on adjusted assets. Adjusted assets are defined as total assets plus the reserve for loan loss plus unearned discounts on loans minus the proceeds of short-term debt minus premiums on loans minus deferred bond issuance costs.

For programs funded by state appropriations, the Agency recovers the cost of administering the programs but only to the extent of interest earnings on the appropriations.

For programs funded by federal appropriations, the Agency recovers the cost of administering programs through an approved federal indirect cost recovery rate. Certain other direct costs are also recovered. Total direct and indirect costs recovered from the federal government in the amount of $1.991 million are reflected as administrative reimbursement revenues in the General Reserve.

Administrative reimbursements in the amount of $22.384 million between the Agency's funds have been eliminated from the respective administrative reimbursement revenues and expenses line items for purposes of presentation in the Agency-wide statement of activities.

Fees Earned and Other Income

Fees earned and other income consists mainly of fees related to the financing and administration of Section 8 properties, including administration of a HUD-owned Section 8 portfolio, fees in connection with operating the federal Low Income Housing Tax Credits program, annual fees related to certain multifamily housing development loans, fees from the Low Income Rental Class program, private contributions restricted to use in the Agency's Homeownership Education, Counseling and Training Program, housing development operating subsidies received from other State agencies and fees for issuing and monitoring conduit bonds. Fees earned and other income is recorded as it is earned.

Reduction in Carrying Value of Certain Low Interest Rate Deferred Loans

The carrying value of certain Housing Affordability Fund (Pool 3) loans and State Appropriated loans which are originated at below market interest rates and for which repayment is deferred for up to 30 years, is written down to zero at the time of origination by providing for a Reduction in Carrying Value of Certain Low Interest Rate Deferred Loans because of the nature of these loans and the risks associated with them. Certain of these loans may be forgiven at maturity.

Other Changes

The Agency utilizes the Other Changes section of the Statement of Revenues, Expenses and Changes in Net Assets to describe various transfers between funds.

Non-operating Transfer of Assets Between Funds

Non-operating transfers occur as a result of bond sale contributions related to new debt issues; transfers among the Housing Endowment Fund (Pool 1), the Housing Investment Fund (Pool 2), and the Housing Affordability Fund (Pool 3); periodic transfers to bond funds to fulfill bond resolution requirements; and periodic transfers from the bond funds of assets in excess of the bond resolution requirements.

Non-Cash Activities

Transfers from loans receivable to mortgage insurance claims receivable and real estate owned for fiscal year 2009 were $37.0 million and $4.2 million for Residential Housing Finance and Single Family, respectively.

Use of Estimates

The preparation of the 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Related Party Transactions

In fiscal year 2006 an advance was made from Residential Housing Finance to optionally redeem bonds in Single Family in order to take advantage of economically favorable conditions. The advance to Single Family is being repaid according to the original debt repayment schedule. The advance is recorded in Interfund Payable (Receivable).

Income Taxes

The Agency, as a component unit of the State of Minnesota, is exempt from federal and state income taxes. Accordingly, no provision for income taxes is necessary.

Rebateable Arbitrage

Arbitrage earnings that are owed to the United States Treasury are recorded in Accounts Payable and based on estimated calculations performed by an independent calculation specialist on an ongoing basis. Also included in this category is yield compliance liability.

Cash, Cash Equivalents and Investment Securities

Permitted Agency investments include government obligations, commercial paper, repurchase agreements, money market funds, guaranteed investment contracts (i.e., investment agreements), State investment pool, corporate obligations, municipal bonds and other investments consistent with requirements of safety and liquidity that comply with applicable provisions of the bond resolutions, state law or Board policy.

Cash and Cash Equivalents are generally stated at cost, which approximates market. Certain investment agreements are stated at an amount that is less than cost. The balances are composed of the following at June 30, 2009 (in thousands):

Cash and Cash Equivalents

Funds	Deposits	Money Market Fund	State Investment Pool	Investment Agreements	Combined Totals
General Reserve	$ —	$ —	$ 95,364	$ —	$ 95,364
Rental Housing	—	2,689	—	23,481	26,170
Residential Housing Finance	2,481	66,260	—	112,072	180,813
Single Family	797	12,789	—	52,478	66,064
State Appropriated	169	—	35,348	—	35,517
Federal Appropriated	1,648	2,853	2,357	—	6,858
Agency-wide Totals	$5,095	$84,591	$133,069	$188,031	$410,786

Deposits were cash awaiting investment, consisting of interest earned on investments received too late on the last day of the fiscal year to be invested and loan servicer deposits in transit.

The state investment pool is an internal investment pool managed by the Minnesota State Board of Investment (SBI). The SBI invests in debt securities, including US treasury securities, US agency securities, bankers acceptances, high grade corporates, and commercial paper. This investment pool is unrated.

Generally, investment agreements are uncollateralized, interest-bearing contracts with financial institutions or corporations with variable liquidity features, which require a one-day to two-week notice for deposits and/or withdrawals, and are invested in accordance with the restrictions specified in the various bond resolutions. As of June 30, 2009, all the investment agreement providers, or the investment agreement guarantors if more highly rated, had a Standard & Poor's long-term credit rating of "A-" or higher and a Moody's long-term credit rating of "A3" or higher, except for Depfa Bank PLC's Standard & Poor's rating which is discussed below. The individual investment agreements are unrated. Substantially all of the agreements contain "termination" clauses so that the Agency may withdraw funds early if credit ratings deteriorate below specified levels and remedial action is not taken. Certain investment agreements with Depfa Bank PLC ($34.117 million) and Calyon ($7.284 million) require downgrades to the ratings on the related bonds before triggering the termination clauses. Because Depfa Bank PLC's rating was downgraded to "BBB" by Standard &Poor's during this fiscal year, the Agency reduced the carrying value of those agreements by $1.857 million as of June 30, 2009.

Investment securities (comprised of US Treasuries, US Agencies, certificates of deposit, commercial paper and corporate notes) are recorded at fair market value and were allocated to the following funds at June 30, 2009 (in thousands):

Investment Securities

Funds	Amortized Cost	Unrealized Appreciation (Depreciation) in Fair Market Value	Estimated Fair Market Value
General Reserve	$ 19,033	$ 652	$ 19,685
Rental Housing	34,551	729	35,280
Residential Housing Finance	492,470	(323)	492,147
Single Family	6,758	564	7,322
State Appropriated	49,960	1,173	51,133
Federal Appropriated	8,643	281	8,924
Agency-wide Totals	$611,415	$3,076	$614,491

US treasury securities, US agency securities, corporate notes and commercial paper in General Reserve, State Appropriated and Federal Appropriated are held by the Agency's agent in the name of the State of Minnesota. US treasury and US agency securities in the remainder of the funds are held by the trustees under the Agency's bond resolutions in the Agency's name. Certificates of deposit pledged as collateral for certain limited obligation notes with the Federal Home Loan Bank are held by the Federal Home Loan Bank in the Agency's name.

Investment securities are subject to credit risk. The following table classifies investment securities by their lowest Standard & Poor's/Moody's rating. U.S. treasuries are not classified because they are not considered to have credit risk. Investment securities exposure to credit risk at June 30, 2009 is (in thousands):

Credit Ratings of Investment Securities

Type	Par Value	AAA/Aaa	AA/Aa	A/A
Certificates of Deposit	$363,985	$363,985	$ -	$ -
U.S. Agencies	118,800	118,800	-	-
Municipals	119,260	38,380	77,925	2,955
Agency-wide Totals	$602,045	$521,165	$77,925	$2,955
U.S. Treasuries	10,683			
Agency-wide Totals	$612,728			

Examining the weighted average maturities of the Agency's debt securities can reveal information about interest rate risk. Cash, Cash Equivalents and Investment Securities (excluding unrealized appreciation of $4.104 million and net discounts of $0.309 million), along with the weighted average maturities (in years) as of June 30, 2009, consisted of the following (in thousands):

Cash, Cash Equivalents and Investment Securities

		Weighted Average Maturity, in Years					
Type	Par Value	General Reserve	Rental Housing	Residential Housing Finance	Single Family	State Appropriated	Federal Appropriated
Deposits	$ 5,095	—	—	—	—	—	—
Certificates of Deposit	363,985	—	—	.2	—	—	—
Money market fund	84,591	—	—	—	—	—	—
State Investment Pool	133,069	—	—	—	—	—	—
Investment agreements	188,031	—	—	—	—	—	—
US Agencies	118,800	2.1	6.1	9.5	10.2	1.1	5.3
US Treasuries	10,683	—	—	10.8	7.6	—	8.4
Municipals	119,260	—	—	—	—	—	—
Agency-wide Totals	$1,023,514						
Weighted Average Maturity		0.3	2.3	0.5	0.9	0.6	1.4

Investments in any one issuer, excluding investments issued or explicitly guaranteed by the U.S. Government, that represent five percent or more of the par value of total investments, as defined by GASB Statement No. 40, as of June 30, 2009 were as follows (in thousands):

Investment Issuer	Amount
Federal Home Loan Bank, Certificates of Deposit	$363,985
Federal Home Loan Bank, US Agencies	57,180
FSA Capital Management Services, investment agreements	48,817

The Agency maintained certain deposits and investments throughout the fiscal year that were subject to custodial credit risk. As of June 30, 2009, the amounts subject to this risk consisted of the following (in thousands):

	Amount
Deposits not covered by depository insurance and uncollateralized (including $76,888 in a money market fund and $133,070 in the State investment pool)	$222,755
Investment securities (which excludes investment agreements) uninsured, uncollateralized and not held in the Agency's name	722,780
Agency-wide Total	$945,535

Net realized gain on sale of investment securities of $0.952 million is included in interest earned on investments.

Certain balances are required to be maintained under the various bond resolutions. These balances represent debt service and insurance reserves. The required balances at June 30, 2009 were as follows (in thousands):

Funds	Amount
Rental Housing	$20,105
Residential Housing Finance	51,621
Single Family	14,298
Totals	$86,024

Loans Receivable, Net

Loans receivable, net at June 30, 2009 consisted of (in thousands):

Funds	Outstanding Principal	Allowance for Loan Losses	Unamortized Premiums (Discounts) and Fees	Loans Receivable, Net
General Reserve	$ —	$ —	$ —	$ —
Rental Housing	202,544	(7,566)	(1,293)	193,685
Residential Housing Finance	2,002,232	(29,585)	4,338	1,976,985
Single Family	226,351	(3,129)	(1,670)	221,552
State Appropriated	37,797	(1,394)	—	36,403
Federal Appropriated	—	—	—	—
Agency-wide Totals	$2,468,924	$(41,674)	$ 1,375	$2,428,625

Substantially all loans in the table above are secured by first or second mortgages on the real property financed. The majority of the loans in the Single Family fund and a significant portion of the homeownership first mortgage loans in the Residential Housing Finance fund have either FHA insurance or a VA or RD guarantee. Insurance reduces, but does not eliminate, loan losses. Losses on mortgage loans in the Single Family fund are also secured by an insurance reserve fund established under the bond resolution therefor.

In addition to the loans in the table above, certain loans are originated at below-market interest rates and repayment is deferred for up to 30 years. These loans are generally in either a second or more subordinate mortgage position or may be unsecured. Given the nature of these loans and the risk associated with them, at the time of origination they are fully reserved resulting in a net carrying value of zero. During the fiscal year ended June 30, 2009 the unpaid principal amount of loans originated with such characteristics aggregated $21.801 million in the Residential Housing Finance Housing Affordability Fund (Pool 3) and $27.802 million in State Appropriated. Loans with net carrying values of zero are excluded from the tables above and below.

Loans receivable, net and gross in Residential Housing Finance at June 30, 2009 consist of a variety of loans as follows (in thousands):

Description	Net Outstanding Amount	Gross Outstanding Amount
Residential Housing Finance Bonds:		
Homeownership, first mortgage loans	$1,629,615	$1,633,403
Other homeownership loans, generally secured by a second mortgage	2,249	2,331
Alternative Loan Fund, Housing Investment Fund (Pool 2):		
Home Improvement loans, generally secured by a second mortgage	108,893	113,722
Homeownership, first mortgage loans	59,298	59,931
Multifamily, first mortgage loans	154,878	169,858
Alternative Loan Fund, Housing Affordability Fund (Pool 3):		
Other homeownership loans, the majority secured by a second mortgage	22,052	22,987
Residential Housing Finance Totals	$1,976,985	$2,002,232

The Agency is limited by statute to financing real estate located within the State of Minnesota. Collectibility depends on local economic conditions.

Other Assets

Other assets, including receivables, at June 30, 2009 consisted of the following (in thousands):

Funds	Receivables Due from the Federal Government	Other Assets and Receivables	Total
General Reserve	$1,220	$ 66	$1,286
Rental Housing	—	2	2
Residential Housing Finance	—	—	—
Single Family	—	1	1
State Appropriated	—	250	250
Federal Appropriated	1,283	—	1,283
Agency-wide Totals	$2,503	$319	$2,822

Bonds Payable, Net

Bonds payable, net at June 30, 2009 were as follows (in thousands):

Funds	Par Bonds Outstanding	Net Unamortized Premium and Deferred Fees	Net Unamortized Deferred Loss	Bonds Payable, Net
Rental Housing	$ 164,545	$ —	$(2,257)	$ 162,288
Residential Housing Finance	2,099,675	5,980	—	2,105,655
Single Family	205,790	—	—	205,790
Totals	$2,470,010	$5,980	$(2,257)	$2,473,733

Summary of bond activity from June 30, 2008 to June 30, 2009 (in thousands):

Funds	June 30, 2008 Bonds Outstanding, at Par	Par Issued	Par Repaid	June 30, 2009 Bonds Outstanding, at Par
Rental Housing	$ 181,155	$ —	$ 16,610	$ 164,545
Residential Housing Finance	1,968,100	1,075,850	944,275	2,099,675
Single Family	256,450	—	50,660	205,790
Totals	$2,405,705	$1,075,850	$1,011,545	$2,470,010

Bonds payable at June 30, 2009 were as follows (in thousands):

Series	Interest rate	Final Maturity	Original Par	June 30, 2009 Bonds Outstanding, at Par
Rental Housing Bonds				
1995 Series C-2	5.85% to 5.95%	2015	$ 38,210	$ 7,130
1995 Series D	5.80% to 6.00%	2022	234,590	10,295
1997 Series A	5.30% to 5.875%	2028	4,750	3,885
1998 Series A	5.375%	2028	5,505	5,505
1998 Series B	6.60%	2019	4,180	2,715
1998 Series C	4.65% to 5.20%	2029	2,865	2,360
1999 Series A	4.55% to 5.10%	2024	4,275	3,265
1999 Series B	5.40% to 6.15%	2025	$ 3,160	$ 2,165
2000 Series A	5.50% to 6.15%	2030	9,290	6,155
2000 Series B	5.90%	2031	5,150	4,410
2001 Series A	4.50% to 5.35%	2033	4,800	4,310
2002 Series A	3.30% to 4.05%	2014	27,630	15,020
2003 Series A	4.55% to 4.95%	2045	12,770	12,200
2003 Series B	4.15% to 5.08%	2031	1,945	1,765
2003 Series C-1	4.35% to 5.20%	2034	2,095	1,955
2004 Series A	3.20% to 5.00%	2035	9,345	8,155
2004 Series B	4.00% to 4.85%	2035	3,215	3,040
2004 Series C	2.90% to 4.40%	2022	80,000	50,610
2005 Series A-1	4.25% to 4.85%	2035	1,725	1,650
2006 Series A-1	4.40% to 5.10%	2047	6,615	6,530
2006 Series B	4.89%	2037	5,020	4,910
2006 Series C-1	4.96%	2037	2,860	2,790
2007 Series A-1	4.65%	2038	3,775	3,725
			473,770	164,545
Residential Housing Finance Bonds				
2002 Series A	4.75% to 5.30%	2019	14,035	3965
2002 Series B	4.80% to 5.65%	2033	59,650	14,805
2002 Series A-1	4.20% to 4.90%	2019	6,860	4,740
2002 Series B-1	4.00% to 5.35%	2033	25,760	15,085
2002 Series E	4.30% to 5.00%	2020	12,805	8,130
2002 Series F	3.95% to 5.40%	2032	52,195	23,900
2002 Series H	4.48% to 4.93%	2012	20,000	15,000
2003 Series A	2.50% to 4.30%	2034	40,000	20,665
2003 Series B	Variable	2033	25,000	25,000

Series	Interest rate	Final Maturity	Original Par	June 30, 2009 Bonds Outstanding, at Par
Residential Housing Finance Bonds (continued)				
2003 Series I	3.60% to 5.25%	2035	25,000	11,540
2003 Series J	Variable	2033	25,000	21,985
2004 Series A	3.20% to 4.25%	2018	22,480	19,455
2004 Series B	3.05% to 5.00%	2033	94,620	55,680
2004 Series C	4.70%	2035	14,970	13,110
2004 Series E-1	4.10% to 4.60%	2016	5,110	4,025
2004 Series E-2	4.40% to 4.60%	2016	6,475	5,100
2004 Series F-1	4.40% to 4.50%	2012	4,600	825
2004 Series F-2	4.00% to 5.25%	2034	36,160	25,745
2004 Series G	Variable	2032	50,000	41,750
2005 Series A	2.95% to 4.125%	2018	14,575	10,945
2005 Series B	4.75% to 5.00%	2035	20,425	16,870
2005 Series C	Variable	2035	25,000	21,405
2005 Series G	4.25% to 4.30%	2018	8,950	8,785
2005 Series H	3.60% to 5.00%	2036	51,050	42,725
2005 Series I	Variable	2036	40,000	34,605
2005 Series J	3.625% to 4.00%	2015	11,890	11,660
2005 Series K	3.55% to 4.40%	2028	41,950	34,165
2005 Series L	4.75% to 5.00%	2036	48,165	41,805
2005 Series M	Variable	2036	60,000	51,720
2005 Series O	3.90% to 4.20%	2015	4,510	4,510
2005 Series P	3.90% to 5.00%	2036	65,490	59,475
2006 Series A	3.40% to 4.00%	2016	$ 13,150	$ 10,655
2006 Series B	4.60% to 5.00%	2037	43,515	40,130
2006 Series C	Variable	2037	28,335	26,145
2006 Series F	3.65% to 4.25%	2016	11,015	9,145
2006 Series G	4.85% to 5.50%	2037	58,985	57,470
2006 Series H	5.85%	2036	15,000	12,570
2006 Series I	4.00% to 5.75%	2038	95,000	89,100
2006 Series J	6.00% to 6.51%	2038	45,000	42,185
2006 Series L	3.50% to 3.95%	2016	6,740	6,110
2006 Series M	4.625% to 5.75%	2037	35,260	35,085
2006 Series N	5.19% to 5.76%	2037	18,000	17,130
2007 Series C	3.50% to 3.95%	2017	12,515	11,595
2007 Series D	4.60% to 5.50%	2038	62,485	61,520
2007 Series E	Variable	2038	25,000	23,965
2007 Series H	3.65% to 3.95%	2017	12,230	12,230
2007 Series I	3.85% to 5.50%	2038	100,270	97,240
2007 Series J	Variable	2038	37,500	36,260
2007 Series L	3.70% to 5.50%	2048	105,000	103,705
2007 Series M	6.345%	2038	70,000	68,930
2007 Series P	3.50% to 3.90%	2017	4,305	4,295
2007 Series Q	3.70% to 5.50%	2038	42,365	42,285
2007 Series R	4.41% to 4.76%	2013	2,840	2,630
2007 Series S	Variable	2038	18,975	18,975
2007 Series T	Variable	2048	37,160	37,160
2008 Series A	1,85% to 4.65%	2023	25,090	25,090
2008 Series B	5.50% to 5.65%	2033	34,910	34,910
2008 Series C	Variable	2048	40,000	40,000
2009 Series A	1.30% to 5.20%	2023	26,795	26,795
2009 Series B	5.00% to 5.90%	2038	33,205	33,205

Series	Interest rate	Final Maturity	Original Par	June 30, 2009 Bonds Outstanding, at Par
Residential Housing Finance Bonds (continued)				
2009 Series C	Variable	2036	40,000	40,000
			2,033,370	1,735,690
Limited Obligation Notes				
2008	1.09%	2009	50,000	50,000
2008	1.25%	2009	40,910	40,910
2009-B	0.33%	2009	273,075	273,075
			363,985	363,985
Single Family Bonds				
1993 Series D	6.40%	2027	$ 17,685	$ 905
1993 Series F	6.25%	2020	9,500	390
1994 Series E	5.60% to 5.90%	2025	31,820	11,535
1994 Series T	6.125%	2017	16,420	460
1995 Series G	8.05%	2012	8,310	95
1995 Series H	6.40%	2027	19,240	990
1995 Series I	6.35%	2018	7,450	390
1995 Series M	5.40% to 5.875%	2017	32,025	2,290
1996 Series A	6.375%	2028	34,480	2,250
1996 Series B	6.35%	2019	$ 7,990	$ 1,150
1996 Series C	6.10%	2015	12,345	660
1996 Series D	6.00%	2017	23,580	775
1996 Series E	6.25%	2023	14,495	1,055
1996 Series F	6.30%	2028	18,275	1,335
1996 Series G	6.25%	2028	41,810	2,335
1996 Series H	6.00%	2021	13,865	770
1996 Series I	8.00%	2017	14,325	430
1996 Series J	5.60%	2021	915	60
1996 Series K	5.40%	2017	9,280	555
1997 Series A	5.80% to 5.95%	2017	22,630	1,720
1997 Series B	6.20%	2021	9,180	1,425
1997 Series C	6.25%	2029	27,740	1,625
1997 Series D	5.80% to 5.85%	2021	15,885	2,160
1997 Series E	5.90%	2029	23,495	1,845
1997 Series G	5.45% to 6.00%	2018	40,260	230
1997 Series I	5.50%	2017	9,730	1,990
1997 Series K	5.75%	2029	22,700	4,655
1998 Series A	4.80% to 5.20%	2017	5,710	965
1998 Series B	5.50%	2029	17,030	2,085
1998 Series C	4.75% to 5.25%	2017	21,775	2,430
1998 Series E	5.40%	2030	30,500	6,655
1998 Series F-1	5.00% to 5.45%	2017	10,650	1,060
1998 Series G-1	5.60%	2022	6,150	1,175
1998 Series H-1	5.65%	2031	14,885	2,830
1998 Series F-2	5.00% to 5.70%	2017	11,385	2,220
1998 Series G-2	6.00%	2022	6,605	2,355
1998 Series H-2	6.05%	2031	15,965	5,715
1999 Series B	5.00% to 5.25%	2020	18,865	6,260
1999 Series C	4.80% to 4.90%	2024	21,960	430
1999 Series D	5.45%	2031	23,975	7,630
1999 Series H	5.30% to 5.80%	2021	16,350	3,540

Series	Interest rate	Final Maturity	Original Par	June 30, 2009 Bonds Outstanding, at Par
Single Family Bonds(continued)				
1999 Series I	5.25% to 6.05%	2031	34,700	4,725
1999 Series J	5.00%	2017	4,745	2,070
1999 Series K	4.30% to 5.35%	2033	44,515	17,445
2000 Series A	5.25% to 5.85%	2020	18,650	5,845
2000 Series C	6.10%	2032	30,320	8,230
2000 Series F	Variable	2031	20,000	9,225
2000 Series G	4.40% to 5.40%	2025	39,990	16,070
2000 Series H	5.50%	2023	32,475	8,730
2000 Series I	5.20% to 5.80%	2019	20,185	5,320
2000 Series J	5.40% to 5.90%	2030	29,720	8,485
2001 Series A	5.35% to 5.45%	2022	14,570	6,215
2001 Series B	4.80% to 5.675%	2030	34,855	8,140
2001 Series E	3.20% to 4.90%	2035	23,000	15,860
			1,074,960	205,790
Combined Totals			$3,946,085	$2,470,010

The Agency uses special and optional redemption provisions to retire certain bonds prior to their stated maturity from unexpended bond proceeds and revenues in excess of scheduled debt service resulting primarily from loan prepayments.

Substantially all bonds are subject to optional redemption after various dates at an amount equal to 100% to 102% of the unpaid principal and accrued interest as set forth in the applicable series resolution.

Annual debt service requirements to maturity for bonds outstanding as of June 30, 2009, are as follows (in thousands):

	Rental Housing Bonds		Residential Housing Finance Fund Bonds (1)	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2010	$ 11,605	$ 7,672	$ 429,675	$ 66,136
2011	12,120	7,192	29,125	64,173
2012	12,375	6,671	30,285	63,064
2013	11,360	6,136	41,455	61,635
2014	12,800	5,646	33,600	60,146
2015-2019	37,810	22,049	193,880	279,107
2020-2024	23,220	13,833	223,545	238,007
2025-2029	17,450	9,010	317,165	187,642
2030-2034	12,300	4,970	398,130	120,788
2035-2039	7,220	2,391	373,270	43,968
2040-2044	4,375	1,106	13,960	2,449
2045-2049	1,910	150	15,855	829
Totals	$164,545	$86,826	$2,099,675	$1,187,944

	Single Family Bonds		Combined Totals	
Fiscal Year	Principal	Interest	Principal	Interest
2010	$ 5,535	$ 10,880	$ 446,815	$ 84,688
2011	6,435	10,601	47,680	81,966
2012	6,685	10,267	49,345	80,002
2013	7,095	9,911	59,910	77,682
2014	7,940	9,520	54,340	75,312
2015-2019	42,565	40,818	274,255	341,974
2020-2024	42,605	29,013	289,370	280,853
2025-2029	56,670	16,204	391,285	212,856
2030-2034	30,260	3,214	440,690	128,972
2035-2039	---	---	380,490	46,359
2040-2044	—	—	18,065	3,555
2045-2049	—	—	17,765	979
Totals	$205,790	$140,428	$2,470,010	$1,415,198

(1) Includes limited obligation notes

Principal due on limited obligation notes is reflected in the table above based on the maturity date of the notes. This presentation does not alter the expectation that these notes will be redeemed in whole or in part from proceeds of refunding bonds issued on or before the maturity date. Limited obligation notes are secured by certificates of deposit which are included in Investment Securities in the statement of net assets.

Principal due on short-term notes is reflected in the year of maturity of the individual notes, because short-term notes may not be remarketed. Notes are secured either by investment contracts structured to provide liquidity at each debt service payment date or by US Agency securities scheduled to mature at each debt service payment date in the amounts required at that date.

Residential Housing Finance Bonds 2003 Series B and J; 2004 Series G; 2005 Series C, I and M; 2006 Series C; 2007 Series E (Taxable), J (Taxable), S and T (Taxable); 2008 Series C; and 2009 Series C accrue interest at rates that change weekly as determined by a remarketing agent for such series based on market conditions. Future interest due for these bonds, as displayed above in the annual debt service requirements table, is based upon the respective rates in effect on June 30, 2009. Variable rate bond interest payments will vary as rates vary. Associated interest rate swaps are not included in the annual debt service requirements table. See the Swap Payments and Associated Debt table below to view those amounts.

Single Family Bonds, 2000 Series F accrue interest at a variable rate that is recalculated each calendar month. The rate is the one-month LIBOR (London Interbank Offered Rate) plus 0.30% per annum provided that the rate may not exceed 11.00% per annum. Future interest due for this series, as displayed above in the annual debt service requirements table, is based upon the calculated rate in effect on June 30, 2009. Interest payments on this series of bonds will vary as one-month LIBOR varies.

The income and assets of each of the bond funds are pledged on a parity basis for the payment of principal and interest on the bonds issued, and to be issued, by the respective programs. The bond resolutions contain covenants that govern the respective programs financed thereby and require the Agency to maintain certain reserves and meet certain reporting requirements. The Agency believes that as of June 30, 2009, it is in compliance with those covenants in all material respects and the assets of all funds and accounts in the bond funds equaled or exceeded the requirements as established by the respective bond resolutions.

Call notices were issued on or before June 30, 2009 for the redemption of certain bonds thereafter. See Subsequent Events.

Interest Rate Swaps

Objective of Swaps

The Agency has entered into interest rate swap agreements in connection with its issuance of variable rate mortgage revenue bonds since 2003. Using variable-rate debt hedged with interest-rate swaps reduces the

Agency's cost of capital compared to using long-term fixed rate bonds and, in turn, reduces mortgage rates offered to the Agency's low- and moderate-income, first-time home buyers.

Swap Payments and Associated Debt

Using rates as of June 30, 2009, debt service requirements of the Residential Housing Finance outstanding variable rate debt and net swap payments, assuming interest rates in effect on June 30, 2009 remain the same for the term of the bonds, are as follows (in thousands). As interest rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	Principal	Interest	Interest Rate Swaps, Net	Total
2010	$ 12,475	$2,099	$15,016	$29,590
2011	825	1,435	14,656	16,916
2012	870	1,431	13,901	16,202
2013	915	1,426	13,194	15,535
2014	1,290	1,421	12,551	15,262
2015-2019	20,025	8,349	65,202	93,576
2020-2024	59,750	7,685	47,527	114,962
2025-2029	104,525	6,284	32,670	143,479
2030-2034	141,435	4,188	21,302	166,925
2035-2039	126,270	1,723	9,329	137,322
2040-2044	19,785	450	1,858	22,093
2045-2049	12,830	171	674	13,675

Terms of Swaps

Terms of the swaps, including the fair values and the credit ratings of the three counterparties thereto as of June 30, 2009, are contained in the three tables below. Initial swap notional amounts matched original principal amounts of the associated debt. The Agency's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in outstanding principal amounts of the associated bond series. With respect to the outstanding swaps, the Agency has also purchased the cumulative right, generally based upon a 300% PSA prepayment rate (The Standard Prepayment Model of The Securities Industry and Financial Markets Association and formerly the Public Securities Association) on the underlying mortgage loans, to further reduce the notional balances of the swaps as necessary to correspond to the outstanding principal amount of the associated bond series and, except for the 2003B, 2003J and 2004G swaps, the right to terminate the swaps at par at approximately the 10-year anniversary date of the swap. The Agency also has the right to terminate outstanding swaps in whole or in part at fair value at any time if it is not in default thereunder.

Counterparty: UBS AG

Moody's and Standard & Poor's Credit Rating: Aa2/A+(2)

Associated Bond Series	Notional Amount as of June 30, 2009	Effective Date	Maturity Date	Fixed Rate Payable	Variable Rate To Be Received	Fair Value as of June 30, 2009[1]
RHFB 2003B	$25,000,000	July 23, 2003	January 1, 2033	3.532%	65% of 1 month LIBOR* plus 0.23% per annum	$ (842,548)
RHFB 2003J	21,985,000	October 15, 2003	July 1, 2033	4.183%	65% of 1 month LIBOR* plus 0.23% per annum	(2,122,346)
RHFB 2005C	21,405,000	March 2, 2005	January 1, 2035	3.587%	64% of 1 month LIBOR* plus 0.28% per annum	(1,305,813)
RHFB 2006C	26,145,000	March 21, 2006	January 1, 2037	3.788%	64% of 1 month	(2,116,936)

RHFB 2007S	18,975,000	December 19, 2007	July 1, 2038	4.340%	LIBOR* plus 0.29% per annum 100% of SIFMA** plus 0.06% per annum	(523,299)
RHFB 2007T (Taxable)	37,160,000	December 19, 2007	July 1, 2026	4.580%	100% of 1 month LIBOR*	(3,112,237)
Total	$150,670,000					$(10,023,179)

Counterparty: Royal Bank of Canada

Moody's and Standard & Poor's Credit Rating: Aaa/AA-(3)

Associated Bond Series	Notional Amount as of June 30, 2009	Effective Date	Maturity Date	Fixed Rate Payable	Variable Rate To Be Received	Fair Value as of June 30, 2009(1)
RHFB 2004G	$41,750,000	July 22, 2004	January 1, 2032	4.165%	64% of 1 month LIBOR* plus 0.26% per annum	$(3,610,934)
RHFB 2007E (Taxable)	23,965,000	March 7, 2007	July 1, 2038	5.738%	100% of 1 month LIBOR*	(2,778,528)
RHFB 2007J (Taxable)	36,260,000	May 17, 2007	July 1, 2038	5.665%	100% of 1 month LIBOR*	(4,078,933)
RHFB 2008C	40,000,000	August 7, 2008	July 1, 2048	4.120%	64% of 1 month LIBOR* plus 0.30% per annum	(3,956,770)
RHFB 2009C	40,000,000	February 12, 2009	July 1, 2039	3.070%	64% of 1 month LIBOR* plus 0.30% per annum	(5,065,148)
Total	$181,975,000					$(19,490,313)

Counterparty: Citibank, N.A.

Moody's and Standard & Poor's Credit Rating: A1/A+(4)

Associated Bond Series	Notional Amount as of June 30, 2009	Effective Date	Maturity Date	Fixed Rate Payable	Variable Rate To Be Received	Fair Value as of June 30, 2009(1)
RHFB 2005I	$34,605,000	June 2, 2005	January 1, 2036	3.570%	64% of 1 month LIBOR* plus 0.28% per annum	$(2,230,375)
RHFB 2005M	51,720,000	August 4, 2005	January 1, 2036	3.373%	64% of 1 month LIBOR* plus 0.29% per annum	(2,861,053)
Total	$ 86,325,000					$ (5,091,428)
Combined Totals	$418,970,000					$(34,604,920)

(1) A negative fair value represents money due from the Agency to the counterparty upon an assumed termination on June 30, 2009. A positive fair value represents the amount due the Agency by the counterparty upon such assumed termination

(2) Moody's Investor Service, Inc has placed the "Aa2" rating of this counterparty (USB AG) on negative watch and Standard & Poor's Rating Service has given the A+ rating of this counterparty (USB AG) a stable outlook.

(3) Moody's Investors Service, Inc. has given the "Aaa" rating of this counterparty (Royal Bank of Canada) a negative outlook and Standard & Poor's Services has given the "AA-" rating of this counterparty (Royal Bank of Canada) a stable outlook.

(4) Moody's Investor Services, Inc. has given the "A1" rating to this counterparty (Citibank, N.A.) a stable outlook and Standard & Poor's Rating Services has given the "A+" rating of this counterparty (Citibank, N.A.) a stable outlook.

*London Interbank Offered Rate.

**Securities Industry and Financial Markets Association

Swap Valuation

The fair values presented in the foregoing tables were estimated by the Agency's counterparties to the swaps and approximate the termination payments that would have been due had the swaps been terminated as of June 30, 2009. A positive fair value represents the amount due the Agency by the counterparty upon termination of the swap while a negative fair value represents the amount payable by the Agency.

Termination Risk

The swap contracts may be terminated by either party if the other party fails to perform under the terms of the contract or upon certain termination events. Upon termination at market, a payment is due by one or both parties based upon the fair value of the swap even if the payment is owed to a defaulting party. The potential termination risks to the Agency are the liability for a termination payment to the counterparty or the inability to replace the swap upon favorable financial terms, in which event the variable rate bonds would no longer be hedged. To reduce the risk of termination, swap contracts limit counterparty terminations to the following Agency actions or events: payment default, other defaults that remain uncured for 30 days after notice, bankruptcy and insolvency.

Credit Risk

A swap potentially exposes the Agency to credit risk with the counterparty. The fair value of a swap represents the Agency's current credit exposure to the swap counterparty upon a termination event. As of June 30, 2009, the Agency did not have a net credit risk exposure to any of its three counterparties because their respective combined swap positions had a negative net fair value, as set forth in the foregoing tables. The swap agreements contain varying collateral requirements based upon the Agency's and the counterparties' credit ratings and the fair values of the swaps. These bilateral requirements are established to mitigate potential credit risk exposure. As of June 30, 2009, neither the Agency nor any counterparty had been required to post collateral.

Amortization Risk

The Agency is subject to amortization risk because prepayments from the mortgage loan portfolio may cause the outstanding amount of variable rate bonds to decline faster than the amortization of the swap. To ameliorate amortization risk, termination options were structured within most of the outstanding swaps to enable the Agency to manage the outstanding balances of variable rate bonds and notional swap amounts. Additionally, the Agency may terminate outstanding swaps in whole or in part at fair value at any time if it is not in default thereunder.

Basis Risk

The potential for basis risk exists when variable interest payments on the Agency's bonds do not equal variable interest receipts payable by the counterparty under the associated swap. The variable rate the Agency pays on its bonds resets weekly, but the variable rate received on its swaps is based upon a specified percentage of the one-month, taxable LIBOR rate or the SIFMA rate, plus a specified spread if the swap relates to tax-exempt bonds. Basis risk will vary over time due to inter-market conditions. As of June 30, 2009, the interest rate on the Agency's variable rate tax-exempt debt ranged from 0.36% to 0.39% per annum while the variable interest rate on the associated swaps ranged from 0.41% to 1.02% per annum. As of June 30, 2009, the interest rate on the Agency's variable rate taxable debt was 0.55% per annum while the variable interest rate on the corresponding swaps ranged from 0.31% to 0.32% per annum. In order to reduce the cumulative effects of basis risk on the swaps relating to tax-exempt variable rate debt, the determination of the spread from one-month LIBOR payable by the counterparty under the swap has been based upon a regression analysis of the long-term relationship between one-month LIBOR and the tax-exempt variable rate SIFMA index (which ordinarily would approximate the weekly variable rate on the Agency's tax-exempt variable rate bonds).

Tax Risk

The structure of the variable interest rate payments the Agency receives from its LIBOR-based swap contracts relating to tax-exempt variable rate bonds is based upon the historical long-term relationship between taxable and tax-exempt short-term interest rates. Tax risk represents the risk that may arise due to a change in the tax code that may fundamentally alter this relationship. The Agency chose to assume this risk at the time the swaps were entered into because it was not economically favorable to transfer to the swap counterparties.

Conduit Debt Obligation

On December 21, 2005, the Agency issued tax-exempt bonds on a conduit basis for a certain Minnesota nonprofit corporation. The proceeds of the bonds were used by the corporation to refinance certain HUD Section 202 elderly housing projects. The bonds were sold on a private placement basis. As of June 30, 2009, $31.7 million of the bonds were outstanding. Neither the Agency, the State of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Accounts Payable and Other Liabilities (continued)

Accounts payable and other liabilities at June 30, 2009 consisted of the following (in thousands):

Funds	Arbitrage Rebate Payable to the Federal Government and Yield Compliance Liability	Accrued Salaries, Compensated Absences and Employee Benefits	Other Liabilities and Accounts Payable	Total
General Reserve	$ —	$3,017	$ 849	$ 3,866
Rental Housing	4,496	—	21	4,517
Residential Housing Finance	3,961	—	3,183	7,144
Single Family	1,798	—	59	1,857
State Appropriated	—	—	1,057	1,057
Federal Appropriated	—	—	2,875	2,875
Agency-wide Totals	$10,255	$3,017	$8,044	$21,316

The amount of arbitrage rebate payable and yield compliance liability that is not due within one year in Rental Housing is $4.496 million, in Residential Housing Finance is $3.845 million and in Single Family is $0.938 million, for a total of $9.279 million.

Interfund Balances

Interfund balances displayed as Interfund Payable (Receivable) at June 30, 2009 consisted of the following (in thousands):

		Due from						
	Funds	General Reserve	Rental Housing	Residential Housing Finance	Single Family	State Appropriated	Federal Appropriated	Total
Due to	General Reserve	$ —	$ —	$ —	$ —	$ —	$652	$ 652
	Rental Housing	—	—	—	—	—	—	—
	Residential Housing Finance	7,907	—	—	22,482	—	—	30,389
	Single Family	—	—	—	—	—	—	—
	State Appropriated	396	—	128	128	—	—	652
	Federal Appropriated	—	—	92	—	—	—	92
	Agency-wide Totals	$8,303	$ —	$220	$22,610	$ —	$652	$31,785

The $22.482 million due Residential Housing Finance reflects advances made to Single Family in fiscal year 2006 and accrued interest on those advances. The advances were made to take advantage of economically favorable conditions for optionally redeeming bonds in Single Family. Repayment of the advances is made according to the original debt repayment schedule. The portion that will not be repaid within one year is $21.065 million.

All remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Interfund transfers recorded in Interfund Payable (Receivable) for the year ended June 30, 2009 consisted of the following (in thousands)

		Transfer from						
	Funds	**General Reserve**	**Rental Housing**	**Residential Housing Finance**	**Single Family**	**State Appropriated**	**Federal Appropriated**	**Total**
Transfer to	General Reserve	$—	$1,650	$16,158	$1,999	$8,067	$1,654	$29,528
	Rental Housing	—	—	—	—	—	—	—
	Residential Housing Finance	64	10	—	2,220	1,312	2,410	5,952
	Single Family	—	—	1	—	—	—	1
	State Appropriated	—	—	9	10	—	—	83
	Federal Appropriated	—	370	—	—	—	—	370
	Agency-wide Totals	$64	$2,030	$16,168	$4,229	$9,379	$4,064	$35,934

Interfund transfers recorded in Interfund Payable (Receivable) were made to move loan payments that were deposited for administrative convenience in a fund not holding the loans; to make administrative reimbursements to the General Reserve from other funds; to pay for loans transferred between funds including $1.312 million of entry cost assistance loans transferred from Residential Housing Finance to State Appropriated; to repay funds advanced by State Appropriated to Federal Appropriated for assistance to hurricane victims, and to make payments from Single Family to Residential Housing Finance on loans outstanding between those funds.

Interfund transfers recorded in Non-operating Transfer of Assets Between Funds for the year ended June 30, 2009, consisted of the following (in thousands):

		Transfer from						
	Funds	**General Reserve**	**Rental Housing**	**Residential Housing Finance**	**Single Family**	**State Appropriated**	**Federal Appropriated**	**Total**
Transfer to	General Reserve	$ —	$ —	$—	$—	$—	$—	$ —
	Rental Housing	—	—	—	—	—	—	—
	Residential Housing Finance	6,556	9,500	—	—	—	—	16,056
	Single Family	—	—	—	—	—	—	—
	State Appropriated	—	—	—	—	—	—	—
	Federal Appropriated	—	—	—	—	—	—	—
	Agency-wide Totals	$6,556	$9,500	$—	$—	$—	$—	$16,056

Interfund transfers recorded in Non-operating Transfer of Assets Between Funds normally result from bond sale contributions to new debt issues in other funds, the transfer of assets to maintain the Housing Endowment Fund requirement and periodic transfers from the bond funds of assets in excess of bond resolution requirements.

Net Assets

Restricted by Bond Resolution

Restricted by Bond Resolution Net Assets represents those funds restricted within the respective bond resolution due to the specific provisions of the bond resolutions.

Restricted by Covenant

In accordance with provisions of the respective bond resolutions, the Agency may transfer money from bond funds to General Reserve. The Agency has pledged to deposit in General Reserve any such funds transferred from the bond funds, except for any amounts as may be necessary to reimburse the state for money appropriated to restore a deficiency in any debt service reserve fund. The Agency further covenanted that it will use the money in General Reserve (or any such transferred funds deposited directly in the Alternative Loan Fund) only for the administration and financing of programs in accordance with the policy and purpose of the Minnesota Housing enabling legislation, including reserves for the payment of bonds and of loans made from the proceeds thereof, and will accumulate and maintain therein such a balance of funds and investments as will be sufficient for that purpose. All interfund transfers are approved by the Board of the Agency.

In order to provide financial security for the Agency's general obligation bonds, and to provide additional resources for housing loans to help meet the housing needs of low- and moderate-income Minnesota residents, the Agency's Board adopted the investment guidelines in the following table. These guidelines are periodically evaluated in consideration of changes in the economy and in the Agency's specific risk profile.

The $481.528 million of net assets restricted by covenant are restricted by a covenant made with bondholders authorized by the Agency's enabling legislation.

The Housing Endowment Fund (Pool 1) is maintained in the Restricted by Covenant Net Assets of General Reserve. The Housing Investment Fund (Pool 2) and the Housing Affordability Fund (Pool 3) are maintained in the Restricted by Covenant Net Assets of Residential Housing Finance fund.

The combined net assets of the General Reserve and bond funds (exclusive of Pool 3) are required by Board Resolution to be not less than the combined net assets of the same funds as of the immediately preceding fiscal year end. These combined net assets were $662.124 million as of June 30, 2008 and are $668.242 million as of June 30, 2009.

The following table describes total net assets restricted by covenant, including the balances to be maintained according to the Agency's Board guidelines, as of June 30, 2009 (in thousands):

Net Assets — Restricted By Covenant	Certain Balances Maintained According to Agency's Board Guidelines	Unrealized Appreciation (Depreciation) in Fair Market Value of Investments	Mitigate Pool 1 Unrealized Depreciation in Fair Market Value	Total Net Assets Restricted by Covenant
Housing Endowment Fund (Pool 1), General Reserve				
Pool 1 is an amount equal to 1% of gross loans outstanding (excluding Pool 3 and appropriated loans) and must be invested in short-term, investment-grade securities at market interest rates	$ 24,081	$—	$—	$ 24,081
Unrealized depreciation in fair market value of investments, excluding multifamily development escrow investments	—	—	—	—
Subtotal, Housing Endowment Fund (Pool 1), General Reserve	$ 24,081	$—	$—	$ 24,081
Housing Investment Fund (Pool 2), Residential Housing Finance				
An amount that causes the combined net assets in the General Reserve Account and bond funds (exclusive of	374,860	—	—	374,860

Pool 3) to be the greater of the combined net assets of the same funds for the immediately preceding audited fiscal year end or the combined net assets of the same funds for the immediately preceding fiscal year end plus current fiscal year income over expenses and transfers to Pool 2 less an amount transferred to Pool 3 ($0 for fiscal 2009). Pool 2 is invested in investment-quality housing loans, as defined by the Agency, or investment-grade securities.				
Unrealized depreciation in fair market value of investments	—	(10)	—	(10)
Subtotal, Housing Investment Fund (Pool 2), Residential Housing Finance	374,860	(10)	—	374,850
Housing Affordability Fund (Pool 3), Residential Housing Finance				
Funds in excess of Pool 1 and Pool 2 requirements are transferred to Pool 3. Assets are invested in deferred loans, zero percent and low interest-rate loans, other loans with higher than ordinary risk factors, or investment-grade securities.	81,851	—	—	81,851
Unrealized appreciation in fair market value of investments	—	746	—	746
Subtotal, Housing Affordability Fund (Pool 3), Residential Housing Finance	81,851	746	—	82,597
Agency-wide Total	$480,792	$736	$—	$481,528

Restricted by Law

Undisbursed, recognized federal and state appropriations are classified as Net Assets Restricted by Law. The $11.322 million of net assets restricted by law in the Federal Appropriated fund as of June 30, 2009 are restricted by federal requirements that control the use of the funds. The $123.558 million of net assets restricted by law in the State Appropriated fund as of June 30, 2009 are restricted by the state laws appropriating such funds.

Defined Benefit Pension Plan

The Agency contributes to the Minnesota State Retirement System (the System), a multiple-employer public employee retirement system, which provides pension benefits for all permanent employees.

Employees who retire at "normal" retirement age or, for those hired on or before June 30, 1989, at an age where they qualify for the "Rule of 90" (i.e., at an age where age plus years of service equals or exceeds 90) are entitled to an unreduced monthly benefit payable for life. For those hired on or before June 30, 1989, normal retirement age is age 65, or age 62 with 30 years of service. For those hired after June 30, 1989, normal retirement age is the Social Security retirement age. The monthly benefit is calculated according to the "step formula" for anyone retiring under the Rule of 90. For those hired on or before June 30, 1989 and not retiring under the Rule of 90, the monthly benefit is calculated according to the step formula or the "level formula," whichever provides the largest benefit. For those hired after June 30, 1989, the monthly benefit is calculated according to the level formula. Under the step formula, an employee earns a 1.2% credit for each of the first 10 years of employment and a 1.7% credit for each year thereafter. The monthly benefit is then determined by applying the sum of these credits to the average monthly salary earned during the employee's five years of greatest earnings. Under the level formula the monthly benefit is computed just as it is under the step formula except that an employee earns a 1.7% credit for each year of employment, not just for those years beyond the first 10. A reduced benefit is available to those retiring at age 55 with at least three years of service. With 30 years of service, a reduced benefit is available at any age to those hired on or before June 30, 1989. The System also provides death and disability benefits. Benefits are established by Minnesota state law.

The statutory pension contribution rates for the employee and employer (as a percentage of salary) are as follows.

Effective Date	Employee	Employer
07/01/08	4.50%	4.50%
07/01/09	4.75%	4.75%
07/01/10	5.00%	5.00%

The Agency's pension contribution to the System for the year ended June 30, 2009 was $631 thousand.

Details of the benefit plan are provided on a System-wide basis. The Agency portion is not separately determinable. The funding status of the System's benefit plan is summarized as follows.

Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Actual Covered Payroll (Previous FY)	UAAL as a % of Covered Payroll
07/01/08	$9,013,456	$9,994,602	$981,146	90.18%	$2,256,528	43.48%
07/01/07	8,904,517	9,627,305	722,788	92.49%	2,095,310	34.50%
07/01/06	8,486,756	8,819,161	332,405	96.23%	2,016,588	16.48%

Schedule of Employer Contributions
(dollars in thousands)

Year Ended June 30	Actuarially Required Contribution Rate	Actual Covered Payroll	Actual Member Contributions	Annual Required Employer Contributions	Actual Employer Contributions*	Percent Contributed
2008	11.76%	$2,256,528	$99,280	$166,088	$96,746	58.25%
2007	10.11%	2,095,310	89,447	122,389	86,492	70.67%
2006	10.55%	2,016,588	85,379	127,371	82,645	64.88%

*This includes contributions from other sources (if applicable).

The information presented was as of July 1, 2008, which is the latest actuarial information available.

The above summarizes the defined benefit pension plan. Please refer to the July 1, 2008, Minnesota State Employees Retirement Fund Actuarial Valuation and Review for a more comprehensive description. The actuarial valuation and review can be obtained from the financial information page of the Minnesota State Retirement System web site at www.msrs.state.mn.us. The information contained in that web site is also available in alternative formats to individuals with disabilities. Please call 1-800-657-5757 or use the MN Relay Service at 1-800-627-3529.

Other Postemployment Benefits

The Agency's employees participate in the State of Minnesota-sponsored hospital, medical, and dental insurance group. State statute requires that former employees and their dependents be allowed to continue participation indefinitely, under certain conditions, in the insurance that the employees participated in immediately before retirement. The former employees must pay the entire premium for continuation coverage. An implicit rate subsidy exists for the former participants that elect to continue coverage. That subsidy refers to the concept that retirees under the age of 65 (i.e. not eligible for Medicare) generate greater claims on average than active participants.

The State of Minnesota obtained an actuarial valuation from an independent firm of its postretirement medical benefits as of July 1, 2006 to determine its other postemployment benefits (OPEB) liability. The state intends to fund the OPEB liability on a "pay as you go" basis. The State and the Agency recorded the liability for the first time during fiscal 2008. The State calculated the Agency's portion of the OPEB obligation based upon active employee count. For the Agency in fiscal 2008, the annual required contribution (ARC) was $96 thousand, the employer contribution was $58 thousand and the net OPEB obligation (NOO) was $38 thousand. The NOO is estimated at $40 thousand for fiscal 2009. The NOO was recorded as an expense and a corresponding liability by the Agency.

This is a cost sharing plan. The State of Minnesota has not prepared separate financial statements for the plan. The actuarial method used to determine the actuarial accrued liability and the annual required contribution was the entry age normal method. The assumed discount rate was 4.75% and the assumed payroll growth rate was 4.0%. Future retirees who are eligible for an implicit subsidy are assumed to elect coverage at a 50% rate. The projected annual medical claims cost trend rate is 9.13% initially, reduced by decrements to an ultimate rate of 5.0% for the year 2026 and beyond. Mortality was determined using 1983 Group Annuity Mortality Tables.

The funding status, from the report dated July 31, 2008, which is the latest available, is described in the following tables on a plan-wide basis. The Agency portion is not separately determinable. The State of Minnesota also subsidizes the healthcare and dental premium rates for certain other state agency retirees. That liability is reflected in the tables along with the implicit rate subsidy.

The funding status is summarized as follows.

Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/06	$0	$564,809	$564,809	0.0%	$1,961,643	28.79%

Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
06/30/08	$56,314	$24,611	43.70%	$31,703

Development of NOO and Annual OPEB Cost Pursuant to GASB No. 45
(dollars in thousands)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Interests on NOO	ARC Adjustment with Interest (h) / (e) * 1.0475	Amortization Factor	Annual OPEB Cost (a) + (c) – (d)	Change in NOO (f) – (b)	NOO Balance LY + (g)
06/30/07								$ —
06/30/08	$56,314	$24,611	$—	$—	27.0839*	$56,314	$31,703	$31,703

*30-year amortization using 4.75% interest and 4.00% payroll growth.

Risk Management

Minnesota Housing is exposed to various insurable risks of loss related to tort; theft of, damage to, or destruction of assets; errors or omissions; and employer obligations. Minnesota Housing manages these risks through State of Minnesota insurance plans including the State of Minnesota Risk Management Fund (a self-insurance fund) and through purchased insurance coverage. Property, casualty, liability, and crime coverage is provided by the Minnesota Risk Management Fund which may also purchase other insurance from qualified insurers for Minnesota Housing's needs. Minnesota Housing bears a $1,000 deductible per claim for the following coverage limits.

Type of coverage	Coverage Limit
Real and personal property loss	$ 5,048,558
Business interruption/loss of use/extra expense	50,000,000

Bodily injury and property damage per person	500,000
Bodily injury and property damage per occurrence	1,500,000
Faithful performance/commercial crime	14,000,000
Employee dishonesty	250,000

Minnesota Housing retains the risk of loss, although there have been no settlements or actual losses in excess of coverage in the last three years.

The Agency participates in the State Employee Group Insurance Plan, which provides life insurance and hospital, medical, and dental benefits coverage through provider organizations.

Minnesota Housing participates in the State of Minnesota Workers' Compensation Program. Annual premiums are assessed by the program based on average costs and claims. Minnesota Housing workers compensation costs and claims have been negligible during the last three years.

Commitments

As of June 30, 2009, the Agency had committed the following amounts for the purchase or origination of future loans or other housing assistance amounts (in thousands):

Funds	Amount
General Reserve	$ —
Rental Housing	578
Residential Housing Finance	92,493
Single Family	—
State Appropriated	102,296
Federal Appropriated	17,813
Agency-wide Totals	$213,180

Board-approved selections of future loans or other housing assistance for multifamily housing projects are included in the above table. Multifamily developers frequently proceed with their projects based upon their selection by the Board and, therefore, a selection is treated like a de facto commitment although it is merely a reservation of funds. The Agency retains the unilateral discretion to cancel any reservation of funds that has not been formally and legally committed.

The Agency has cancelable lease commitments for office facilities through May 2012 and for parking through February 2010. Combined office facilities and parking lease expense for the fiscal year ended June 30, 2009 was $1.199 million. Commitments for future minimum lease payments under cancelable leases for office facilities and parking are (in thousands):

	2010	2011	2012	Fiscal Year Total
Amount	$1,094	$1,011	$927	$3,032

On June 30, 2009 the Agency had in place a $8.5 million revolving line of credit with the Federal Home Loan Bank of Des Moines collateralized with $9.8 million of homeownership loans that reside in Pool 2. A $4.0 million advance was taken in January 2009 and repaid in February 2009. The advance was used to warehouse homeownership loans in Pool 2. There are no advances outstanding as of June 30, 2009.

The Agency is a party to various litigation arising in the ordinary course of business. While the ultimate effect of such actions cannot be predicted with certainty, the Agency expects that the outcome of these matters will not result in a material adverse effect on General Reserve's financial position or results of operations.

Subsequent Events

The Agency called for redemption subsequent to June 30, 2009 the following bonds (in thousands):

Program	Redemption Date	Par
Residential Housing Finance	July 1, 2009	$33,360
Single Family	July 1, 2009	8,480

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MINNESOTA HOUSING FINANCE AGENCY
Supplementary Information (Unaudited)
General Reserve and Bond Funds
Five Year Financial Summary (in thousands)
Fiscal Years 2005 – 2009

		2005	2006	2007	2008	2009
Loans Receivable, net (as of June 30)	Multifamily programs	$ 350,881	$ 350,661	$ 348,974	$ 346,509	$ 348,563
	Homeownership programs	1,061,556	1,302,544	1,588,871	1,899,313	1,934,766
	Home improvement programs	101,657	123,531	121,977	115,452	108,893
	Total	$1,514,094	$1,776,736	$2,059,822	$2,361,274	$2,392,222
Bonds Payable, net[(1)] (as of June 30)	Multifamily programs	$ 201,200	$ 200,744	$ 191,691	$ 178,431	$ 162,288
	Homeownership programs	1,794,886	1,725,347	2,187,297	2,217,945	2,296,445
	Home improvement programs	20,000	20,000	20,000	15,000	15,000
	Total	$2,016,086	$1,946,091	$2,398,988	$2,411,376	$2,473,733
Loans purchased or originated during fiscal year	Multifamily programs	$ 20,056	$ 29,534	$ 19,306	$ 30,169	$ 41,897
	Homeownership programs	305,899	393,866	424,436	436,263	207,050
	Home improvement programs	44,279	51,119	29,456	19,883	17,977
	Total	$ 370,234	$ 474,519	$ 473,198	$ 486,315	$ 266,924
Net Assets (as of June 30)	Total net assets	$ 697,192	$ 719,887	$ 750,990	$ 764,459	$ 750,839
	Net assets as a percent of total assets	24.5%	25.7%	22.8%	23.0%	22.3%
Revenues over Expenses	Revenues over expenses for the fiscal year	$ 30,214	$ 22,695	$ 31,103	$ 13,469	$ (13,620)

Notes:

(1) Amounts are net of unamortized bond issuance costs in 2005.

MINNESOTA HOUSING FINANCE AGENCY
Supplementary Information (Unaudited)
Statement of Net Assets (in thousands)
General Reserve and Bond Funds
June 30, 2009 (with comparative totals as of June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance Excluding Pool 3	Single Family
Assets	Cash and cash equivalents	$ 95,364	$ 26,170	$ 178,685	$ 66,064
	Investment securities	19,685	35,280	431,361	7,322
	Loans receivable, net	—	193,685	1,954,933	221,552
	Interest receivable on loans	—	1,068	12,610	1,488
	Interest receivable on investments	387	675	388	99
	Mortgage insurance claims receivable	—	—	7,963	2,409
	Real estate owned	—	—	12,071	1,030
	Unamortized bond issuance costs	—	1,799	10,049	1,850
	Capital assets, net	2,585	—	—	—
	Other assets	1,286	2	—	1
	Total assets	$119,307	$258,679	$2,608,060	$301,815
Liabilities	Bonds payable, net	$ —	$162,288	$2,105,655	$205,790
	Interest payable	—	3,245	41,254	5,457
	Accounts payable and other liabilities	3,866	4,517	4,562	1,857
	Interfund payable (receivable)	7,651	—	(30,257)	22,610
	Funds held for others	81,124	—	—	—
	Total liabilities	92,641	170,050	2,121,214	235,714
	Commitments and contingencies				
Net Assets	Restricted by bond resolution	—	88,629	111,996	66,101
	Restricted by covenant	24,081	—	374,850	—
	Invested in capital assets	2,585	—	—	—
	Total net assets	26,666	88,629	486,846	66,101
	Total liabilities and net assets	$119,307	$258,679	$2,608,060	$301,815

General Reserve & Bond Funds, Excluding Pool 3 Total as of June 30, 2009	Residential Housing Finance Pool 3	General Reserve & Bond Funds Total as of June 30, 2009	General Reserve & Bond Funds Total as of June 30, 2008
$ 366,283	$ 2,128	$ 368,411	$ 646,004
493,648	60,786	554,434	271,563
2,370,170	22,052	2,392,222	2,361,274
15,166	69	15,235	12,294
1,549	232	1,781	7,989
10,372	—	10,372	3,811
13,101	—	13,101	7,037
13,698	—	13,698	14,362
2,585	—	2,585	3,237
1,289	—	1,289	1,700
$3,287,861	$85,267	$3,373,128	$3,329,271
$2,473,733	$ —	$2,473,733	$2,411,376
49,956	—	49,956	53,009
14,802	2,582	17,384	22,127
4	88	92	(4,091)
81,124	—	81,124	82,391
2,619,619	2,670	2,622,289	2,564,812
266,726	—	266,726	284,344
398,931	82,597	481,528	476,878
2,585	—	2,585	3,237
668,242	82,597	750,839	764,459
$3,287,861	$85,267	$3,373,128	$3,329,271

MINNESOTA HOUSING FINANCE AGENCY
Supplementary Information (Unaudited)
Statement of Revenues, Expenses and Changes in Net Assets (in thousands)
General Reserve and Bond Funds
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance Excluding Pool 3	Single Family
Revenues	Interest earned on loans	$ —	$12,946	$112,788	$14,921
	Interest earned on investments	874	2,182	16,177	3,735
	Administrative reimbursement	24,375	—	—	—
	Fees earned and other income	8,805	691	374	—
	Unrealized gains on securities	—	313	(1,727)	224
	Total revenues	34,054	16,132	127,612	18,880
Expenses	Interest	—	8,831	89,489	13,966
	Loan administration and trustee fees	—	136	6,062	809
	Administrative reimbursement	—	1,650	13,079	1,999
	Salaries and benefits	17,743	—	—	—
	Other general operating	8,601	—	109	—
	Reduction in carrying value of certain low interest rate deferred loans	—	—	—	—
	Provision for loan losses	—	(560)	25,404	3,242
	Total expenses	26,344	10,057	134,143	20,016
	Revenues over (under) expenses	7,710	6,075	(6,531)	(1,136)
Other changes	Non-operating transfer of assets between funds	(7,907)	(9,500)	17,407	—
	Change in net assets	(197)	(3,425)	10,876	(1,136)
Net Assets	Total net assets, beginning of year	26,863	92,054	475,970	67,237
	Total net assets, end of year	$26,666	$88,629	$486,846	$66,101

General Reserve & Bond Funds, Excluding Pool 3 Total For The Year Ended June 30, 2009	Residential Housing Finance Pool 3	General Reserve & Bond Funds Total For The Year Ended June 30, 2009	General Reserve & Bond Funds Total For The Year Ended June 30, 2008
$140,655	$ 368	$141,023	$133,776
22,968	2,894	25,862	42,533
24,375	—	24,375	23,708
9,870	78	9,948	10,485
(1,190)	169	(1,021)	2,747
196,678	3,509	200,187	213,249
112,286	—	112,286	115,556
7,007	9	7,016	6,786
16,728	980	17,708	16,878
17,743	—	17,743	16,582
8,710	1,225	9,935	20,062
—	20,302	20,302	14,894
28,086	731	28,817	9,022
190,560	23,247	213,807	199,780
6,118	(19,738)	(13,620)	13,469
—	—	—	—
6,118	(19,738)	(13,620)	13,469
662,124	102,335	764,459	750,990
$668,242	$82,597	$750,839	$764,459

MINNESOTA HOUSING FINANCE AGENCY
Supplementary Information (Unaudited)
Statement of Cash Flows (in thousands)
General Reserve and Bond Funds
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

		General Reserve	Bond Funds: Rental Housing	Bond Funds: Residential Housing Finance Excluding Pool 3	Bond Funds: Single Family
Cash flows from operating activities	Principal repayments on loans	$ —	$17,277	$105,273	$26,606
	Investment in loans	—	—	(241,491)	—
	Interest received on loans	—	13,198	109,285	14,161
	Other operating	—	—	(109)	—
	Fees and other income received	8,784	691	378	—
	Salaries, benefits and vendor payments	(24,482)	(141)	(6,248)	(816)
	Administrative reimbursement from funds	26,468	(1,650)	(15,178)	(1,999)
	Interest transferred to funds held for others	(2,706)	—	—	—
	Deposits into funds held for others	31,523	—	—	—
	Disbursements made from funds held for others	(33,154)	—	—	—
	Interfund transfers and other assets	1,553	(8)	30,283	(108)
	Net cash provided (used) by operating activities	7,986	29,367	(17,807)	37,844
Cash flows from noncapital financing activities	Proceeds from sale of bonds and notes	—	—	1,075,810	—
	Principal repayment on bonds and notes	—	(16,610)	(944,275)	(50,660)
	Interest paid on bonds and notes	—	(8,351)	(90,280)	(13,429)
	Financing costs paid related to bonds issued	—	—	(2,534)	—
	Interest paid/received between funds	—	—	1,087	(1,435)
	Principal paid/received between funds	—	—	(43,483)	(685)
	Premium paid on redemption of bonds	—	—	—	—
	Transfer of cash between funds	(6,556)	(9,500)	16,056	—
	Net cash provided (used) by noncapital financing activities	(6,556)	(34,461)	12,381	(66,209)
Cash flows from investing activities	Investment in real estate owned	—	—	(1,255)	(303)
	Interest received on investments	3,935	2,354	18,600	3,815
	Proceeds from sale of mortgage insurance claims/real estate owned	—	—	22,371	2,793
	Proceeds from maturity, sale or transfer of investment securities	27,255	17,055	380,582	2,552
	Purchase of investment securities	—	(39,015)	(675,369)	(3,421)
	Purchase of loans between funds	—	—	(1)	1
	Net cash provided (used) by investing activities	31,190	(19,606)	(255,072)	5,437
	Net increase (decrease) in cash and cash equivalents	32,620	(24,700)	(260,498)	(22,928)
Cash and cash equivalents	Beginning of year	62,744	50,870	439,183	88,992
	End of year	$95,364	$26,170	$178,685	$66,064

General Reserve & Bond Funds Excluding Pool 3 Total For The Year Ended June 30, 2009	Residential Housing Finance Pool 3	Total General Reserve & Bond Funds Total For The Year Ended June 30, 2009	Total General Reserve & Bond Funds Total For The Year Ended June 30, 2008
$149,156	$ 1,542	$150,698	$139,139
(241,491)	(25,433)	(266,924)	(486,315)
136,644	332	136,976	129,661
(109)	(5,265)	(5,374)	(4,541)
9,853	61	9,914	10,547
(31,687)	(162)	(31,849)	(29,899)
7,641	(980)	6,661	7,423
(2,706)	—	(2,706)	(3,627)
31,523	—	31,523	31,897
(33,154)	—	(33,154)	(29,655)
31,720	(28,486)	3,234	(5,277)
57,390	(58,391)	(1,001)	(240,647)
1,075,810	—	1,075,810	633,221
(1,011,545)	—	(1,011,545)	(618,650)
(112,060)	—	(112,060)	(107,307)
(2,534)	—	(2,534)	(2,689)
(348)	348	—	—
(44,168)	44,168	—	—
—	—	—	—
—	—	—	—
(94,845)	44,516	(50,329)	(95,425)
(1,558)	(41)	(1,599)	(1,010)
28,704	2,974	31,678	44,555
25,164	—	25,164	14,419
427,444	163,057	590,501	518,761
(717,805)	(155,514)	(873,319)	(361,249)
—	1,312	1,312	2,065
(238,051)	11,788	(226,263)	217,541
(275,506)	(2,087)	(277,593)	(118,531)
641,789	4,215	646,004	764,535
$366,283	$ 2,128	$368,411	$646,004

(continued)

MINNESOTA HOUSING FINANCE AGENCY
Supplementary Information (Unaudited)
Statement of Cash Flows (in thousands)
General Reserve and Bond Funds (continued)
Year ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

			Bond Funds		
		General Reserve	Rental Housing	Residential Housing Finance Excluding Pool 3	Single Family
Reconciliation of revenue over (under) expenses to net cash provided(used) by operating activities	Revenues over (under) expenses	$7,710	$ 6,075	$ (6,531)	$ (1,136)
	Adjustments to reconcile revenues over (under) expenses to net cash provided (used) by operating activities:				
	Amortization of premiums (discounts) and fees on loans	—	(64)	2,131	(409)
	Depreciation	1,966	—	—	—
	Realized (gains) on sale of securities, net	___	(51)	(287)	(18)
	Unrealized losses (gains) on securities, net	___	(313)	1,727	(224)
	Provision for loan losses	—	(560)	25,404	3,242
	Reduction in carrying value of certain low interest rate and/or deferred loans	—	—	—	—
	Capitalized interest on loans and real estate owned	—	(130)	(2,492)	(349)
	Interest earned on investments	(874)	(2,090)	(15,672)	(4,213)
	Interest expense on bonds and notes	—	8,830	89,489	13,966
	Changes in assets and liabilities:				
	Decrease (increase) in loans receivable, excluding loans transferred between funds	—	17,277	(136,218)	26,606
	Decrease (increase) in interest receivable on loans	—	212	(3,142)	(2)
	Increase (decrease) in arbitrage rebate liability	—	194	(218)	496
	Interest transferred to funds held for others	(2,706)	—	—	—
	Increase (decrease) in accounts payable	(104)	(5)	(182)	(5)
	Increase (decrease) in interfund payable, affecting operating activities only	5,089	(10)	28,164	(110)
	Increase (decrease) in funds held for others	(1,631)	—	—	—
	Other	(1,464)	2	20	—
	Total	276	23,292	(11,276)	38,980
	Net cash provided (used) by operating activities	$7,986	$29,367	$(17,807)	$37,844

General Reserve & Bond Funds Excluding Pool 3 Total For The Year Ended June 30, 2009	Residential Housing Finance Pool 3	Total General Reserve & Bond Funds Year Ended June 30, 2009	Total General Reserve & Bond Funds Year Ended June 30, 2008
$ 6,118	$(19,738)	$(13,620)	$ 13,469
1,658	(28)	1,630	1,567
1,966	—	1,966	2,049
(356)	(596)	(952)	(1,391)
1,190	(169)	1,021	(2,747)
28,086	731	28,817	9,022
—	20,302	20,302	14,894
(2,971)	—	(2,971)	(1,535)
(22,849)	(2,298)	(25,147)	(47,545)
112,285	—	112,285	115,556
(92,335)	(23,891)	(116,226)	(347,176)
(2,932)	(8)	(2,940)	(2,323)
472	—	472	4,579
(2,706)	—	(2,706)	(3,627)
(296)	(4,212)	(4,508)	6,986
33,133	(28,950)	4,183	(3,572)
(1,631)	—	(1,631)	2,242
(1,442)	466	(976)	(1,095)
51,272	(38,653)	12,619	(254,116)
$ 57,390	$(58,391)	$ (1,001)	$(240,647)

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Minnesota Housing is located at 400 Sibley Street, Suite 300, Saint Paul, Minnesota 55101-1998.

For further information, please write, call or visit our web site.

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