Minnesota Public Facilities Authority

Minnesota Public Facilities Authority

(A Component Unit of the State of Minnesota)

Financial Report
June 30, 2013

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McGladrey

Independent Auditor's Report

Minnesota Public Facilities Authority
St. Paul, Minnesota

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and major funds of Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 major funds of the Authority as of June 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Member of the RSM International network of independent accounting, tax and consulting firms.

Other Matters

Required Supplementary Information

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

McGladrey LLP

Minneapolis, Minnesota
October 30, 2013

Management's Discussion and Analysis

This section of the Minnesota Public Facilities Authority's (the Authority) annual financial report presents a discussion and analysis of the financial condition as of and financial activities for the fiscal years ended June 30, 2013 and 2012. Please read it in conjunction with the financial statements and notes following this section.

Introduction and Discussion of the Authority's Operations:

The Authority was created in 1987 by the State of Minnesota under Minnesota Statutes, Chapter 446A. The Authority provides low interest loans and grants to Minnesota municipalities to help finance infrastructure for clean water, drinking water, and transportation projects. Federal grants and state appropriations received by the Authority may be used directly or leveraged with proceeds of the Authority's revenue bonds.

The Authority has issued tax-exempt revenue bonds the proceeds of which are deposited into separate bond funds. Except for certain cross-collateralization provisions between the Clean Water and Drinking Water Bond Funds, revenues and assets of each bond fund are separately pledged to the holders of that fund's bonds for debt service payments. Assets and revenues of the Authority outside of the bond funds are not pledged, and are used for grant and loan programs and general administration.

Financial Statement Presentation:

The basic financial statements following Management's Discussion and Analysis consist of those required for a special purpose governmental entity engaged in business-type activities:

- *Statement of Net Position* - This is presented in the format of assets (financial and capital resources) plus deferred outflows of resources (if any), less liabilities, less deferred inflows of resources equals net position. The portion of net position that is reported as restricted has constraints on its use due to bond resolutions and or enabling legislation.

- *Statement of Revenues, Expenses, and Changes in Fund Net Position* - This statement presents the accrual basis operations and the resulting change in fund net position of the Authority for the fiscal year.

- *Statement of Cash Flows* - This statement presents useful information regarding the sufficiency of cash flows to meet debt service requirements, because it includes cash flows such as principal received on loans and principal paid on bonds.

Statements for the fiscal year ended June 30, 2013 are followed by statements for the fiscal year ended June 30, 2012 to allow comparison of the Authority's financial position and results of operations for the current and prior fiscal years.

These statements are prepared on the accrual basis and present information on the Authority's overall financial position and results of operations. Assets and revenues of the separate funds contained

within these statements are generally restricted as to use and the reader should not assume they might be used in any aggregate manner.

The Authority defines activities under each of its separate bond resolutions as major funds for financial reporting purposes, with all other accounts and activities outside of these bond resolutions reported in the Other Fund. A summary of the major funds reported by the Authority follows. A more detailed description of each is presented later in the section headed Analysis of Individual Funds' Balances and Transactions for Bond Funds.

- Clean Water Bond Fund (CWBF): In conjunction with the Minnesota Pollution Control Agency (MPCA), the Authority provides loans from the fund to municipalities for wastewater treatment projects certified by the MPCA.

- Drinking Water Bond Fund (DWBF): In conjunction with the Minnesota Department of Health, the Authority provides loans for public drinking water facilities.

- Transportation Bond Fund (TBF): Four separate closed resolutions have been created to make loans in cooperation with the Minnesota Department of Transportation: (1) TBF Series 1999A, (2) TBF Series 2001, (3) TBF Series 2006A, and (4) TBF Series 2008A. During the fiscal year ended June 30, 2011, two series of refunding revenue bonds were issued to refund the outstanding Series 1999A and Series 2001 bonds, TBF Series 2010-T1, and TBF Series 2010-T1, respectively.

- Other: All of the Authority's nonrevenue bond activity and accounts are aggregated in the Other Fund.

Within each of the bond funds, the Authority uses bond proceeds, federal capitalization grants, and state matching funds to make loans, pay for the costs of issuing debt, and to fund debt service reserve accounts when used. Federal capitalization grants and state matching grants within these funds are recognized as capital contributions. Net loan repayments and investment earnings provide the necessary cash flow to pay the required debt service on the bonds.

The operations in the Other Fund consist of grant and loan programs funded through federal grants and state appropriations, recognized in these accounts primarily as operating revenue, and administrative costs paid by a portion of the loan repayments, fees, interest earnings, or by federal grant funds.

Condensed Financial Information:

The following page presents condensed financial statement information as of and for the fiscal years ended June 30, 2013, 2012, and 2011.

Minnesota Public Facilities Authority - Condensed Financial Statement Information

Condensed Statements of Net Position June 30, 2013, 2012, and 2011	2013	2012	2011
Assets:			
Cash and investments	$ 485,626,590.34	$ 329,555,888.68	$ 420,468,659.57
Loans receivable	1,800,706,194.65	1,991,814,282.24	1,943,982,090.02
Other	18,978,318.22	23,234,930.68	24,212,416.42
Total assets	2,305,311,103.21	2,344,605,101.60	2,388,663,166.01
Liabilities:			
Interest payable on bonds	16,979,604.16	18,102,783.00	19,178,144.00
Bonds payable	1,088,587,645.34	1,167,557,762.44	1,246,376,549.25
Other	4,926,771.50	9,678,002.30	2,032,751.23
Total liabilities	1,110,494,021.00	1,195,338,547.74	1,267,587,444.48
Net Position:			
Restricted	1,190,184,672.03	1,144,486,744.11	1,116,813,317.94
Unrestricted	4,632,410.18	4,779,809.75	4,262,403.59
Total net position	$ 1,194,817,082.21	$ 1,149,266,553.86	$ 1,121,075,721.53

Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position Years ended June 30, 2013, 2012, 2011	2013	2012	2011
Operating Revenues:			
Interest on loans	$ 43,636,333.41	$ 45,411,518.18	$ 44,666,152.57
Investment earnings	5,014,987.58	4,851,933.13	6,554,313.11
Grants, appropriations, and fees	40,046,157.10	50,627,611.67	42,254,343.38
Net incr (decr) in investment fair value	(2,002,058.64)	(1,343,843.39)	(2,182,516.78)
Total operating revenues	86,695,419.45	99,547,219.59	91,292,292.28
Operating Expenses:			
Interest on bonds	45,148,713.08	48,107,737.47	44,304,850.66
Other	40,577,435.50	52,732,263.05	44,621,328.58
Total operating expenses	85,726,148.58	100,840,000.52	88,926,179.24
Operating income (loss)	969,270.87	(1,292,780.93)	2,366,113.04
Capital Contributions	44,581,257.48	29,483,613.26	88,722,458.38
Change in Net Position	45,550,528.35	28,190,832.33	91,088,571.42
Net Position at Beginning of Year	1,149,266,553.86	1,121,075,721.53	1,029,987,150.11
Net Position at End of Year	$ 1,194,817,082.21	$ 1,149,266,553.86	$ 1,121,075,721.53

Analysis of the Authority's overall Financial Position and Results of Operations:

The table below summarizes certain financial activities during the fiscal years 2013, 2012, and 2011:

		2013	2012	2011
Operating revenues and capital contributions from federal grants and state appropriations:				
Clean Water Bond Fund (CWBF):				
Federal capitalization grants		$ 29,245,285.00	$ 25,851,249.53	$ 40,622,438.26
Federal *Build America Bonds* revenue		1,432,681.51	1,424,794.50	619,249.17
State appropriations		5,487,600.00		19,200,000.00
Drinking Water Bond Fund (DWBF):				
Federal capitalization grants		6,835,972.48	3,632,363.73	14,141,927.67
Federal *Build America Bonds* revenue		665,271.98	660,744.98	310,489.43
State appropriations		3,012,400.00		10,800,000.00
Other Fund:				
Clean water federal grants		3,482,472.70	4,797,020.76	3,494,898.86
Drinking water federal grants		7,326,077.60	11,010,056.76	10,685,033.08
State appropriations and fees		27,139,653.31	32,734,994.67	31,102,765.29
		$ 84,627,414.58	$ 80,111,224.93	$ 130,976,801.76
Bonds Payable (par):	issued			299,315,000.00
	defeased			
	redeemed	(70,550,000.00)	(70,060,000.00)	(59,325,000.00)
	net change	$ (70,550,000.00)	$ (70,060,000.00)	$ 239,990,000.00
Loans Receivable:	disbursed	141,270,224.76	177,724,182.77	295,583,245.14
	repaid	(332,378,312.35)	(129,891,990.55)	(117,011,086.56)
	net change	$ (191,108,087.59)	$ 47,832,192.22	$ 178,572,158.58

During the fiscal years ended June 30, 2013, 2012, and 2011, net position changed by: $45.6, $28.2, and $91.1 million, respectively. Volatility in this change is due largely to the timing of federal and state capital contributions: $44.6, $29.5, and $88.7 million, respectively.

The weighted average interest rate on outstanding loan balances at June 30, 2013, 2012, and 2011 was 2.24%, 2.43%, and 2.52%, respectively.

The weighted average investment earnings rate (earnings ÷ average daily cash and investments balance) during fiscal years 2013, 2012, and 2011 was 0.84%, 1.39%, and 1.57%.

Loan and grant approvals for the last three fiscal years were $104.5 million (52 contracts) in fiscal year 2013, $239 million (98 contracts) in fiscal year 2012, and $270 million (130 contracts) in fiscal year 2011.

Discussion of Long-term Debt Activity, Credit Ratings, and Debt Limitations:

The Authority's outstanding debt limit is $1,500,000,000. The Authority bonds do not constitute a debt of the State of Minnesota or any agency or political subdivision thereof (other than the Authority). The principal amount of bonds outstanding at June 30, 2013 was $1,044,885,000.

During fiscal year 2013 the Authority issued no bonds. During fiscal year 2011 the Authority issued State Revolving Fund Revenue Bonds (Clean Water and Drinking Water) of $291,000,000 and Transportation Revenue Refunding Bonds of $8,315,000.

The Clean Water and Drinking Water bonds are rated triple A by Standard and Poor's (AAA), Moody's (Aaa), and Fitch Ratings (AAA). The transportation bonds were rated: Series 2006A bonds: Moody's (Aaa); Series 2008A bonds: Standard and Poor's (AAA) and Moody's (Aaa); Series 2010-T1 bonds: Moody's (Aaa); and Series 2010-T2 bonds: Standard and Poor's (AAA).

Analysis of Individual Funds' Balances and Transactions for Bond Funds:

This section will provide general information on each bond fund, followed by presentation and analysis of more detailed financial information.

Clean Water Bond Fund (CWBF): This pooled bond fund is a part of the Authority's Clean Water State Revolving Fund, operated under the federal Clean Water program, CFDA #66.458. Initiated in 1989, twenty four series of bonds have been issued for $2.41 billion par, which includes $945 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2013 were approximately $794 million, net of nonpledged set-asides and principal forgiveness. The Authority has over the years transferred out approximately $89 million from the CWBF for related but nonpledged programs known as non point-source programs. During fiscal years 2013, 2012, and 2011, the Authority transferred out $-0-, $1.818 million, and $2.000 million, respectively, from net position for these programs. This activity is reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position as transfers out of the CWBF to the Other Fund, then as expenditures in the Other Fund as sub-recipients expend the awards. Prior to removing assets from the CWBF, the Authority must meet conditions defined in the fund's basic bond resolution. The CWBF has made 467 loan commitments to 271 borrowers for approximately $2.57 billion. The largest borrower, at $1.2 billion in cumulative loan commitments as of June 30, 2013, is the Metropolitan Council.

Drinking Water Bond Fund (DWBF): This pooled bond fund is a part of the Authority's Drinking Water State Revolving Fund, operated under the federal Safe Drinking Water program, CFDA #66.468. Initiated in 1998, seven series of bonds have been issued for $307.2 million, which includes $35.5 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2013 were approximately $266 million, net of nonpledged set-asides and principal forgiveness. The fund has made 318 loan commitments to 228 borrowers for approximately $642 million. The largest borrower, at $104 million in cumulative loan commitments as of June 30, 2013, is the City of Minneapolis.

Transportation Bond Fund (TBF): This fund consists of four closed, stand-alone bond issuances with separate pledged assets and revenues for each:

- The series 1999A bonds of $17.08 million par were issued in March 1999. The Authority transferred $4.1 million in cash into the fund at issuance, from its nonpledged accounts. One loan for $21.025 million was made to the Metropolitan Council. In November 2010, bonds outstanding were redeemed with proceeds of the Revenue Refunding Bonds Series 2010-T1.
- The series 2001 bonds of $20.45 million par were issued in December 2001. The Authority transferred $16.77 million in cash and loans into the fund. Nine loan commitments totaling $34.78 million form the loan pool pledged to these bonds, and a $1.9 million debt service reserve account was also created from the assets transferred in. In November 2010, bonds outstanding were redeemed with proceeds of the Revenue Refunding Bonds Series 2010-T2.
- The series 2006A bonds of $8.9 million par were issued in December 2006. The Authority transferred $2.4 million in cash into the fund at issuance, from its nonpledged accounts. One loan for $11.2 million was made to Stearns County.
- The series 2008A bonds of $7.7 million par were issued in January 2008. The Authority transferred $2.25 million in cash into the fund at issuance, from its nonpledged accounts. One loan for $10 million was made to the Metropolitan Council.

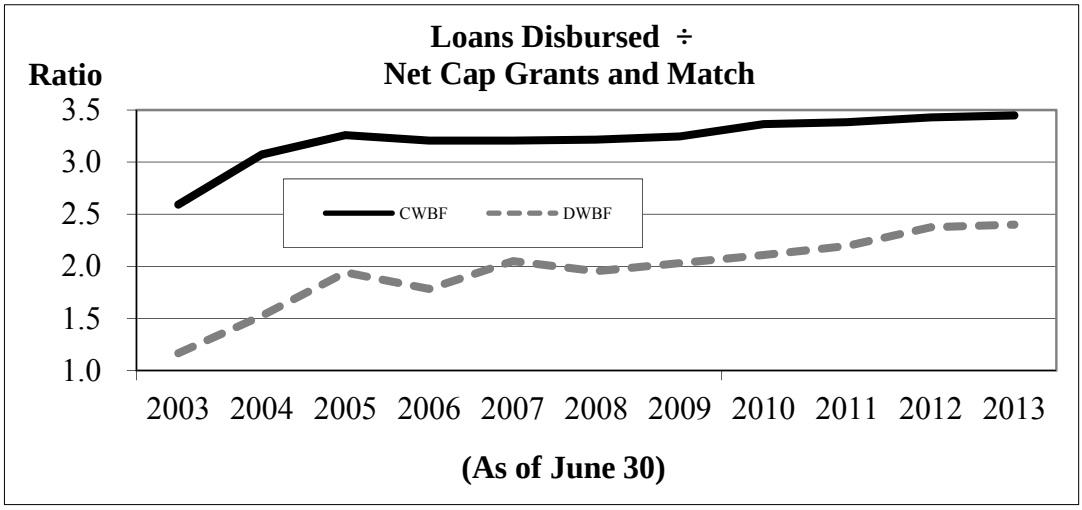
Criteria used in evaluating the financial results and conditions of the bond funds include:

- The efficient use of contributed capital to accomplish the goal of making below market rate loans to program participants (CWBF and DWBF).
- The ability to generate cash flows sufficient to make debt service payments (all bond funds).

Analysis of the efficient use of federal capitalization grants and state match:

The amount of loans disbursed by the CWBF and DWBF, compared to the net amount of federal capitalization grants and state match recognized in the funds, gives a measure of the effective use of the capital contributions. Timing of loan disbursements and use of federal and state funds may affect the ratios at any point in time, but over time this ratio should grow as the programs grow in size and loan repayments become a larger portion of the available sources for new loans. The following chart displays the ratio at June 30th for the past eleven years.

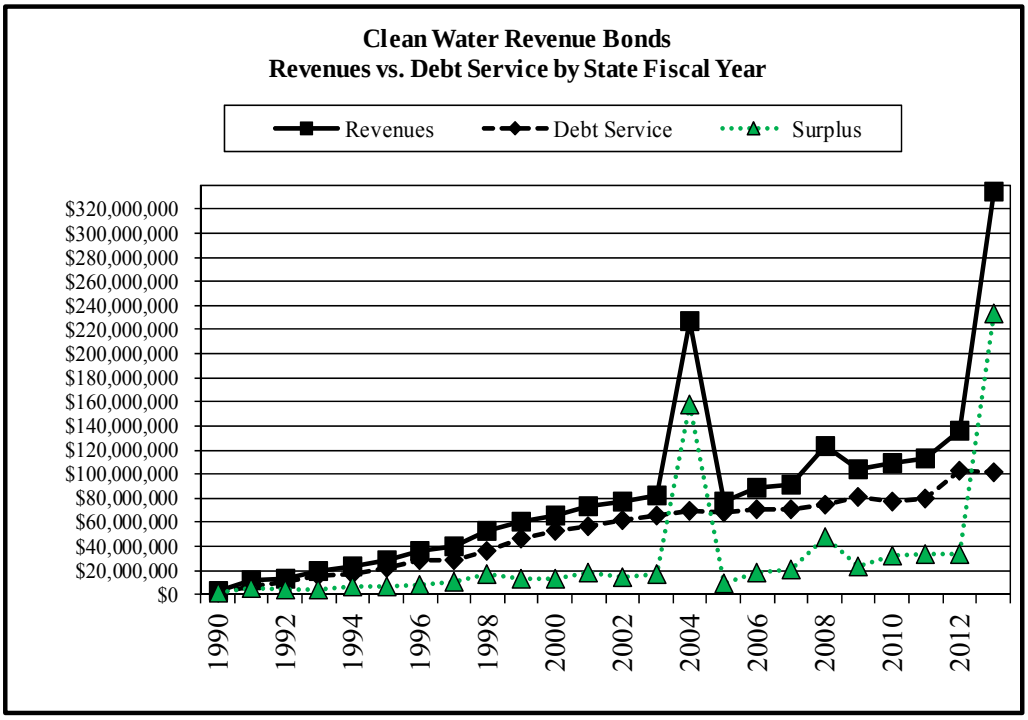
Clean Water and Drinking Water Bond Fund Programs
Leveraging of Federal Capitalization Grants and State Match

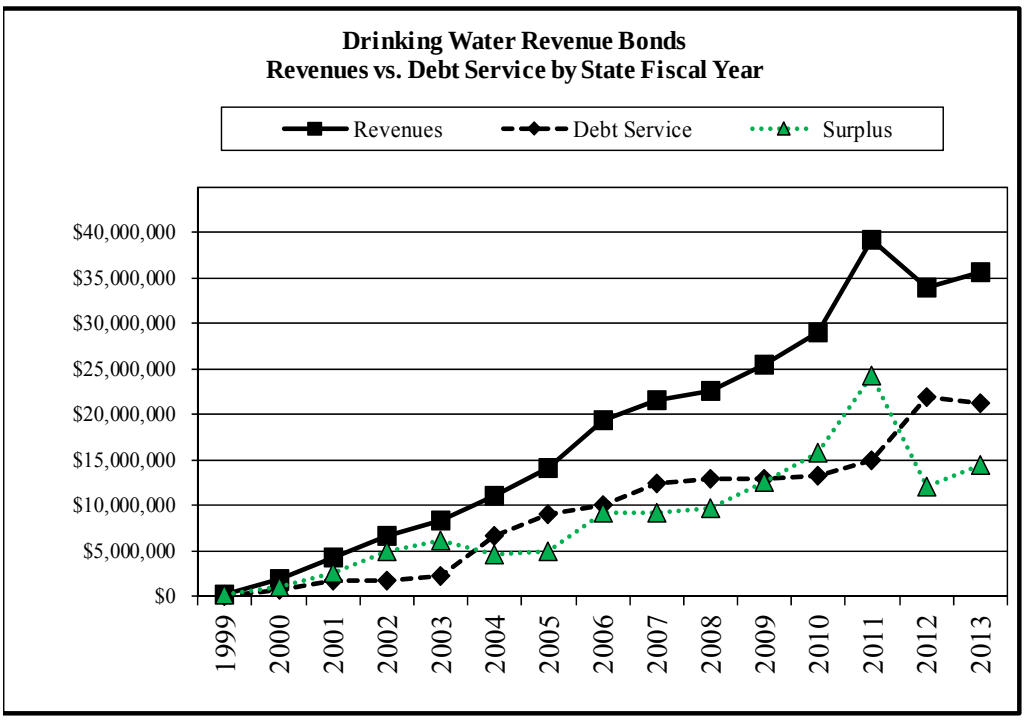


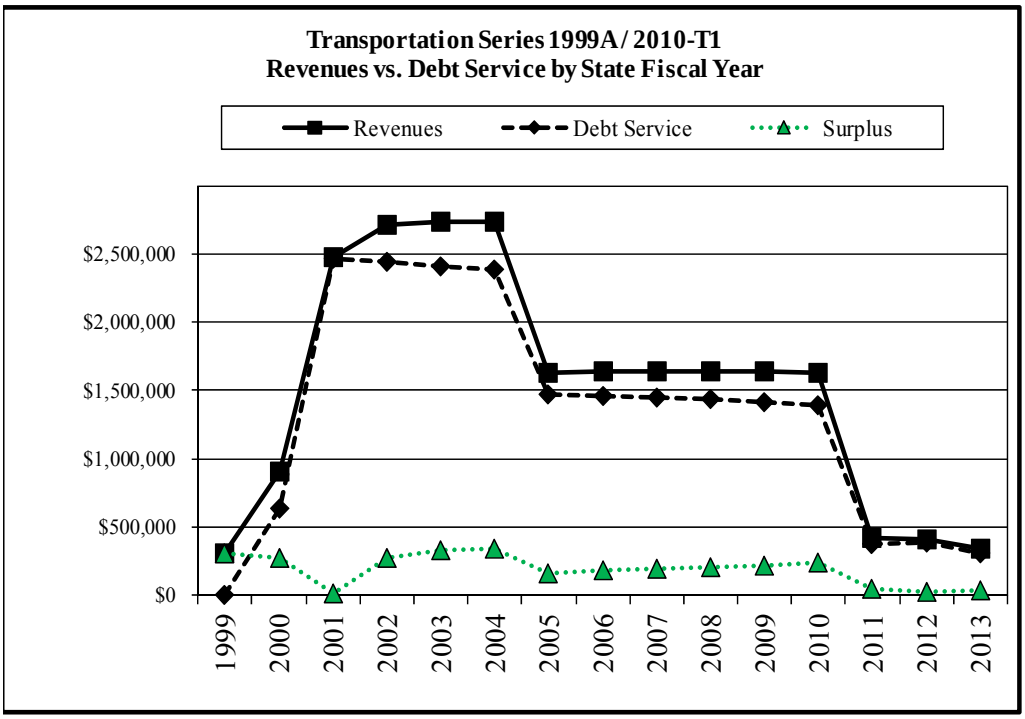
Analysis of historical cash flow sufficiency to make debt service payments:

The following charts show each bond fund's cash flow history to date in meeting debt service payments. Annual total bond fund revenues, debt service, and net surplus are charted.

Charts of each fund's cash flow history to date in meeting debt service payments
(note differing scales between the charts)






Transportation Series 1999A / 2010-T1
Revenues vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
1999
2000
2001
2002
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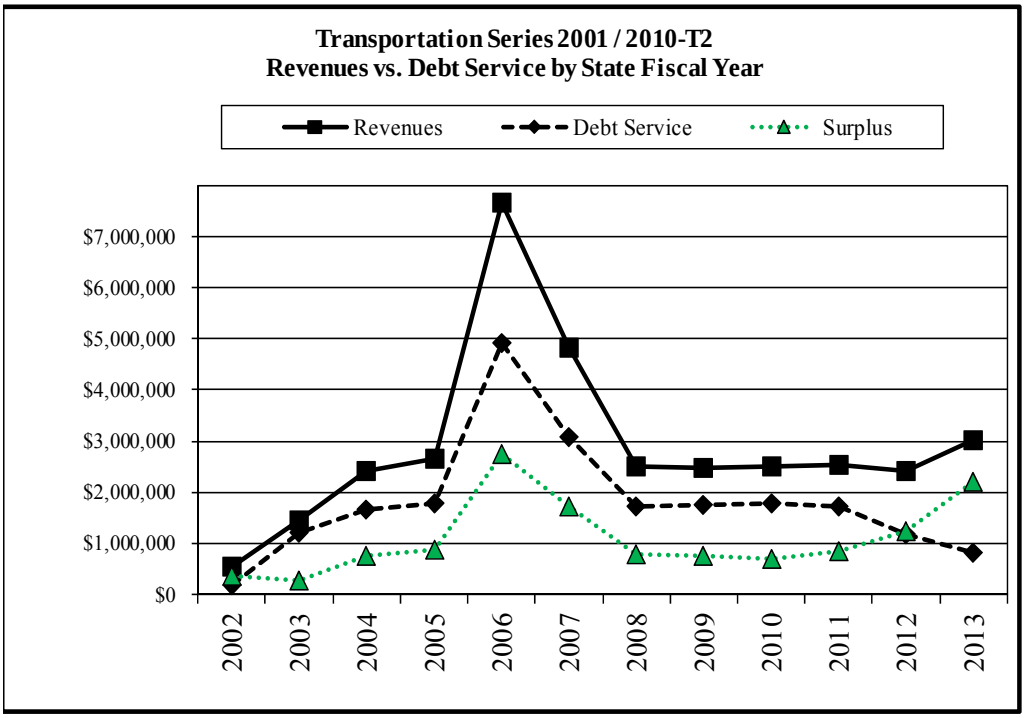
2012
2013


Transportation Series 2001 / 2010-T2
Revenues vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2002
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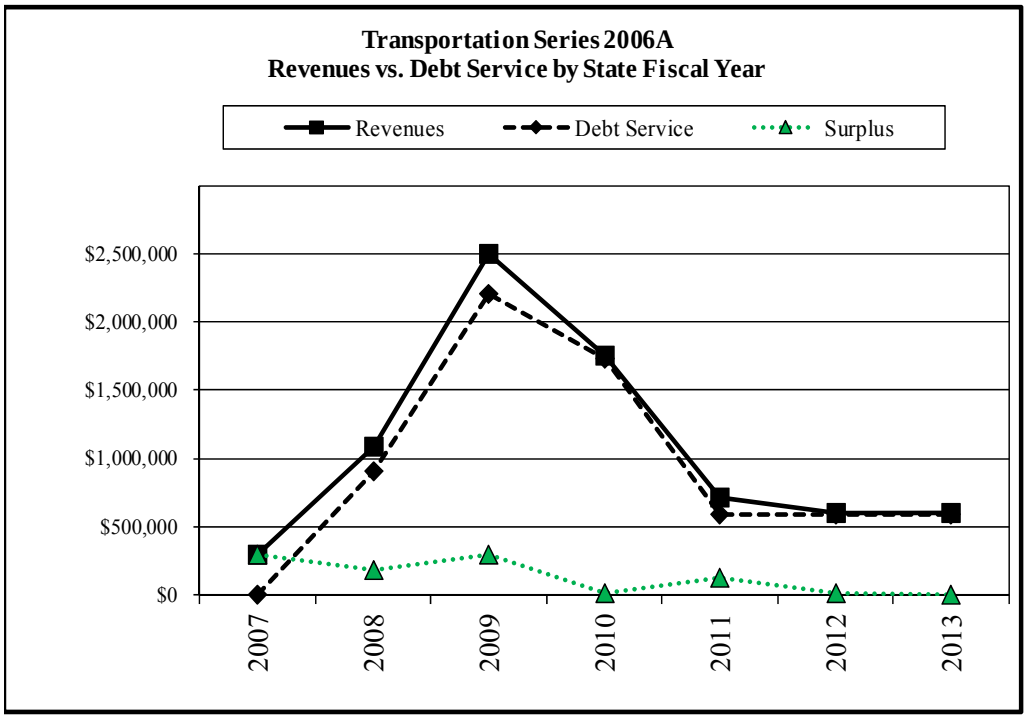
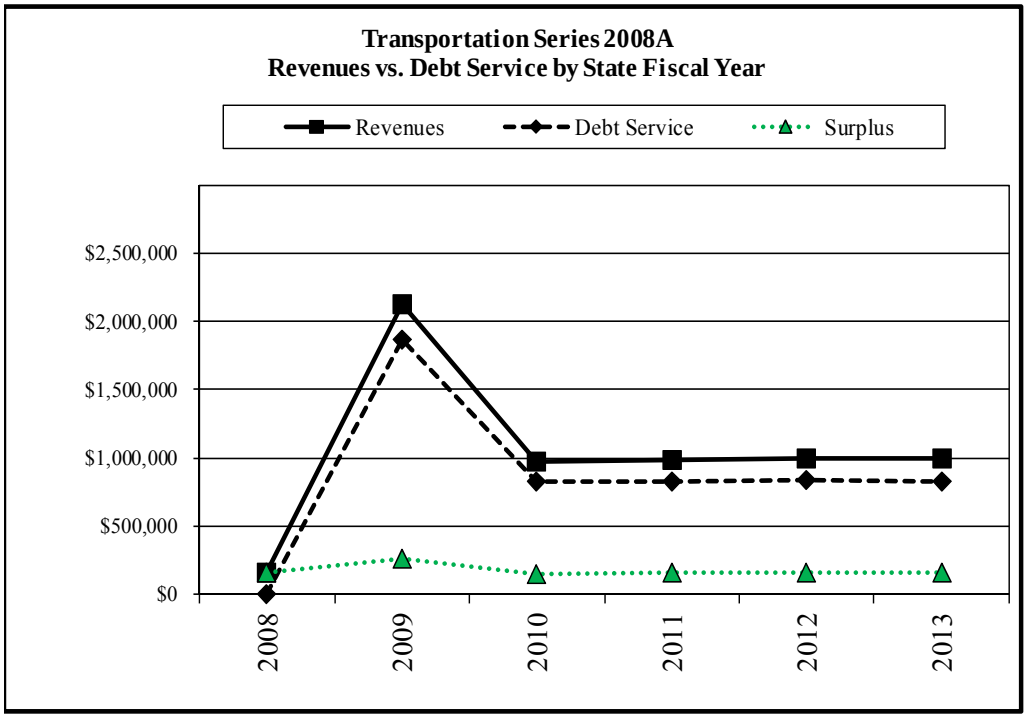

Transportation Series 2006A
Revenues vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2007
2008
2009
2010
2011
2012
2013


Transportation Series 2008A
Revenues vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2008
2009
2010
2011
2012
2013

Financial ratios: The following table presents financial ratios regarding financial position and ability to generate cash flows sufficient to pay debt service requirements.

	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund			
			Series 1999A / 2010-T1	Series 2001 / 2010-T2	Series 2006A	Series 2008A
Current ratios						
June 30, 2013	6.07	5.41	1.23	1.70	3.00	1.28
June 30, 2012	7.13	5.96	1.36	3.85	3.10	1.30
June 30, 2011	4.81	7.22	1.04	1.98	3.14	1.31
Debt ratios						
June 30, 2013	0.52	0.41	0.78	0.40	0.72	0.80
June 30, 2012	0.54	0.44	0.77	0.37	0.74	0.79
June 30, 2011	0.57	0.46	0.79	0.40	0.74	0.78
Operating Income ratios						
FY 2013	0.96	1.24	-0.49	3.32	0.63	0.61
FY 2012	0.92	1.15	1.32	3.57	0.65	0.62
FY 2011	0.99	1.22	1.14	2.43	0.67	0.69
Debt Service Coverage						
FY 2013	3.31	1.67	1.11	3.67	1.01	1.19
FY 2012	1.33	1.55	1.06	2.03	1.01	1.19
FY 2011	1.44	2.64	1.02	1.64	1.02	1.19

current ratio:	current assets ÷ current liabilities
debt ratio:	debt ÷ assets
operating income ratio:	operating revenues ÷ operating expenses
debt service coverage ratio:	(loan repayments + investment interest) ÷ (bond debt service)

Even though operating income ratios for several of the Bond Funds are or have been less than 1, the cash flows are sufficient to pay debt service because the outstanding loans receivable balance is greater than the outstanding bonds. This fact is reflected in the debt service coverage ratios, which includes principal repayments as well as interest. Principal repaid on the loans exceeds the bond principal requirements and more than overcome the lower interest earnings on the loans. These financings were structured such that projected repayments on the loans made are sufficient to pay debt service on the lesser amount of bonds issued.

Analysis of Individual Funds' Balances and Transactions for Non-Bond Funds:

The Other Fund includes grant and loan programs not funded with Authority bond proceeds, and the administrative costs for the Authority including costs of the Department of Employment and Economic Development, the Minnesota Pollution Control Agency (PCA), and the Department of Health. These administrative costs are funded partially from federal grants and partially from the fee portion of loans repayments.

The Authority, through inter-agency agreements, provides funds to Health, PCA, and the Department of Agriculture. The funds are from pass-thru of federal grant awards or from net position removed from the CWBF. The following chart shows activity during the fiscal year:

Sub-Grants	MPCA Clean Water Partnership	Agriculture Best Mgmt Practices	Health Drinking Water Set-Asides
New allocations	$ -	$ -	$ 3,010,600
Grant expense	714,051	-	3,638,288

State Appropriations – The Authority received multiple appropriations during the 2013 and 2012 legislative sessions. These appropriations are recognized as capital contributions or operating revenue as related expenditure obligations are incurred.

Discussion of Facts and Conditions Expected to Have a Significant Impact on Financial Position and or Results of Operations:

During fiscal year 2004 the Authority received early pay-offs on eleven CWBF loans with a total principal balance of $146 million. The funds from these repayments were used to make new CWBF loans. Net revenues to the CWBF will be reduced from fiscal year 2005 through fiscal year 2014 because the new loans will have interest free and payment free periods and they will be made at rates lower than the paid-off loans. The Authority structured the CWBF bonds issued during fiscal year 2005 to offset the cash flow impact through this period in order to achieve relatively level revenue coverage in the CWBF.

In August 2012, the Authority received early pay-offs on five CWBF loans to the Metropolitan Council with a total principal balance of $221 million. The Authority plans to make new CWBF loans from these repayments. Net revenues to the CWBF will be reduced from fiscal year 2014 through fiscal year 2022 because the new loans will be made at rates lower than the paid-off loans.

The Authority adopts an annual Intended Use Plan (IUP) for the Clean Water program and for the Drinking Water program. The IUPs identify which projects may be considered for funding during the fiscal year, based on priority lists established by the MPCA for Clean Water projects and by the Department of Health for Drinking Water projects. The Authority reviews the long term funding capacity of the Clean Water Bond Fund and the Drinking Water Bond Fund when determining the level of funding for the annual IUPs. Since fiscal year 2001, excepting fiscal years 2005 and 2006, the Authority intentionally has approved a level of funding for the Clean Water program that exceeds the long-term sustainable capacity of the Bond Fund. It did so knowing that existing needs across the State to make improvements to wastewater systems was substantial and that construction related inflation makes delays in project starts costly to Minnesota communities. Meeting as much current loan demand as possible while preserving long term lending capacity to fund high priority projects throughout the State will be a continuing challenge.

Requests for Information

This financial report is designed to provide a general overview of the Minnesota Public Facilities Authority's finances. Questions concerning any of the information provided in this report should be addressed to:

Minnesota Public Facilities Authority
Attention: Financial Officer
1st National Bank Bldg., Suite W820
332 Minnesota Street
Saint Paul, MN 55101-1378.

Minnesota Public Facilities Authority
Statement of Net Position
June 30, 2013

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	$ 357,811,490.18	$ 49,665,648.18	$ 973,025.72	$ 37,892,758.26	$ 446,342,922.34
Investments					-
Loans receivable	76,481,979.00	29,210,468.00	2,753,000.00	3,881,544.00	112,326,991.00
Federal grants receivable				1,350,634.23	1,350,634.23
Accrued interest receivable:					
Investments	476,555.00		5,929.00		482,484.00
Loans	10,403,714.00	3,600,766.00	169,400.00	345,555.00	14,519,435.00
Total current assets	445,173,738.18	82,476,882.18	3,901,354.72	43,470,491.49	575,022,466.57
Noncurrent assets:					
Investments	38,746,668.00		537,000.00		39,283,668.00
Loans receivable	1,194,196,707.07	423,866,698.82	17,200,663.53	53,115,134.23	1,688,379,203.65
Deferred bond issuance costs	1,974,877.00	473,045.99	177,842.00		2,625,764.99
Total noncurrent assets	1,234,918,252.07	424,339,744.81	17,915,505.53	53,115,134.23	1,730,288,636.64
Total assets	1,680,091,990.25	506,816,626.99	21,816,860.25	96,585,625.72	2,305,311,103.21
LIABILITIES					
Current liabilities:					
Accounts payable & other				4,315,569.59	4,315,569.59
Interest payable on bonds	13,645,435.00	3,184,990.00	149,179.16		16,979,604.16
Arbitrage rebate liability					-
Compensated absences payable				38,237.00	38,237.00
Bonds payable	59,750,000.00	12,050,000.00	2,025,000.00		73,825,000.00
Total current liabilities	73,395,435.00	15,234,990.00	2,174,179.16	4,353,806.59	95,158,410.75
Noncurrent liabilities:					
Bonds payable	805,719,369.16	197,742,687.56	11,300,588.62		1,014,762,645.34
Arbitrage rebate liability	238,621.66	36,457.52	5,623.73		280,702.91
Compensated absences payable				292,262.00	292,262.00
Total liabilities	879,353,425.82	213,014,135.08	13,480,391.51	4,646,068.59	1,110,494,021.00
NET POSITION					
Restricted by bond resolutions	800,738,564.43	293,802,491.91	8,336,468.74		1,102,877,525.08
Restricted by legislation				87,307,146.95	87,307,146.95
Unrestricted				4,632,410.18	4,632,410.18
Total net position	$ 800,738,564.43	$ 293,802,491.91	$ 8,336,468.74	$ 91,939,557.13	$ 1,194,817,082.21

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Net Position
June 30, 2012

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	$ 184,440,159.51	$ 53,460,659.99	$ 989,803.12	$ 37,335,605.06	$ 276,226,227.68
Investments	22,129,208.00	4,123,130.00			26,252,338.00
Loans receivable	295,135,403.00	25,708,782.00	4,411,049.00	5,929,160.00	331,184,394.00
Federal grants receivable				1,378,782.69	1,378,782.69
Accrued interest receivable:					
Investments	763,841.00	48,144.00	5,929.00		817,914.00
Loans	13,758,719.00	3,621,796.00	235,591.00	412,702.00	18,028,808.00
Total current assets	516,227,330.51	86,962,511.99	5,642,372.12	45,056,249.75	653,888,464.37
Noncurrent assets:					
Investments	26,540,323.00		537,000.00		27,077,323.00
Loans receivable	1,167,910,548.44	420,363,608.75	19,957,106.01	52,398,625.04	1,660,629,888.24
Deferred bond issuance costs	2,247,726.00	531,909.99	229,790.00		3,009,425.99
Total noncurrent assets	1,196,698,597.44	420,895,518.74	20,723,896.01	52,398,625.04	1,690,716,637.23
Total assets	1,712,925,927.95	507,858,030.73	26,366,268.13	97,454,874.79	2,344,605,101.60
LIABILITIES					
Current liabilities:					
Accounts payable & other				8,017,671.48	8,017,671.48
Interest payable on bonds	14,575,568.00	3,356,290.00	170,925.00		18,102,783.00
Arbitrage rebate liability	565,908.71	20,620.31			586,529.02
Compensated absences payable				40,557.00	40,557.00
Bonds payable	57,290,000.00	11,220,000.00	2,040,000.00		70,550,000.00
Total current liabilities	72,431,476.71	14,596,910.31	2,210,925.00	8,058,228.48	97,297,540.50
Noncurrent liabilities:					
Bonds payable	872,405,861.67	211,198,731.16	13,403,169.61		1,097,007,762.44
Arbitrage rebate liability	561,682.76	134,927.04			696,609.80
Compensated absences payable				336,635.00	336,635.00
Total liabilities	945,399,021.14	225,930,568.51	15,614,094.61	8,394,863.48	1,195,338,547.74
NET POSITION					
Restricted by bond resolutions	767,526,906.81	281,927,462.22	10,752,173.52		1,060,206,542.55
Restricted by legislation				84,280,201.56	84,280,201.56
Unrestricted				4,779,809.75	4,779,809.75
Total net position	$ 767,526,906.81	$ 281,927,462.22	$ 10,752,173.52	$ 89,060,011.31	$1,149,266,553.86

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Year Ended June 30, 2013

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
Interest on loans	$ 30,572,682.03	$ 9,481,762.60	$ 456,431.86	$ 3,125,456.92	$ 43,636,333.41
Investment earnings	4,449,156.67	532,111.69	12,429.39	21,289.83	5,014,987.58
Net increase (decrease) , fair value of investments	(1,899,959.00)	(102,099.64)			(2,002,058.64)
Federal grants-operating	1,432,681.51	665,271.98		10,808,550.30	12,906,503.79
State appropriations and fees				27,139,653.31	27,139,653.31
Total operating revenues	34,554,561.21	10,577,046.63	468,861.25	41,094,950.36	86,695,419.45
Operating expenses:					
Interest on bonds	36,132,927.49	8,550,389.42	465,396.17		45,148,713.08
Salaries and employee benefits				2,093,156.47	2,093,156.47
Other general operating				938,585.28	938,585.28
Grants				37,545,693.75	37,545,693.75
Total operating expenses	36,132,927.49	8,550,389.42	465,396.17	40,577,435.50	85,726,148.58
Operating income (loss)	(1,578,366.28)	2,026,657.21	3,465.08	517,514.86	969,270.87
Capital Contributions:					
Federal Grants	29,245,285.00	6,835,972.48			36,081,257.48
State Match	5,487,600.00	3,012,400.00		-	8,500,000.00
Total capital contributions	34,732,885.00	9,848,372.48	-	-	44,581,257.48
Transfers in (out)	57,138.90		(2,419,169.86)	2,362,030.96	-
Change in net position	33,211,657.62	11,875,029.69	(2,415,704.78)	2,879,545.82	45,550,528.35
Total net position:					
Beginning of year	767,526,906.81	281,927,462.22	10,752,173.52	89,060,011.31	1,149,266,553.86
End of year	$ 800,738,564.43	$ 293,802,491.91	$ 8,336,468.74	$ 91,939,557.13	$1,194,817,082.21

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Year Ended June 30, 2012

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
Interest on loans	$ 31,276,662.44	$ 9,287,727.73	$ 663,372.24	$ 4,183,755.77	$ 45,411,518.18
Investment earnings	3,887,558.37	783,316.78	26,117.82	154,940.16	4,851,933.13
Net increase (decrease) , fair value of investments	(995,482.23)	(348,361.16)			(1,343,843.39)
Federal grants-operating	1,424,794.50	660,744.98		15,807,077.52	17,892,617.00
State appropriations and fees				32,734,994.67	32,734,994.67
Total operating revenues	35,593,533.08	10,383,428.33	689,490.06	52,880,768.12	99,547,219.59
Operating expenses:					
Interest on bonds	38,587,844.49	8,994,614.25	525,278.73		48,107,737.47
Salaries and employee benefits				2,363,181.55	2,363,181.55
Other general operating				937,979.60	937,979.60
Grants				49,431,101.90	49,431,101.90
Total operating expenses	38,587,844.49	8,994,614.25	525,278.73	52,732,263.05	100,840,000.52
Operating income (loss)	(2,994,311.41)	1,388,814.08	164,211.33	148,505.07	(1,292,780.93)
Capital Contributions:					
Federal Grants	25,851,249.53	3,632,363.73			29,483,613.26
State Match					-
Total capital contributions	25,851,249.53	3,632,363.73	-	-	29,483,613.26
Transfers in (out)	(1,760,731.70)		(1,401,442.61)	3,162,174.31	-
Change in net position	21,096,206.42	5,021,177.81	(1,237,231.28)	3,310,679.38	28,190,832.33
Total net position:					
Beginning of year	746,430,700.39	276,906,284.41	11,989,404.80	85,749,331.93	1,121,075,721.53
End of year	$ 767,526,906.81	$ 281,927,462.22	$ 10,752,173.52	$ 89,060,011.31	$1,149,266,553.86

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2013

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	$ 33,927,687.03	$ 9,502,792.60	$ 522,622.86	$ 3,192,603.92	$ 47,145,706.41
Principal received on loans	295,689,628.24	25,608,183.39	4,414,491.48	6,666,009.24	332,378,312.35
Federal grants - operating	1,432,681.51	665,271.98		10,836,698.76	12,934,652.25
State appropriations, and fees				27,139,653.31	27,139,653.31
Payments to employees				(2,138,522.61)	(2,138,522.61)
Payments to vendors				(1,082,806.02)	(1,082,806.02)
Payments to grantees				(36,752,562.91)	(36,752,562.91)
Payments to sub-recipients				(4,352,338.85)	(4,352,338.85)
Net cash provided in operating activities	331,049,996.78	35,776,247.97	4,937,114.34	3,508,734.84	375,272,093.93
Non capital financing activities:					
Capital contributions - federal	29,245,285.00	6,835,972.48			36,081,257.48
Capital contributions - state	5,487,600.00	3,012,400.00			8,500,000.00
Interest paid on bonds	(43,726,704.00)	(10,068,869.02)	(512,775.00)		(54,308,348.02)
Principal paid on bonds	(57,290,000.00)	(11,220,000.00)	(2,040,000.00)		(70,550,000.00)
Payments to make loans	(103,322,362.87)	(32,612,959.46)		(5,334,902.43)	(141,270,224.76)
Cash transfers	57,138.90		(2,419,169.86)	2,362,030.96	-
Net cash provided (used) in non capital financing activities:	(169,549,042.97)	(44,053,456.00)	(4,971,944.86)	(2,972,871.47)	(221,547,315.30)
Investing activities:					
Investment interest	4,415,869.31	481,814.94	18,053.12	21,289.83	4,937,027.20
Arbitrage payments to the IRS	(568,396.45)	(20,649.08)			(589,045.53)
Purchases of investments	(13,692,542.00)				(13,692,542.00)
Proceeds from sale & maturities	21,715,446.00	4,021,030.36			25,736,476.36
Net cash provided in investing activities	11,870,376.86	4,482,196.22	18,053.12	21,289.83	16,391,916.03
Net increase (decrease) in cash and cash equivalents	173,371,330.67	(3,795,011.81)	(16,777.40)	557,153.20	170,116,694.66
Cash and cash equivalents::					
Beginning of year	184,440,159.51	53,460,659.99	989,803.12	37,335,605.06	276,226,227.68
End of year	$ 357,811,490.18	$ 49,665,648.18	$ 973,025.72	$ 37,892,758.26	$ 446,342,922.34
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(1,578,366.28)	2,026,657.21	3,465.08	517,514.86	969,270.87
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Principal received on loans	295,689,628.24	25,608,183.39	4,414,491.48	6,666,009.24	332,378,312.35
Interest paid on bonds	43,726,704.00	10,068,869.02	512,775.00		54,308,348.02
Investment earnings	(4,415,869.31)	(481,814.94)	(18,053.12)	(21,289.83)	(4,937,027.20)
Arbitrage payments to the IRS	568,396.45	20,649.08			589,045.53
Net change, investment fair value	1,899,959.00	102,099.64			2,002,058.64
Net amortizations	(6,663,643.51)	(1,347,179.60)	(25,632.99)		(8,036,456.10)
Changes in assets and liabilities:					
Accrued revenues	3,642,291.00	69,174.00	66,191.00	95,295.46	3,872,951.46
Accrued expenses	(1,819,102.81)	(290,389.83)	(16,122.11)	(3,748,794.89)	(5,874,409.64)
Net cash provided in operating activities	$ 331,049,996.78	$ 35,776,247.97	$ 4,937,114.34	$ 3,508,734.84	$ 375,272,093.93

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2012

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	$ 32,087,322.44	$ 9,177,644.73	$ 696,631.24	$ 4,221,779.77	$ 46,183,378.18
Principal received on loans	98,982,493.26	23,659,820.57	3,703,894.15	3,545,782.57	129,891,990.55
Federal grants - operating	1,424,794.50	660,744.98		14,922,901.26	17,008,440.74
State appropriations, and fees				32,734,994.67	32,734,994.67
Payments to employees				(2,636,883.15)	(2,636,883.15)
Payments to vendors				(1,080,996.30)	(1,080,996.30)
Payments to grantees				(39,546,327.52)	(39,546,327.52)
Payments to sub-recipients				(3,058,545.68)	(3,058,545.68)
Net cash provided in operating activities	132,494,610.20	33,498,210.28	4,400,525.39	9,102,705.62	179,496,051.49
Non capital financing activities:					
Capital contributions - federal	25,851,249.53	3,632,363.73			29,483,613.26
Capital contributions - state					-
Interest paid on bonds	(46,412,466.50)	(10,533,562.78)	(588,400.00)		(57,534,429.28)
Principal paid on bonds	(56,305,000.00)	(11,335,000.00)	(2,420,000.00)		(70,060,000.00)
Payments to make loans	(123,007,318.24)	(53,395,989.78)		(1,320,874.75)	(177,724,182.77)
Cash transfers	(1,760,731.70)		(1,401,442.61)	3,162,174.31	-
Net cash provided (used) in non capital financing activities:	(201,634,266.91)	(71,632,188.83)	(4,409,842.61)	1,841,299.56	(275,834,998.79)
Investing activities:					
Investment interest	5,503,725.69	1,085,236.13	26,117.82	154,940.16	6,770,019.80
Arbitrage payments to the IRS					-
Purchases of investments	(11,354,413.00)				(11,354,413.00)
Proceeds from sale & maturities	44,873,096.77	10,157,503.84			55,030,600.61
Net cash provided in investing activities	39,022,409.46	11,242,739.97	26,117.82	154,940.16	50,446,207.41
Net increase (decrease) in cash and cash equivalents	(30,117,247.25)	(26,891,238.58)	16,800.60	11,098,945.34	(45,892,739.89)
Cash and cash equivalents::					
Beginning of year	214,557,406.76	80,351,898.57	973,002.52	26,236,659.72	322,118,967.57
End of year	$ 184,440,159.51	$ 53,460,659.99	$ 989,803.12	$ 37,335,605.06	$ 276,226,227.68
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(2,994,311.41)	1,388,814.08	164,211.33	148,505.07	(1,292,780.93)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Principal received on loans	98,982,493.26	23,659,820.57	3,703,894.15	3,545,782.57	129,891,990.55
Interest paid on bonds	46,412,466.50	10,533,562.78	588,400.00		57,534,429.28
Investment earnings	(5,503,725.69)	(1,085,236.13)	(26,117.82)	(154,940.16)	(6,770,019.80)
Arbitrage payments to the IRS					-
Net change, investment fair value	995,482.23	348,361.16			1,343,843.39
Net amortizations	(6,929,368.01)	(1,384,050.53)	(37,912.27)		(8,351,330.81)
Changes in assets and liabilities:					
Accrued revenues	1,346,634.00	36,289.00	33,259.00	(846,152.26)	570,029.74
Accrued expenses	184,939.32	649.35	(25,209.00)	6,409,510.40	6,569,890.07
Net cash provided in operating activities	$ 132,494,610.20	$ 33,498,210.28	$ 4,400,525.39	$ 9,102,705.62	$ 179,496,051.49

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Notes to the Financial Statements
Years Ended June 30, 2013 and 2012

1. *Summary of Significant Accounting Policies*

The financial statements of the Minnesota Public Facilities Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Descriptions of the significant accounting policies follow:

Reporting Entity - The Minnesota Public Facilities Authority (the Authority) was created in 1987 by the State of Minnesota under Minnesota Statutes, Chapter 446A (the Act). Under the Act, the members of the Authority are the Commissioner of Employment and Economic Development, the Commissioner of Management and Budget, the Commissioner of the Minnesota Pollution Control Agency (MPCA), the Commissioner of Agriculture, the Commissioner of Health, and the Commissioner of Transportation. The Commissioner of Employment and Economic Development serves as chair and chief executive officer of the Authority. These members serve as a result of their respective positions as commissioners, and their terms as members of the Authority coincide with their terms as commissioners. Pursuant to state law, commissioners may delegate and have delegated their duties as a member of the Authority in the event that the commissioner is unable to attend a meeting of the Authority.

The Department of Employment and Economic Development (DEED) provides administrative support services to the Authority. The MPCA and the Minnesota Department of Health also provide staff to administer, in cooperation with the Authority, certain programs of the Authority.

GASB Codification Section 2100 states that a primary government that appoints a voting majority of the organization's governing body, and either (1) is able to impose its will on the organization or (2) has the potential to receive specific financial burdens imposed on it by the organization, is financially accountable to that organization. Based on this criterion, the Authority is considered a discretely presented component unit of the State of Minnesota and is included in its basic financial statements.

The Authority is authorized to issue bonds. These bonds do not constitute a debt of the State of Minnesota or any agency or political subdivision thereof (other than the Authority).

Basis of Accounting – The Authority is a special-purpose government engaged in business-type activities. The Authority has determined that all of its funds shall be classified as enterprise funds and are therefore accounted for on the proprietary fund-type basis. All assets and liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Proprietary fund measurement is focused upon determination of net income, financial position, and cash flows. The Authority's proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Fund Accounting – As a governmental entity the Authority organizes its accounts on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All of the Authority's funds are classified as proprietary funds. The Authority reports the following major proprietary funds:

- *Clean Water Bond Fund (CWBF)* - The Authority receives federal capitalization grants under Title VI of the Federal Clean Water Act, and state matching grants. These funds are leveraged with proceeds from the Authority's pooled Clean Water revenue bonds to provide below-market-rate loans to municipalities and eligible political subdivisions to facilitate the construction of wastewater treatment facilities. Before the Authority can approve any particular loan, the MCPA must certify the applicant's project based on technical and environmental reviews.

- *Drinking Water Bond Fund (DWBF)* - The Authority receives federal capitalization grants under Section 1452 of the Safe Drinking Water Act and state matching grants. These funds are leveraged with proceeds from the Authority's pooled Drinking Water revenue bonds to provide below-market-rate loans to municipalities to finance costs of drinking water system infrastructure. Before the Authority can approve any particular loan, the Minnesota Department of Health must certify the applicants' projects based on technical and environmental reviews.

- *Transportation Bond Fund (TBF)* - This program was initiated with a federal grant from the U.S. Department of Transportation to the Minnesota Department of Transportation (MnDOT) and state matching grants. The Authority administers the TBF, which provides loans to municipalities and eligible political subdivisions for construction of highways, bridges, and streets, and for purchasing transit capital. MnDOT must certify applicants' projects based on MnDOT's design standards. Four closed, stand-alone series of revenue bonds were issued. In November 2010, The outstanding Series 1999A and Series 2001 bonds were redeemed with proceeds of the Revenue Refunding Bonds Series 2010-T1 and Series 2010-T2.

- *Other Fund* - In addition to the pledged bond funds, the Authority manages various legislative appropriations for similar purposes. One of the programs included in the Other Fund is the Wastewater Infrastructure Funding Program (WIF). The Authority receives appropriations from the Minnesota Legislature to fund the program, and in conjunction with any particular loan from the CWBF or financing from the U.S. Department of Agriculture's Rural Development Office, WIF Supplemental Assistance grants are given to eligible municipalities with high-cost wastewater projects. The Other Fund also includes the accounts and activities related to management of the State Revolving Fund programs.

Federal Grants and State Appropriations - The Authority receives federal capitalization grants from the Environmental Protection Agency and, through MnDOT, the Authority has received federal highway money. This money is used primarily for funding of loans and has also been used as security on bonds, and a portion may be expended for administrative and other set-aside costs. The Authority also receives state appropriations as match to the federal grants and for other Authority loan and grant programs. These federal and state monies are recognized in the financial statements when the associated expenditure obligations have met the eligibility requirement. When used to capitalize the revolving loan funds they are recorded as capital contributions; when used for administrative costs or grants they are recorded as operating revenue.

Cash Equivalents - The Authority considers all investments with an original maturity when purchased of three months or less to be cash equivalents.

Loans Receivable - Loans receivable are carried at their unpaid principal balances, net of any allowances for loan losses. The allowances for loan losses are established based on management's evaluation of the loan portfolio. Generally, the Authority does not provide an allowance for loan losses as the loans are secured by the borrowers' general obligation and revenue pledges.

Investments - The Authority reports investments at fair value in the statement of net position with changes in the fair value of investments reported in the statement of revenues, expenses, and changes in fund net position. Fair value of investments was determined based on quoted market prices as of the reporting date. Guaranteed investment contracts of the Authority are contracts purchased from life insurance companies who guarantee the principal and return, and allow money to be withdrawn if needed. The Authority's guaranteed investment contracts are considered nonparticipating and, as such, are reported at cost. The Authority believes it has the ability and intent to hold all investments to maturity to recover the full carrying value of its investment portfolio and does not expect to realize any gain or loss from the market value adjustments as shown in the various funds.

Bond Discounts, Premiums, and Issuance Costs - Bond discounts, premiums, and issuance costs are amortized using the effective interest method over the term of the bond series.

Income Taxes - The Authority is a discreetly presented component unit of the State of Minnesota and is exempt from federal and state income taxes.

Restrictions on Net Position – The use of assets held within each separate bond fund is restricted by the terms and conditions of that fund's bond resolutions. All assets of the Authority, including those not restricted by bond resolutions, are limited in their use by state and federal laws under which the funds were appropriated and / or grant conditions imposed by the federal funding agency. The net position in the Authority's administrative accounts is reported as unrestricted because it is used for general operating activities.

Defining Operating Revenues and Expenses and Operating Cash Flows - The Authority issues revenue bonds to leverage the capital contributions it receives from federal capitalization grants and state matching grants. These funds are then used to make below-market-rate loans to municipalities and to pay for certain costs of issuance. Investment interest and loan repayments generate the cash flow required to make bond debt service payments. Interest from loans and investments are included as part of operating revenues and interest expense on bonds is included in operating expenses.

Use of Estimates - The presentation of financial statements in accordance 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.

Certain Risks and Uncertainties - The Authority invests in various securities including U.S. government securities, and guaranteed investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

2. *Deposits and Investments*

Deposits – The Authority's investment policy requires it to follow Minnesota state statutes. Cash deposits are invested in a state pool and the balances are insured or collateralized in accordance with statutes. At June 30, 2013 and 2012, $443,419,042 and $269,608,804, respectively, of cash deposits were interest-bearing and $2,923,880 and $6,617,423, respectively, were non-interest-bearing.

Investments - The Authority's investment policy limits investments to those permitted by the bond resolutions and the Authority Act. They are composed primarily of notes of the U.S. Government and its agencies, guaranteed investment contracts, and municipal securities. Information regarding the Authority's investments is provided below to give an indication of the risk level assumed at year-end.

Interest Rate Risk - The Authority does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Authority will not be able to recover the value of its investments that are in the possession of another party. The Authority requires for all securities purchased that the securities are at all times insured, registered in the Authority's name or in the possession of the Authority.

Credit Risk - Excluding U.S. Government-backed securities, the Authority's investments at June 30, 2013 and 2012 carried the following ratings by the three nationally recognized statistical rating organizations shown:

Investment type	Standard & Poors	Fitch Ratings	Moodys Investors Service
Federal Farm Credit Banks	AAA	AAA	Aaa
Federal Home Loan Mortgage Corporation	AAA	AAA	Aaa
State & Municipal Securities	AAA	AAA	Aaa
Guaranteed Investment Contracts	not rated [1]		

[1] The Guaranteed Investment Contracts are not rated but are backed by U.S. Government securities.

Concentration of Credit Risk: For the investments held by the Authority at June 30, 2013 and 2012, state law and Authority investment policy places no limits on the amount that may be invested in any one issuer. Excluding U.S. Government-backed securities, more than 5% of the Authority's investments are in the following issuers:

	June 30, 2013		June 30, 2012	
Issuer	Fair Value	% of Investments	Fair Value	% of Investments
Federal Home Loan Mortgage Corporation	$ 6,261,585	16%	$ 16,757,855	31%
Texas, State of	5,875,317	15%	6,124,199	11%
Minneapolis MN	5,446,932	14%		
Dallas, TX S.D.	5,268,150	13%	5,385,050	10%
Guaranteed Investment Contracts:AIGMFC	3,265,500	8%	3,265,500	6%
Federal Farm Credit Banks	3,009,420	8%	6,215,377	12%
Brown County WI	2,981,516	8%	2,651,803	5%
Federal National Mortgage Association			12,929,878	24%

At June 30, 2013, the Authority had the following investments:

		Investment Maturities (in Years)				
Investment type	Fair Value	less than 1	1 to 5	6 to 10	more than 10	WAM [1]
U.S. Treasury SLGS	$ 537,000	$ -	$ -	$ 537,000	$ -	7.29
Federal Farm Credit Banks	3,009,420		3,009,420			3.54
Federal Home Loan Mortgage Corporation	6,261,585		6,261,585			3.63
Guaranteed Investment Contracts	3,265,500		3,265,500			4.66
State & municipal securities	26,210,163		2,597,453	5,144,137	18,468,573	12.86
totals	$ 39,283,668	$ -	$ 15,133,958	$ 5,681,137	$ 18,468,573	10.03

At June 30, 2012, the Authority had the following investments:

		Investment Maturities (in Years)				
Investment type	Fair Value	less than 1	1 to 5	6 to 10	more than 10	WAM [1]
U.S. Treasury SLGS	$ 537,000	$ -	$ -	$ 537,000	$ -	8.29
Federal Farm Credit Banks	6,215,377	3,094,260	3,121,117			2.53
Federal National Mortgage Association	12,929,878	12,929,878				0.24
Federal Home Loan Mortgage Corporation	16,757,855	10,228,200	6,529,655			1.99
Guaranteed Investment Contracts	3,265,500			3,265,500		5.66
State & municipal securities	13,624,051				13,624,051	17.59
totals	$ 53,329,661	$ 26,252,338	$ 9,650,772	$ 3,802,500	$ 13,624,051	5.74

[1] WAM: weighted average maturity in years based on par amount.

3. Loans Receivable

Loans receivable at June 30, 2013 and 2012 consisted of the following:

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	Outstanding Principal at June 30, 2012
Clean Water Bond Fund:						
Aitkin - cw01	10/15/97	02/20/18	2.240%	$ 525,000	$ 153,919	$ 182,699
Aitkin - cw02	07/15/03	08/20/23	1.000%	1,009,719	620,000	673,000
Albany - cw01	04/21/03	02/20/22	3.490%	1,296,061	726,000	794,000
Albertville - cw01	10/19/93	08/20/14	3.320%	1,454,514	144,736	237,544
Alborn Township - cw01	07/07/08	08/20/20	1.000%	280,571	163,000	180,279
Alexandria LASR - cw01	08/13/07	08/20/27	1.240%	4,968,093	3,871,784	4,105,784
Alexandria LASR - cw02	03/12/12	08/20/31	1.413%	228,823	228,823	228,823
Alvarado - cw01	10/16/98	02/20/20	1.000%	677,980	252,748	287,446
Annandale - cw01	08/17/07	08/20/26	2.220%	16,036,613	13,283,000	14,085,000
Appleton - cw01	07/13/06	08/20/25	1.070%	1,331,574	999,000	1,070,000
Arlington - cw01	06/23/11	08/20/31	1.000%	4,365,546	3,997,211	3,261,383
Atwater - cw01	06/15/11	08/20/30	1.776%	522,000	487,770	483,830
Aurora - cw01	06/24/08	08/20/27	1.277%	2,700,000	2,160,000	2,290,000
Avon - cw01	11/18/02	08/20/32	1.000%	7,943,904	4,997,789	5,057,789
Bagley - cw01	07/01/98	08/20/19	1.000%	1,654,075	566,186	650,293
Barnesville - cw01	07/31/06	08/20/25	1.560%	4,137,640	3,113,000	3,328,000
Barnesville - cw02	09/13/11	08/20/31	1.000%	512,203	498,245	512,203
Battle Lake - cw01	06/18/03	08/20/22	1.000%	1,698,073	995,000	1,089,000
Beaver Bay - cw01	10/13/10	08/20/40	1.000%	440,099	364,281	377,281
Beaver Creek - cw01	09/23/94	08/20/15	3.600%	103,102	17,107	23,555
Belle Plaine - cw01	01/27/03	08/20/22	1.990%	10,565,764	6,031,000	6,571,000
Benson - cw01	07/26/04	08/20/24	1.980%	4,296,201	2,895,000	3,107,000
Big Lake - cw01	09/24/09	08/20/29	2.414%	13,470,120	12,795,000	12,926,063
Bird Island - cw01	11/13/06	08/20/26	1.000%	4,194,000	3,491,000	3,722,000
Blooming Prairie - cw01	10/12/10	08/20/30	1.000%	2,173,590	1,969,811	1,950,286
Blue Earth - cw01	03/30/00	08/20/20	1.290%	3,290,170	1,484,000	1,659,000
Blue Earth - cw02	07/03/07	08/20/26	1.400%	716,592	582,000	619,000
Blue Earth - cw03	07/20/09	08/20/29	2.603%	699,230	612,000	640,574
Blue Earth - cw04	07/06/10	08/20/25	1.448%	1,987,000	1,518,491	1,640,491
Blue Earth - cw05	04/16/12	08/20/26	1.407%	590,000	521,431	92,292
Brainerd - cw01	03/12/08	08/20/17	2.230%	1,965,098	1,037,000	1,231,000
Brainerd - cw02	06/24/09	08/20/28	3.233%	25,966,788	22,936,000	24,018,000
Breckenridge - cw01	07/22/08	08/20/27	2.802%	1,461,216	1,210,000	1,274,000
Brooten - cw01	08/27/07	08/20/27	1.000%	1,892,040	1,522,000	1,616,000
Browerville - cw03	11/19/04	08/20/24	1.000%	493,048	317,000	342,000
Brownton - cw01	01/06/10	08/20/30	1.000%	813,910	728,000	764,920
Butterfield - cw01	08/02/10	08/20/30	1.536%	2,210,104	2,097,000	2,010,568
Caledonia - cw01	02/07/94	02/20/15	3.440%	606,675	80,399	118,588
Caledonia - cw02	07/09/12	08/20/31	1.519%	1,905,770	1,475,800	-
Cambridge - cw01	10/16/92	02/20/14	3.090%	10,477,205	-	1,335,769
Canby - cw01	07/20/10	08/20/39	1.349%	4,860,517	4,674,000	4,566,000
Cannon Falls - cw01	06/27/01	08/20/21	3.070%	4,529,000	2,513,000	2,752,000
Cannon Falls - cw02	11/20/01	08/20/22	2.860%	8,021,909	4,647,909	5,044,909
Canosia Township - cw01	09/10/99	08/20/20	1.290%	2,517,810	1,079,783	1,213,063
Carver - cw01	02/16/00	08/20/19	2.860%	1,188,000	507,000	572,000
Cass County - cw01	06/23/97	02/20/19	1.130%	1,366,190	482,131	559,365
Cass Lake - cw01	02/14/94	02/20/15	1.940%	276,364	32,480	48,270

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Cedar Lake Area WSSDB - cw01	07/26/01	08/20/21	1.570%	3,225,000	1,195,800	1,354,660
Central Iron Range SSD - cw01	08/31/11	08/20/30	1.508%	759,034	426,978	51,675
Central Iron Range SSD - cw02	08/31/11	08/20/41	2.279%	7,361,329	6,880,785	50,000
Chandler - cw01	09/24/02	08/20/23	1.000%	1,348,589	781,490	848,490
Chisago Lakes JSTC - cw01	11/01/04	08/20/24	2.230%	13,019,689	7,496,960	8,036,960
Chisago Lakes JSTC - cw02	07/20/06	08/20/25	1.000%	3,917,643	2,814,000	3,016,000
Chisholm - cw01	05/17/94	02/20/15	3.820%	2,150,644	295,297	434,774
Clara City - cw01	08/19/97	08/20/18	2.740%	2,138,045	571,620	666,797
Clear Lake - cw01	07/30/97	02/20/19	3.080%	223,506	81,822	94,068
Clear Lake - cw02	01/12/09	08/20/28	1.153%	1,889,177	1,759,000	1,818,752
Clear Lake - cw03	08/03/09	08/20/39	1.000%	95,301	87,000	90,000
Clearwater - cw01	07/23/97	02/20/19	2.080%	1,654,550	569,804	658,085
Clearwater - cw02	11/18/08	08/20/27	1.697%	7,700,145	6,509,000	6,887,000
Clearwater - cw03	11/03/09	08/20/29	1.000%	13,753	-	4,000
Cokato - cw01	10/26/94	02/20/16	3.320%	2,760,000	538,157	706,049
Cold Spring - cw01	02/24/04	08/20/23	2.490%	7,802,416	4,257,000	4,590,000
Cologne - cw01	01/03/97	02/20/18	3.320%	1,538,699	465,352	553,217
Comfrey - cw01	06/23/10	08/20/39	1.000%	675,130	582,329	602,329
Cottonwood Township - cw01	03/12/99	08/20/20	1.290%	391,546	167,707	187,707
Cottonwood Township - cw02	09/22/99	08/20/20	1.290%	140,296	62,000	69,000
Cottonwood - cw01	05/03/04	08/20/24	2.230%	895,920	608,000	652,000
Cross Lake Area WSSD - cw01	07/09/97	02/20/19	2.880%	2,035,802	736,913	847,903
Dassel - cw01	07/30/02	08/20/22	1.380%	1,610,153	906,000	990,000
Dawson - cw01	08/10/04	08/20/24	1.730%	1,788,670	1,197,000	1,286,000
Dayton - cw01	08/16/00	08/20/21	3.250%	986,395	339,000	371,000
Delano - cw01	05/24/95	08/20/16	4.620%	2,480,000	610,793	768,410
Delano - cw02	10/16/98	02/20/20	2.980%	1,150,000	481,429	542,457
Delano - cw03	07/22/03	08/20/22	2.090%	11,054,217	6,709,000	7,307,000
Detroit Lakes - cw01	09/10/93	08/20/14	2.820%	2,552,820	236,986	389,537
Detroit Lakes - cw02	12/19/95	02/20/17	2.930%	3,754,889	934,213	1,151,271
Dilworth - cw01	03/22/00	08/20/20	3.070%	1,849,510	894,000	991,000
Dover-Eyota-Saint Charles SD - cv	05/30/02	08/20/21	3.293%	1,573,871	877,000	960,000
Dover-Eyota-Saint Charles SD - cv	08/16/11	08/20/31	1.869%	1,567,234	1,531,921	880,946
Duluth - cw01	07/24/02	08/20/18	1.000%	364,195	155,000	180,000
Duluth - cw02	10/17/03	08/20/18	1.340%	1,179,115	540,000	626,000
Duluth - cw03	06/11/07	08/20/22	1.150%	1,973,033	1,489,000	1,629,000
Duluth - cw04	06/17/09	08/20/24	1.969%	796,835	669,000	718,000
Duluth - cw05	12/10/09	08/20/24	2.017%	2,414,150	2,087,000	2,239,000
Duluth - cw06	08/31/10	08/20/25	1.258%	9,087,385	7,383,334	7,181,235
Duluth - cw07	08/31/10	08/20/25	1.258%	3,753,059	3,295,000	2,893,140
Duluth - cw08	11/18/11	08/20/21	1.000%	278,149	193,593	69,540
Duluth - cw09	11/18/11	08/20/21	1.000%	354,551	102,449	108,000
Duluth - cw10	11/30/11	08/20/21	1.000%	282,620	189,829	81,741
Duluth - cw11	09/10/12	08/20/22	1.000%	600,175	72,331	-
Duluth/North Shore SD - cw03	07/01/02	08/20/23	1.630%	7,952,500	4,643,058	5,026,058
Dundas - cw01	03/21/97	02/20/18	2.880%	927,469	283,636	335,669
East Grand Forks - cw01	09/17/08	08/20/28	2.687%	4,012,598	3,452,000	3,623,000
East Gull Lake - cw02	08/03/04	08/20/24	1.000%	6,416,500	4,278,000	4,612,000
Eden Valley - cw01	10/13/09	08/20/29	1.744%	652,228	569,000	596,771
Elbow Lake - cw01	07/07/09	08/20/39	1.993%	164,274	149,000	152,972
Ely - cw01	01/02/01	08/20/21	1.070%	4,699,982	1,289,000	1,425,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Elysian - cw01	07/31/97	08/20/18	2.130%	1,163,536	370,531	433,383
Evansville - cw01	12/11/97	02/20/19	1.250%	673,073	219,652	254,696
Evansville - cw02	11/15/11	08/20/31	1.000%	54,630	43,959	-
Eveleth - cw01	06/12/92	02/20/13	4.730%	500,000	-	37,299
Eveleth - cw02	09/14/04	08/20/24	1.340%	3,522,034	2,326,000	2,504,000
Eveleth - cw03	11/10/05	08/20/24	1.340%	34,182	18,000	19,000
Fairfax - cw01	08/18/95	08/20/16	2.950%	1,506,773	330,425	418,776
Fairmont - cw01	05/25/04	08/20/24	1.730%	13,248,347	8,843,000	9,501,000
Faribault - cw01	07/28/09	08/20/29	2.550%	23,332,461	20,446,461	21,340,703
Farmington - cw01	04/04/95	08/20/16	4.630%	764,377	187,429	235,736
Fayal Township - cw01	09/22/99	08/20/20	2.110%	4,851,756	2,171,000	2,418,000
Fayal Township - cw02	06/22/01	08/20/21	1.570%	341,468	145,000	160,000
Fayal Township - cw03	10/04/01	08/20/20	2.110%	855,267	331,000	369,000
Fergus Falls - cw02	10/07/96	02/20/17	3.740%	450,000	118,394	145,362
Foley - cw01	07/21/94	08/20/15	3.320%	1,080,000	176,845	243,635
Forest Prairie Township - cw01	04/12/01	08/20/21	1.800%	711,095	359,000	395,000
Fosston - cw01	11/15/11	08/20/41	1.000%	3,219,053	2,882,338	348,169
Fountain - cw01	08/06/09	08/20/29	1.303%	1,034,122	910,116	963,000
Garfield - cw01	05/09/97	02/20/18	3.080%	100,000	30,959	36,609
Garfield - cw02	06/29/98	08/20/19	1.040%	450,489	154,125	176,933
Garrison-Kathio-WMLL SSD - cw	01/09/01	08/20/21	1.620%	500,000	246,000	271,000
Garrison-Kathio-WMLL SSD - cw	06/04/07	08/20/26	1.000%	6,066,964	4,842,064	5,192,766
Gilbert - cw01	07/14/10	08/20/30	1.000%	1,337,076	1,216,000	1,277,000
Glyndon - cw01	08/14/91	02/20/13	3.640%	671,323	-	42,532
Glyndon - cw02	08/09/10	08/20/30	1.089%	1,073,735	967,297	1,020,735
Good Thunder - cw01	10/15/99	08/20/19	1.290%	1,010,545	420,000	477,000
Goodhue County - cw01	04/29/97	02/20/18	1.580%	141,175	39,532	47,072
Grand Lake Township - cw01	09/02/99	08/20/20	1.290%	1,131,190	487,000	544,000
Grand Lake Township - cw02	05/29/01	08/20/20	1.290%	93,000	6,930	18,000
Grand Rapids - cw01	11/10/09	08/20/29	2.900%	26,370,231	23,382,210	24,551,452
Grey Eagle - cw01	02/03/97	02/20/18	1.220%	410,000	84,102	100,336
Hackensack - cw01	11/21/97	02/20/18	1.250%	287,844	78,157	93,219
Hamburg - cw01	08/09/11	08/20/30	1.256%	290,242	249,521	290,242
Hanover - cw01	08/18/99	08/20/20	2.290%	1,909,275	763,000	850,000
Harmony - cw01	02/25/93	02/20/14	3.340%	1,216,700	72,186	151,659
Harmony - cw02	05/13/04	08/20/23	1.000%	625,465	379,000	411,000
Harris - cw01	12/11/06	08/20/37	1.000%	4,995,642	4,795,239	4,795,239
Hawley - cw01	07/12/06	08/20/25	1.060%	1,010,111	749,000	802,000
Hawley - cw02	06/17/08	08/20/27	2.293%	132,955	110,000	116,000
Hector - cw01	12/14/94	02/20/16	3.920%	1,914,260	387,564	507,538
Henderson - cw01	08/27/07	08/20/27	1.490%	3,713,099	3,083,000	3,265,000
Hendrum - cw01	11/15/07	08/20/27	2.279%	220,661	178,000	188,000
Hendrum - cw02	07/31/08	08/20/27	1.530%	253,458	197,000	208,755
Henning - cw01	09/15/92	02/20/14	0.460%	606,500	31,501	62,878
Hewitt - cw02	12/04/91	08/20/12	0.000%	335,000	-	8,375
Hibbing - cw01	12/16/02	08/20/22	1.740%	9,847,450	5,644,000	6,157,000
Hibbing - cw02	12/11/10	08/20/25	1.340%	1,726,575	1,378,173	1,473,683
Hibbing - cw03	10/29/12	08/20/31	1.000%	4,912,830	1,461,023	-
Hinckley - cw01	09/25/92	02/20/14	2.090%	1,850,839	48,689	96,381
Hinckley - cw02	07/28/99	08/20/20	2.110%	2,435,641	1,088,000	1,212,000
Hoffman - cw01	10/02/97	02/20/19	1.990%	263,440	90,245	104,270

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Howard Lake - cw01	06/09/09	08/20/28	1.076%	3,730,249	3,157,773	3,340,053
Howard Lake - cw02	06/17/11	08/20/40	1.000%	2,508,122	2,471,000	2,333,061
Hudson Township - cw01	05/02/07	08/20/27	1.000%	3,025,426	2,374,227	2,521,227
Hutchinson - cw01	06/26/07	08/20/26	2.150%	13,696,602	11,306,000	11,992,000
Ida Township - cw01	03/28/01	08/20/21	1.980%	7,536,190	2,735,990	3,132,980
Isanti - cw01	09/18/96	08/20/17	2.630%	4,682,145	1,128,201	1,361,519
Jackson - cw01	10/02/12	08/20/32	1.000%	3,176,800	831,610	-
Jasper - cw01	08/25/95	08/20/16	2.440%	778,200	164,780	209,348
Jordan - cw01	05/30/00	08/20/21	2.290%	6,850,120	3,532,000	3,882,000
Kandiyohi County - cw01	09/22/99	08/20/20	2.250%	7,188,360	3,371,000	3,752,000
Kandiyohi County - cw02	11/30/00	08/20/21	2.250%	3,648,450	1,879,000	2,065,000
Kandiyohi County - cw03	10/10/01	08/20/21	2.140%	651,000	333,000	366,000
Kandiyohi County - cw04	10/17/06	08/20/26	1.000%	3,761,876	2,842,000	3,030,000
Kandiyohi - cw01	07/20/09	08/20/29	1.000%	538,495	465,000	489,283
Kasson - cw01	08/17/01	08/20/21	3.070%	7,632,919	4,153,000	4,549,000
Kasson - cw02	08/31/11	08/20/31	1.861%	994,038	973,134	878,925
Knife River-Larsmont SSD - cw01	10/25/05	08/20/25	1.310%	882,212	622,212	665,930
Koochiching County - cw01	08/09/05	08/20/25	1.000%	4,430,839	3,055,000	3,274,000
Lake Benton - cw01	11/21/91	08/20/12	2.660%	169,000	-	5,381
Lake City - cw01	08/25/93	08/20/14	3.740%	1,442,000	148,923	243,714
Lake City - cw02	11/24/96	02/20/17	3.320%	1,500,000	383,722	472,013
Lake City - cw03	08/18/99	08/20/20	2.860%	1,226,667	562,000	624,000
Lake City - cw04	09/30/02	08/20/23	2.990%	4,800,000	3,016,000	3,245,000
Lake Crystal - cw01	10/30/03	08/20/23	2.340%	1,571,616	1,000,000	1,079,000
Lake Lillian - cw01	02/13/07	08/20/26	1.000%	226,216	172,000	183,000
Lake Mary Township - cw01	05/05/98	08/20/19	1.540%	2,120,212	302,679	383,204
Lake Mary Township - cw02	09/11/00	08/20/20	1.360%	377,951	108,150	121,150
Lake Park - cw01	11/14/03	08/20/23	1.590%	424,520	253,520	274,520
Lake Park - cw02	07/26/11	08/20/31	1.000%	1,000,000	974,000	908,108
Lake Washington SD - cw01	06/23/04	08/20/24	1.480%	6,490,000	3,463,512	3,900,329
Lakefield - cw01	05/03/96	08/20/17	2.630%	1,143,940	311,627	376,077
Laketown Township - cw01	08/12/98	08/20/19	1.790%	1,020,000	200,509	231,509
Landfall - cw01	01/26/94	02/20/15	1.940%	1,088,007	128,573	191,058
Lanesboro - cw01	08/15/96	08/20/17	2.680%	492,733	134,553	162,360
Lansing Township - cw01	08/24/12	08/20/27	1.000%	64,151	36,658	-
Le Center - cw01	07/01/94	08/20/15	2.960%	2,315,710	368,495	508,718
Le Center - cw02	08/10/04	08/20/24	1.980%	2,595,136	1,746,286	1,874,286
Le Sueur - cw01	08/27/07	08/20/27	1.000%	16,353,395	13,405,000	14,229,000
Leota SD - cw01	08/10/99	08/20/19	1.000%	256,598	99,000	113,000
Lester Prairie - cw01	07/10/06	08/20/25	1.560%	4,387,680	3,338,000	3,568,000
Lewiston - cw01	07/17/01	08/20/21	2.320%	1,630,000	873,000	959,000
Lismore - cw01	08/07/95	02/20/16	2.070%	550,000	97,606	128,825
Litchfield - cw01	12/27/01	08/20/22	2.680%	10,963,561	6,314,000	6,858,000
Litchfield - cw02	09/01/09	08/20/29	2.652%	7,086,048	6,886,048	6,227,981
Little Falls - cw01	02/03/03	08/20/22	1.240%	4,248,645	2,387,000	2,610,000
Little Falls - cw02	07/11/05	08/20/22	1.240%	1,998,468	1,226,000	1,340,000
Little Falls - cw03	07/11/05	08/20/22	1.240%	631,555	368,000	402,000
Long Prairie - cw02	08/22/11	08/20/31	2.190%	4,821,000	4,699,852	3,114,442
Lonsdale - cw01	11/03/03	08/20/23	2.340%	6,644,792	4,223,792	4,556,792
Mabel - cw01	08/13/03	08/20/23	1.090%	1,562,875	946,000	1,027,000
Madelia - cw01	01/25/93	02/20/14	2.010%	2,415,000	144,924	287,096

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Madelia - cw02	11/14/06	08/20/26	1.000%	4,732,813	3,676,000	3,920,000
Madison Lake - cw01	11/01/95	02/20/17	0.000%	301,512	60,302	75,378
Madison Lake - cw02	06/01/09	08/20/29	1.883%	320,500	279,000	293,000
Mahnomen - cw01	08/07/08	08/20/27	1.786%	718,929	587,000	621,000
Mankato - cw01	05/21/98	08/20/19	3.070%	24,682,000	9,718,249	11,049,819
Mankato - cw02	11/09/00	08/20/19	3.070%	678,000	297,000	334,000
Mankato - cw03	06/13/09	08/20/29	1.882%	1,070,750	927,000	972,944
Mankato - cw04	10/01/10	08/20/30	1.656%	5,520,000	4,464,921	4,546,869
Mantorville - cw01	08/18/10	08/20/30	1.802%	250,542	234,000	244,613
Martin County - cw01	08/11/09	08/20/29	1.000%	628,307	516,000	544,000
Mayer - cw01	01/14/00	08/20/20	2.570%	689,274	324,000	360,000
McIntosh - cw01	07/10/12	08/20/41	1.000%	1,123,684	954,098	-
Medford - cw01	08/02/07	08/20/26	2.240%	1,355,197	1,117,000	1,184,000
Metropolitan Council - cw09	10/03/97	08/20/17	3.405%	40,000,000	-	19,725,000
Metropolitan Council - cw10	12/31/98	08/20/19	3.140%	60,000,000	-	34,965,000
Metropolitan Council - cw11	07/27/00	08/20/20	3.757%	60,000,000	-	41,445,000
Metropolitan Council - cw12	11/14/01	08/20/21	3.543%	75,000,000	-	53,500,000
Metropolitan Council - cw13	12/20/02	02/20/22	3.383%	100,000,000	-	71,840,000
Metropolitan Council - cw14	11/26/03	08/20/23	3.090%	100,000,000	75,750,000	79,500,000
Metropolitan Council - cw15	10/31/03	02/20/16	0.000%	-	261,857	632,546
Metropolitan Council - cw16	10/20/04	02/20/25	2.536%	50,000,000	30,900,000	33,000,000
Metropolitan Council - cw17	11/10/05	02/20/25	2.840%	40,000,000	32,700,000	34,200,000
Metropolitan Council - cw18	09/13/06	08/20/26	2.730%	50,000,000	41,550,000	41,800,000
Metropolitan Council - cw19	10/11/07	08/20/27	3.181%	80,000,000	75,700,000	76,200,000
Metropolitan Council - cw20	08/31/09	08/20/29	2.449%	30,588,750	26,480,000	28,295,000
Metropolitan Council - cw21	09/22/09	08/20/29	2.830%	49,411,250	42,770,000	45,705,000
Metropolitan Council - cw22	01/12/11	08/20/30	1.767%	70,000,000	65,912,000	67,505,934
Metropolitan Council - cw23	02/15/12	08/20/31	1.603%	60,000,000	59,980,000	25,830,463
Metropolitan Council - cw24	05/23/13	08/20/32	1.000%	40,000,000	3,789,376	-
Middle River - cw01	08/11/10	08/20/30	1.000%	176,092	156,423	166,423
Midway Township - cw01	09/28/10	08/20/30	1.000%	704,584	449,455	546,255
Minneapolis - cw01	04/30/12	08/20/13	1.000%	552,660	262,796	-
Minneota - cw01	07/26/10	08/20/30	1.329%	864,500	789,000	827,000
Minnesota City - cw01	08/11/11	08/20/31	1.095%	717,320	427,446	250,086
Montevideo - cw01	06/17/09	08/20/29	2.890%	8,913,742	7,748,276	8,132,170
Montevideo - cw02	05/08/12	08/20/31	1.517%	206,845	161,967	-
Montgomery - cw01	02/05/03	08/20/22	1.000%	8,507,628	4,665,998	5,107,998
Montrose - cw02	08/27/02	08/20/22	2.740%	4,209,000	2,525,000	2,742,000
Montrose - cw03	02/21/03	08/20/22	2.740%	1,566,000	927,000	1,007,000
Moorhead - cw01	09/23/94	02/20/15	4.100%	2,478,112	344,617	506,715
Moorhead - cw02	05/23/95	08/20/16	4.100%	1,601,443	380,058	479,093
Moorhead - cw03	09/29/97	02/20/18	3.290%	426,290	133,313	157,463
Moorhead - cw04	05/06/02	08/20/22	3.130%	3,389,288	1,981,000	2,147,000
Moorhead - cw05	06/21/04	08/20/23	1.980%	6,598,073	4,167,099	4,504,099
Moorhead - cw06	07/18/07	08/20/26	1.990%	12,407,226	10,248,000	10,877,000
Moose Lake - cw03	01/14/09	08/20/28	1.139%	2,962,416	2,648,000	2,648,000
Moose Lake - cw04	04/14/10	08/20/29	1.000%	752,171	536,923	536,923
Morgan - cw01	09/23/93	08/20/14	2.570%	131,280	12,325	20,285
Morgan - cw02	09/30/94	02/20/16	2.570%	640,309	118,009	155,379
Morristown - cw01	11/19/98	02/20/20	1.810%	1,229,797	481,549	545,529
Motley - cw01	01/18/11	08/20/30	1.000%	2,630,293	2,438,293	2,555,872

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Mountain Iron - cw01	10/20/09	08/20/29	2.248%	599,250	525,000	550,000
Mountain Lake - cw01	08/20/12	08/20/32	1.000%	7,754,480	2,234,186	-
Murray County - cw01	08/25/06	08/20/26	1.010%	10,568,836	7,640,600	8,222,777
New London - cw01	06/15/11	08/20/30	1.000%	1,668,210	1,583,699	1,458,376
New Munich - cw01	12/10/10	08/20/30	1.027%	702,473	507,700	512,591
New Prague - cw01	12/01/08	08/20/28	3.127%	32,280,687	30,064,000	30,714,799
New Richland - cw01	08/29/11	08/20/31	1.000%	2,450,000	2,015,646	1,254,280
New Ulm - cw02	06/19/07	08/20/26	2.650%	3,943,632	3,278,000	3,469,000
New York Mills - cw01	11/15/06	08/20/26	1.000%	3,563,645	2,747,000	2,929,000
New York Mills - cw02	06/22/09	08/20/29	1.000%	130,134	112,000	118,000
New York Mills - cw03	12/14/10	08/20/30	1.000%	99,331	90,000	83,849
Nicollet - cw01	08/03/95	02/20/17	3.200%	1,260,000	319,479	393,262
North Branch - cw01	08/05/03	08/20/33	2.601%	11,500,000	8,370,000	8,420,000
North Koochiching ASD - cw01	04/16/12	08/20/41	2.135%	9,688,290	3,407,229	-
North Mankato - cw01	11/25/97	02/20/19	3.405%	1,032,679	386,593	443,467
North Mankato - cw02	09/30/99	08/20/19	3.140%	442,988	191,000	215,000
Northfield - cw01	05/02/00	08/20/21	3.040%	18,390,072	9,785,000	10,718,000
Oak Grove - cw01	04/01/10	08/20/29	1.694%	490,429	409,000	430,000
Olivia - cw01	09/26/97	02/20/19	3.490%	1,122,092	419,713	481,706
Olivia - cw02	11/21/11	08/20/40	1.000%	5,845,636	3,948,353	620,694
Ortonville - cw01	05/05/08	08/20/27	2.290%	471,836	376,429	397,429
Owatonna - cw01	07/06/10	08/20/25	1.423%	7,929,333	6,962,928	7,447,928
Paynesville - cw01	02/12/13	08/20/32	1.000%	3,069,736	2,121,652	-
Pelican Rapids - cw02	10/13/08	08/20/27	1.257%	5,517,884	4,576,000	4,852,015
Pelican Rapids - cw03	07/10/12	08/20/31	1.000%	224,238	185,366	-
Pemberton - cw01	02/03/97	02/20/18	1.580%	372,136	104,255	124,142
Perham - cw01	08/08/11	08/20/26	1.400%	337,745	327,000	308,911
Perham - cw02	11/16/12	08/20/42	1.000%	3,247,633	1,385,948	-
Pillager - cw01	11/21/91	02/20/13	2.530%	500,000	-	31,314
Pipestone - cw02	04/04/11	08/20/30	2.063%	2,438,093	2,319,765	2,301,111
Plato - cw01	04/20/99	08/20/19	1.290%	107,025	42,000	47,000
Plato - cw02	03/27/00	08/20/21	1.860%	857,047	424,000	467,000
Proctor - cw01	07/26/07	08/20/22	1.240%	104,119	72,000	79,000
Ramsey-Washington MWD - cw01	06/13/97	08/20/17	3.824%	540,835	159,761	191,715
Ramsey-Washington MWD - cw02	09/24/98	08/20/18	3.340%	711,431	248,908	289,491
Ramsey-Washington MWD - cw03	07/11/12	08/20/27	1.695%	1,177,217	1,148,724	-
Red Wing - cw01	12/20/96	08/20/17	3.824%	750,000	218,807	263,155
Red Wing - cw02	12/02/97	02/20/18	3.405%	700,000	221,217	261,206
Red Wing - cw03	05/22/98	08/20/18	3.340%	2,500,000	770,301	913,347
Red Wing - cw04	10/11/02	08/20/22	3.740%	1,494,594	895,000	968,000
Red Wing - cw05	08/24/04	08/20/24	2.340%	5,283,360	3,602,000	3,859,000
Redwood Falls - cw01	12/11/96	08/20/17	2.490%	133,900	36,105	43,607
Renville - cw01	08/22/96	02/20/17	2.470%	794,818	191,264	236,236
Renville - cw02	04/12/10	08/20/17	1.000%	712,479	616,517	696,517
Rice - cw01	10/13/04	08/20/24	1.980%	1,153,293	711,000	824,000
Richmond - cw01	11/01/06	08/20/26	1.000%	7,264,863	5,925,000	6,237,000
Rockford - cw01	08/14/97	02/20/19	3.990%	1,694,279	274,088	313,955
Rockville - cw01	12/19/95	02/20/17	0.000%	869,580	173,916	217,395
Rockville - cw02	04/22/04	08/20/24	1.340%	9,182,090	5,437,000	5,852,000
Rogers - cw01	08/03/92	08/20/13	3.200%	1,023,299	34,040	100,814
Rogers - cw02	12/23/94	02/20/16	4.170%	2,710,873	560,433	732,547

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Rollingstone - cw01	04/12/00	08/20/20	2.790%	532,035	258,000	286,000
Roseau - cw01	05/09/94	08/20/14	2.990%	237,000	20,230	34,931
Roseau - cw02	11/01/95	02/20/17	2.950%	950,000	236,820	291,835
Rush City - cw01	03/05/99	08/20/19	1.040%	4,097,542	1,533,000	1,743,000
Rush City - cw02	06/25/12	08/20/31	1.522%	990,727	901,330	-
Rushford Village - cw01	05/30/96	02/20/17	3.180%	168,403	41,429	51,265
Rushford - cw01	06/04/96	08/20/17	3.430%	1,101,488	316,652	380,699
Rushford - cw02	03/28/11	08/20/30	1.077%	1,414,400	1,367,010	1,185,331
Rushmore - cw01	10/03/05	08/20/24	1.210%	424,101	276,000	298,000
Sacred Heart - cw01	07/17/97	08/20/18	1.580%	1,441,093	442,430	518,852
Saint Augusta - cw01	09/02/03	08/20/23	2.090%	4,389,732	2,653,000	2,865,000
Saint Augusta - cw02	10/06/10	08/20/40	1.000%	1,839,044	1,732,000	1,785,315
Saint Clair - cw01	09/28/98	08/20/19	1.480%	2,653,226	948,495	1,086,523
Saint Cloud - cw01	07/23/97	08/20/18	3.630%	4,812,000	1,683,874	1,955,822
Saint Cloud - cw02	04/06/10	08/20/30	1.771%	40,115,015	38,020,115	39,964,115
Saint Hilaire - cw01	03/27/98	02/20/19	2.250%	15,641	4,855	5,607
Saint Hilaire - cw02	09/29/08	08/20/28	1.058%	807,912	663,000	701,000
Saint Hilaire - cw03	06/22/09	08/20/29	1.000%	25,589	23,000	24,000
Saint James - cw02	06/03/10	08/20/29	1.799%	7,084,225	6,552,271	6,783,616
Saint Paul - cw01	08/23/93	08/20/14	2.570%	1,072,837	100,718	165,792
Saint Paul - cw02	11/10/94	08/20/15	3.600%	600,000	100,313	138,024
Saint Paul - cw03	12/20/95	08/20/16	3.200%	600,000	134,194	169,889
Saint Paul - cw04	06/21/96	02/20/17	2.880%	4,269,844	1,059,557	1,306,045
Saint Paul - cw05	01/17/97	02/20/18	3.820%	1,500,000	487,097	573,938
Saint Paul - cw06	01/13/98	02/20/19	3.250%	3,100,000	1,147,283	1,317,835
Saint Paul - cw07	02/18/99	08/20/19	2.790%	4,600,000	1,905,000	2,150,000
Saint Paul - cw08	09/12/00	08/20/20	3.870%	8,965,000	4,648,000	5,136,000
Saint Peter - cw01	12/29/00	08/20/21	2.040%	11,733,250	5,988,000	6,589,000
Saint Peter - cw02	09/17/02	08/20/22	2.040%	7,260,850	3,062,000	3,335,000
Saint Peter - cw03	12/15/03	08/20/22	3.480%	2,240,000	1,422,000	1,539,000
Sauk Centre - cw01	10/30/95	08/20/16	3.200%	1,407,000	314,797	398,499
Sauk Centre - cw02	07/07/10	08/20/30	1.911%	7,058,050	6,212,186	6,330,993
Shafer - cw01	03/17/95	08/20/16	2.240%	174,000	36,246	46,110
Shafer - cw02	09/24/02	08/20/23	1.630%	1,167,000	693,000	750,000
Sherburn - cw01	11/18/10	08/20/30	1.000%	1,296,848	1,173,348	1,231,348
Shingobee Township - cw01	01/24/00	08/20/20	1.000%	60,240	24,000	27,000
Shorewood Park SD/Rush Lake SI	12/19/95	02/20/17	0.000%	625,000	125,000	156,250
Silver Bay - cw01	09/23/94	02/20/16	2.820%	1,490,796	280,123	368,389
Silver Creek Township - cw01	03/23/99	08/20/20	2.290%	1,700,000	772,000	859,000
Skyline - cw01	07/12/04	08/20/24	1.000%	1,179,511	646,425	737,242
Spring Lake Township - cw01	06/11/01	08/20/21	1.290%	1,263,000	445,000	491,000
Spring Lake Township - cw02	11/22/04	08/20/24	1.000%	1,100,000	721,000	777,000
Springsteel Island SD - cw01	09/04/07	08/20/27	1.000%	811,946	648,148	688,148
Starbuck - cw01	09/20/11	08/20/31	1.000%	439,225	328,452	-
Stewart - cw01	10/02/98	02/20/19	1.000%	150,000	48,179	55,933
Stewart - cw02	11/06/12	08/20/32	1.000%	819,578	457,045	-
Sturgeon Lake - cw01	02/21/07	08/20/26	1.188%	4,495,958	4,068,000	4,093,000
Sturgeon Lake - cw02	11/07/08	02/20/26	1.634%	669,849	546,000	562,000
Thief River Falls - cw01	07/16/98	08/20/19	2.790%	925,525	358,069	407,666
Tracy - cw01	06/30/00	08/20/20	2.110%	1,434,769	658,791	735,000
Trimont - cw01	11/17/04	08/20/24	1.000%	1,699,869	1,112,000	1,199,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Clean Water Bond Fund (continued):						
Truman - cw01	12/21/10	08/20/30	1.317%	393,771	364,271	360,011
Two Harbors - cw01	03/11/94	02/20/15	2.440%	2,200,000	270,137	400,820
Ulen - cw01	07/12/11	08/20/41	1.000%	1,538,613	1,513,613	1,327,104
Verndale - cw01	07/10/97	02/20/18	1.130%	155,809	42,170	50,328
Verndale - cw02	06/18/09	08/20/29	1.393%	48,111	42,000	44,000
Verndale - cw03	05/31/11	08/20/30	1.000%	336,932	331,632	334,753
Virginia - cw01	11/10/11	08/20/31	1.458%	16,526,481	15,129,207	4,536,688
Wabasha - cw01	07/22/03	08/20/22	1.590%	5,866,644	3,460,000	3,777,000
Wadena - cw01	09/13/11	08/20/31	1.529%	4,139,999	2,912,317	1,239,462
Walker - cw01	04/03/95	08/20/16	2.600%	2,182,510	467,024	592,885
Walnut Grove - cw01	04/15/93	02/20/14	0.600%	767,041	35,585	71,314
Warren - cw01	06/24/11	08/20/30	1.223%	362,774	356,000	347,207
Waseca - cw01	07/10/09	08/20/29	2.627%	9,335,004	8,204,000	8,583,505
Watertown - cw01	05/11/93	08/20/14	3.490%	3,300,000	332,010	545,408
Watkins - cw01	01/03/07	08/20/25	1.270%	1,631,700	1,213,000	1,298,000
Welcome - cw01	08/10/11	08/20/31	1.000%	753,307	734,918	746,868
Wells - cw01	10/29/04	08/20/24	1.960%	1,560,000	1,052,000	1,129,000
West Concord - cw01	09/20/96	02/20/18	3.990%	281,777	92,338	108,744
West Concord - cw02	06/10/04	08/20/24	1.000%	2,231,649	1,463,000	1,577,000
Western Lake Superior SD - cw01	10/10/91	08/20/12	4.780%	5,078,000	-	226,925
Western Lake Superior SD - cw02	03/06/97	02/20/13	4.330%	4,400,000	-	389,205
Western Lake Superior SD - cw04	09/02/99	08/20/14	3.560%	835,800	144,000	212,000
Western Lake Superior SD - cw06	10/06/00	08/20/21	4.870%	7,023,372	-	4,388,006
Western Lake Superior SD - cw08	07/17/06	08/20/21	2.820%	3,847,077	2,617,000	2,869,000
Western Lake Superior SD - cw09	04/08/08	08/20/23	2.611%	2,367,407	1,808,000	1,948,000
Western Lake Superior SD - cw10	06/16/09	08/20/24	2.700%	1,889,541	1,653,000	1,768,000
Western Lake Superior SD - cw11	08/31/10	08/20/25	1.586%	151,866	134,866	143,866
Western Lake Superior SD - cw12	08/31/10	08/20/25	1.591%	342,262	298,190	320,190
Western Lake Superior SD - cw13	08/31/10	08/20/25	1.590%	678,748	540,740	575,442
Western Lake Superior SD - cw14	08/31/10	08/20/25	1.589%	3,351,540	2,841,122	2,712,744
Western Lake Superior SD - cw15	09/26/11	08/20/26	1.520%	3,581,330	3,327,763	1,345,453
Western Lake Superior SD - cw16	09/26/11	08/20/26	1.520%	316,131	296,143	88,120
Western Lake Superior SD - cw17	09/26/11	08/20/26	1.520%	1,610,959	1,486,062	1,268,146
Western Lake Superior SD - cw18	07/03/12	08/20/27	1.693%	5,452,173	5,084,951	-
Western Lake Superior SD - cw19	11/16/12	08/20/28	1.000%	2,947,518	2,418,991	-
Western Lake Superior SD - cw20	06/27/13	08/20/28	1.000%	2,125,969	-	-
Wheaton - cw01	06/26/03	08/20/22	2.240%	2,505,000	1,460,000	1,589,000
Wheaton - cw02	07/15/09	08/20/29	1.331%	1,623,390	1,405,000	1,478,000
Wheaton - cw03	10/01/09	08/20/29	1.067%	878,761	758,000	798,000
Wheaton - cw04	03/22/12	08/20/41	1.000%	740,360	306,373	-
Willmar - cw01	06/28/96	08/20/17	3.130%	4,300,000	1,210,796	1,457,976
Willmar - cw02	09/09/08	08/20/28	3.275%	42,001,362	39,293,000	40,659,000
Willmar - cw03	09/21/09	08/20/29	2.457%	1,711,867	1,503,151	1,573,151
Willmar - cw04	11/18/09	08/20/38	3.440%	27,663,530	26,339,892	27,077,265
Windom - cw01	01/26/94	02/20/14	2.440%	352,380	19,242	40,748
Windom - cw02	05/17/94	08/20/15	2.710%	3,886,970	607,607	839,430
Winnebago - cw02	06/27/11	08/20/30	1.247%	3,644,141	3,180,420	2,994,921
Woodland - cw01	06/12/97	08/20/18	2.580%	698,775	196,256	230,092
Zimmerman - cw03	04/09/99	08/20/20	2.040%	4,173,493	1,952,000	2,175,000
Zimmerman - cw04	10/05/09	08/20/29	2.368%	2,221,070	2,103,000	2,172,070
Clean Water Bond Fund				2,138,173,315	1,270,678,686	1,463,045,951

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund:						
Ada - dw01	06/25/04	08/20/23	1.090%	2,380,000	1,440,000	1,563,000
Ada - dw02	12/06/05	08/20/23	1.090%	264,245	174,000	189,000
Adrian - dw01	10/30/98	08/20/18	3.320%	259,660	99,000	114,000
Albany - dw01	05/17/06	08/20/25	1.960%	4,697,058	3,465,874	3,697,874
Alexandria - dw01	07/30/02	08/20/22	3.380%	1,050,117	620,000	671,000
Alexandria - dw02	09/01/09	08/20/29	2.445%	3,623,606	3,174,000	3,323,126
Alvarado - dw01	05/24/10	08/20/29	1.000%	584,901	519,768	551,768
Annandale - dw01	01/13/04	08/20/23	2.819%	3,273,194	2,021,000	2,176,000
Annandale - dw02	05/31/11	08/20/31	1.959%	1,217,500	1,169,000	1,108,195
Argyle - dw01	09/30/98	08/20/19	2.570%	229,655	96,000	108,000
Arlington - dw01	02/21/03	08/20/17	2.990%	110,000	43,000	51,000
Askov - dw01	09/30/98	08/20/19	1.000%	479,781	176,000	200,000
Atwater - dw01	06/15/11	08/20/30	1.777%	964,000	883,318	868,431
Avon - dw01	10/08/03	08/20/23	2.840%	666,554	327,061	352,061
Babbitt - dw01	08/29/01	08/20/21	2.820%	1,316,806	695,000	762,000
Backus - dw01	07/14/08	08/20/27	2.270%	164,195	136,000	144,000
Bagley - dw01	08/10/04	08/20/23	1.730%	1,074,120	663,120	717,120
Barnesville - dw01	09/13/11	08/20/31	1.143%	537,082	521,427	537,082
Barnum - dw01	10/28/09	08/20/29	1.325%	804,807	699,672	737,672
Barnum - dw02	06/10/13	08/20/18	1.000%	13,104	-	-
Battle Lake - dw01	06/18/03	08/20/22	1.490%	1,377,006	784,000	856,000
Baudette - dw01	11/09/04	08/20/24	2.460%	337,729	224,000	240,000
Baudette - dw02	09/17/09	08/20/29	1.925%	750,760	522,626	538,376
Beardsley - dw01	07/14/10	08/20/29	1.261%	111,100	101,000	106,000
Beaver Bay - dw01	07/29/08	08/20/27	1.061%	869,658	696,000	739,000
Becker County - dw01	09/22/03	08/20/22	1.680%	135,430	77,000	84,000
Belgrade - dw01	07/26/10	08/20/39	1.095%	699,000	447,277	468,277
Benson - dw01	07/05/11	08/20/30	1.739%	3,341,460	3,121,769	3,084,342
Big Lake - dw01	11/04/04	08/20/24	2.530%	9,111,996	5,935,000	6,354,000
Bird Island - dw01	11/09/09	08/20/29	1.000%	149,537	129,000	135,905
Blue Earth - dw01	09/05/06	08/20/26	2.570%	305,456	231,000	245,000
Blue Earth - dw02	03/19/07	08/20/26	2.400%	1,174,600	931,000	986,000
Braham - dw01	03/25/04	08/20/23	1.590%	1,468,370	903,000	977,000
Braham - dw02	04/06/10	08/20/29	1.000%	1,015,970	800,148	849,148
Breitung Township - dw01	11/01/01	08/20/21	2.070%	94,177	47,000	52,000
Breitung Township - dw02	12/16/02	08/20/22	2.490%	117,500	66,000	72,000
Brooten - dw01	12/05/00	08/20/20	3.410%	373,401	179,000	198,000
Browerville - dw01	10/21/98	08/20/18	2.040%	213,876	76,000	88,000
Browerville - dw02	06/10/10	08/20/29	1.000%	385,244	347,000	366,000
Brownton - dw01	11/03/99	08/20/19	2.980%	188,100	82,000	92,000
Butterfield - dw01	02/11/02	08/20/21	2.070%	246,972	125,000	137,000
Callaway - dw01	07/11/06	08/20/25	1.310%	375,811	266,000	285,000
Cambridge - dw01	09/17/01	08/20/21	4.050%	2,080,000	1,158,000	1,263,000
Canby - dw01	11/10/98	08/20/18	1.790%	2,020,499	710,000	821,000
Canby - dw02	07/20/10	08/20/39	1.088%	3,970,711	3,810,000	3,931,000
Carlton - dw01	05/01/07	08/20/26	1.490%	1,567,709	1,217,000	1,295,000
Carver - dw01	12/15/03	08/20/23	2.819%	2,522,966	1,546,000	1,665,000
Cass Lake - dw01	05/20/03	08/20/22	1.990%	626,693	368,000	401,000
Chokio - dw01	01/26/06	08/20/25	1.310%	704,658	491,000	525,000
Clara City - dw01	11/13/01	08/20/21	2.320%	2,472,224	1,265,000	1,390,000
Claremont - dw01	08/10/10	08/20/39	1.000%	137,893	130,000	128,626

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Clearwater - dw01	11/23/02	08/20/22	2.130%	667,320	370,000	403,000
Clearwater - dw02	07/22/03	08/20/22	2.680%	183,957	109,000	118,000
Cleveland - dw01	08/29/11	08/20/31	1.367%	530,370	516,711	504,345
Cloquet - dw01	10/08/02	08/20/22	3.380%	1,913,773	1,120,768	1,213,768
Cokato - dw01	06/14/00	08/20/15	3.910%	613,137	168,000	220,000
Cokato - dw02	01/13/04	08/20/23	3.180%	4,410,593	2,777,000	2,985,000
Coleraine - dw01	12/12/02	08/20/22	2.380%	1,572,375	891,000	969,000
Comfrey - dw01	10/16/98	08/20/18	2.040%	149,107	53,000	61,000
Cosmos - dw01	06/15/05	08/20/24	1.720%	912,706	607,706	652,706
Cosmos - dw02	05/09/08	08/20/27	1.092%	515,815	413,000	438,000
Cosmos - dw03	10/15/09	08/20/29	1.000%	242,741	212,541	223,541
Cromwell - dw01	04/12/99	08/20/19	1.000%	62,361	26,000	29,000
Crosby - dw01	07/12/10	08/20/39	1.107%	4,810,811	4,527,079	4,671,079
Dalton - dw01	04/14/03	08/20/22	2.680%	118,819	67,000	73,000
Dalton - dw02	08/27/08	08/20/27	1.112%	115,950	93,000	99,000
Dassel - dw01	07/02/99	08/20/19	2.040%	1,768,142	728,000	824,000
Dassel - dw02	10/06/08	08/20/28	1.016%	1,203,724	987,000	1,043,710
Dassel - dw03	07/09/09	08/20/29	1.283%	352,662	311,000	327,000
Dawson - dw01	09/20/02	08/20/22	3.320%	914,497	537,000	582,000
Dayton - dw01	08/16/00	08/20/20	3.750%	2,269,906	-	1,248,000
Dayton - dw02	04/19/10	08/20/29	1.654%	750,449	680,000	714,000
Deer River - dw01	10/29/02	08/20/22	1.630%	303,062	165,000	180,000
Deer River - dw02	08/10/09	08/20/29	1.000%	50,193	44,000	46,000
Deerwood - dw01	08/29/11	08/20/41	1.000%	450,883	443,000	406,305
Detroit Lakes - dw01	01/13/10	08/20/29	2.186%	2,100,745	1,904,000	1,996,000
Dover - dw01	12/11/00	08/20/20	3.410%	464,776	226,000	250,000
Duluth - dw01	07/31/03	08/20/18	2.819%	970,000	444,000	511,000
Duluth - dw02	07/02/04	08/20/18	2.530%	1,971,532	891,000	1,027,000
Duluth - dw03	10/28/09	08/20/19	1.077%	1,668,813	1,179,363	1,344,363
Duluth - dw04	08/31/10	08/20/25	1.258%	1,371,653	1,019,914	1,104,914
Duluth - dw05	12/07/10	08/20/25	1.076%	3,344,131	3,010,866	2,769,244
Duluth - dw06	11/18/11	08/20/26	1.221%	1,605,655	687,754	461,278
Dumont - dw01	05/05/10	08/20/39	1.000%	227,751	209,000	216,000
Eagle Bend - dw01	08/17/09	08/20/28	1.850%	296,036	256,000	270,000
Eagle Lake - dw01	10/07/10	08/20/30	1.643%	543,454	492,198	476,563
East Bethel - dw01	02/17/10	08/20/29	1.000%	69,190	62,589	65,589
Eden Valley - dw01	08/21/00	08/20/20	3.160%	1,881,057	906,000	1,004,000
Eden Valley - dw02	06/27/01	08/20/21	2.320%	644,890	331,000	364,000
Eden Valley - dw03	10/13/09	08/20/29	1.000%	286,461	248,000	261,000
Edgerton - dw01	07/11/02	08/20/22	3.380%	395,035	231,000	250,000
Elbow Lake - dw01	07/07/09	08/20/39	1.567%	95,897	80,000	81,915
Elgin - dw01	05/16/11	08/20/30	1.538%	816,607	810,912	747,469
Elizabeth - dw01	07/17/07	08/20/26	1.000%	627,450	483,000	515,000
Ellendale - dw01	08/28/06	08/20/26	1.570%	1,628,000	1,229,000	1,306,773
Ellendale - dw02	06/26/08	08/20/27	1.000%	1,113,204	894,696	949,696
Ely - dw01	12/13/00	08/20/20	3.410%	1,177,302	574,000	635,000
Elysian - dw01	09/18/03	08/20/23	1.990%	478,520	289,000	312,000
Erskine - dw01	04/08/13	08/20/42	1.000%	255,450	-	-
Evansville - dw01	10/03/06	08/20/26	1.760%	131,203	98,000	104,000
Evansville - dw02	11/15/11	08/20/41	1.000%	94,776	85,722	23,942
Eveleth - dw01	09/26/07	08/20/27	2.400%	2,086,370	1,650,000	1,741,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Fairfax - dw01	08/06/99	08/20/19	2.040%	1,265,806	518,000	587,000
Fairfax - dw02	08/15/11	08/20/41	1.244%	1,103,648	955,046	452,881
Fairmont - dw01	10/11/11	08/20/41	2.234%	28,902,811	24,024,469	7,733,909
Fertile - dw01	01/27/03	08/20/22	1.130%	1,087,739	576,000	630,000
Finlayson - dw01	11/28/00	08/20/20	1.910%	211,828	95,000	106,000
Fisher - dw01	09/07/04	08/20/24	1.000%	2,077,920	1,295,000	1,396,000
Fosston - dw01	07/11/05	08/20/24	1.470%	1,454,455	962,231	1,035,231
Frost - dw01	01/09/06	08/20/25	1.310%	378,126	263,000	281,000
Fulda - dw01	07/30/98	08/20/18	2.320%	503,117	175,000	202,000
Gilbert - dw01	04/30/03	08/20/23	2.880%	157,764	98,000	106,000
Glenwood - dw01	05/30/00	08/20/19	1.980%	1,081,126	460,000	521,000
Glenwood - dw02	11/09/04	08/20/24	2.210%	675,000	443,000	475,000
Glyndon - dw01	10/29/02	08/20/22	2.380%	867,071	483,071	525,071
Goodview - dw01	09/22/08	08/20/28	2.627%	4,277,500	3,644,932	3,825,932
Grand Marais - dw01	04/27/99	08/20/19	2.560%	484,112	206,000	232,000
Grand Marais - dw02	08/11/04	02/20/24	2.530%	812,229	506,000	545,000
Grand Rapids - dw01	01/03/00	08/20/19	3.040%	1,079,657	466,000	525,000
Greenbush - dw01	11/19/09	08/20/39	1.005%	1,459,111	1,327,476	1,370,476
Greenbush - dw02	07/09/10	08/20/39	1.146%	776,456	730,000	752,866
Greenbush - dw03	06/26/13	08/20/32	1.000%	168,737	-	-
Grove City - dw01	07/08/08	08/20/27	1.258%	1,387,042	1,121,000	1,188,922
Hamburg - dw01	07/22/03	08/20/22	2.490%	225,640	132,000	144,000
Hamburg - dw02	07/27/04	08/20/24	2.340%	950,709	621,000	665,000
Harris - dw01	10/26/99	08/20/19	3.290%	142,000	62,000	70,000
Harris - dw02	08/29/06	08/20/36	1.535%	1,333,450	1,067,000	1,100,000
Hawley - dw01	06/27/01	08/20/21	3.320%	660,000	353,000	386,000
Hawley - dw02	07/10/06	08/20/25	1.560%	2,565,987	1,840,000	1,967,000
Hawley - dw03	06/17/08	08/20/27	1.290%	150,011	121,000	128,000
Hendrum - dw01	10/12/10	08/20/30	1.000%	229,684	210,000	221,000
Henning - dw01	12/06/05	08/20/25	1.000%	539,404	371,000	398,000
Hibbing - dw01	07/19/01	08/20/20	3.050%	1,434,777	714,000	792,000
Hibbing - dw02	08/16/10	08/20/20	1.000%	876,873	702,000	786,523
Hinckley - dw01	11/17/00	08/20/20	4.160%	542,777	273,000	301,000
Hinckley - dw02	10/05/01	08/20/21	2.820%	1,367,480	716,000	785,000
Hitterdal - dw01	03/13/06	08/20/25	1.810%	157,957	113,000	121,000
Hoffman - dw01	08/14/04	08/20/24	1.480%	833,461	527,000	567,000
Hoffman - dw02	07/06/09	08/20/29	1.384%	87,461	74,000	77,461
Howard Lake - dw01	10/13/99	08/20/19	3.060%	287,662	125,000	141,000
Howard Lake - dw02	06/17/11	08/20/40	1.217%	2,059,069	2,034,000	1,970,626
Hutchinson - dw01	08/01/05	08/20/24	2.530%	5,696,371	3,030,371	3,030,371
Hutchinson - dw02	08/07/06	08/20/25	2.629%	12,216,000	9,170,000	9,755,000
Ironton - dw01	07/27/04	08/20/23	1.090%	405,300	245,300	266,300
Isanti - dw01	07/10/07	08/20/26	2.630%	965,000	761,000	805,000
Isanti - dw02	10/07/08	08/20/28	3.042%	5,064,256	4,340,056	4,548,056
Isanti - dw03	09/21/11	08/20/31	1.533%	676,045	658,125	479,047
Isle - dw01	05/18/11	08/20/30	1.482%	256,500	210,006	215,506
Jordan - dw01	11/05/98	08/20/18	3.540%	307,917	120,000	138,000
Jordan - dw02	06/30/03	08/20/23	2.819%	1,052,939	653,000	703,000
Kandiyohi County - dw01	08/18/99	08/20/19	3.540%	4,446,000	1,978,000	2,223,000
Kandiyohi County - dw02	12/29/99	08/20/19	3.540%	2,262,450	1,002,450	1,126,450
Kandiyohi County - dw03	11/30/00	08/20/20	3.540%	1,012,260	498,000	551,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Kandiyohi County - dw04	10/10/01	08/20/21	3.540%	233,000	125,000	137,000
Karlstad - dw01	06/03/13	08/20/33	1.000%	1,983,639	-	-
Keewatin - dw01	08/28/02	08/20/22	2.880%	500,000	291,000	316,000
Kenyon - dw01	12/16/02	08/20/22	3.240%	224,000	46,000	57,000
Kiester - dw01	10/15/01	08/20/21	3.070%	228,636	119,000	130,000
Lake Lillian - dw01	09/13/06	08/20/26	1.000%	610,355	447,000	477,000
Lake Park - dw01	09/08/03	08/20/23	2.090%	397,006	239,000	258,000
Lakefield - dw01	09/26/02	08/20/22	2.880%	2,272,080	1,306,000	1,417,000
Lamberton - dw01	08/06/99	08/20/19	1.860%	262,182	71,000	80,000
Le Center - dw01	08/11/06	08/20/26	1.820%	3,470,601	2,631,000	2,795,000
Le Center - dw02	08/14/07	08/20/27	1.650%	511,861	437,000	462,000
Lester Prairie - dw01	06/14/11	08/20/30	1.780%	1,788,806	1,775,989	1,730,877
Lewiston - dw01	12/20/99	08/20/19	3.790%	312,934	139,000	156,000
Lewiston - dw02	05/29/01	08/20/20	3.820%	270,000	139,000	154,000
Litchfield-PUC - dw01	05/24/99	08/20/19	3.540%	4,092,166	1,823,000	2,049,000
Littlefork - dw01	07/28/99	08/20/19	1.810%	181,277	73,000	83,000
Long Prairie - dw01	04/06/01	08/20/20	3.910%	1,098,586	562,000	621,000
Lonsdale - dw01	06/09/11	08/20/30	1.756%	1,210,591	1,205,211	1,133,948
Loretto - dw01	05/09/06	08/20/25	2.310%	761,704	570,000	607,000
Lyle - dw01	06/27/00	08/20/20	3.000%	311,040	148,000	164,000
Madison Lake - dw01	05/17/10	08/20/29	1.858%	596,692	539,000	537,419
Madison Lake - dw02	08/08/11	08/20/31	1.912%	849,226	788,950	607,067
Mahnomen - dw01	07/30/08	08/20/27	1.518%	390,054	321,000	340,000
Mankato - dw01	12/12/05	08/20/25	2.310%	2,309,300	1,652,300	1,760,300
Mankato - dw02	04/09/07	08/20/26	2.630%	37,729,870	27,891,951	29,410,967
Maple Plain - dw01	07/09/07	08/20/26	2.150%	3,468,767	2,724,000	2,889,000
Marble - dw01	10/08/01	08/20/21	2.570%	128,210	66,000	73,000
Mayer - dw01	12/21/00	08/20/20	3.910%	347,000	174,000	192,000
Mayer - dw02	08/28/06	08/20/26	2.070%	2,560,768	1,925,000	2,043,000
McIntosh - dw01	05/31/07	08/20/26	1.900%	222,736	173,000	184,000
McIntosh - dw02	10/24/07	08/20/27	1.341%	858,730	679,000	720,000
McIntosh - dw03	07/10/12	08/20/31	1.000%	96,432	59,410	-
Medford - dw01	10/04/10	08/20/30	1.000%	2,825,000	2,489,663	2,578,557
Melrose - dw02	04/13/99	08/20/19	3.480%	2,500,000	734,700	885,700
Milaca - dw01	07/19/06	08/20/26	1.070%	3,060,114	2,261,000	2,410,000
Minneapolis - dw01	12/16/02	08/20/22	2.819%	27,400,000	21,000,000	22,000,000
Minneapolis - dw02	02/26/04	08/20/23	2.800%	25,000,000	21,900,000	22,250,000
Minneapolis - dw03	03/21/05	08/20/19	2.530%	12,500,000	8,950,000	10,150,000
Minneapolis - dw04	12/07/06	08/20/26	2.600%	13,500,000	11,405,000	11,975,000
Minneapolis - dw05	12/10/09	08/20/27	2.688%	19,557,660	19,095,000	19,497,752
Minneapolis - dw06	03/02/10	08/20/21	1.000%	6,229,554	5,506,000	5,529,554
Minnetrista - dw01	04/05/10	08/20/24	1.189%	692,603	580,364	625,790
Montevideo - dw01	03/27/00	08/20/20	4.250%	1,658,080	836,000	922,000
Montgomery - dw01	09/18/03	08/20/23	3.180%	642,162	406,000	437,000
Montgomery - dw02	05/24/04	08/20/23	2.840%	358,044	231,044	249,044
Montrose - dw01	01/11/10	08/20/29	1.619%	415,043	370,000	389,043
Mora - dw01	07/27/10	08/20/30	1.862%	1,565,220	1,429,920	1,498,920
Morgan - dw01	06/21/99	08/20/19	2.480%	481,289	205,000	231,000
Morris - dw01	10/26/99	08/20/19	2.540%	1,251,423	526,000	594,000
Mountain Lake - dw01	09/16/03	08/20/23	1.430%	2,985,751	1,756,000	1,902,000
Mountain Lake - dw02	08/20/12	08/20/32	1.000%	38,440	-	-

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Nashwauk - dw01	06/08/99	08/20/19	1.980%	966,092	398,000	451,000
New Auburn - dw01	08/03/06	08/20/25	1.000%	1,069,002	548,000	587,000
New Hope - dw01	03/22/10	08/20/29	1.703%	418,644	373,000	391,964
New Hope - dw02	05/13/13	08/20/32	1.000%	1,035,000	-	-
New London - dw01	06/15/11	08/20/30	1.000%	850,825	771,717	723,025
New Prague - dw01	10/15/02	08/20/22	3.630%	2,885,942	1,699,000	1,838,000
New Richland - dw01	07/15/03	08/20/22	2.740%	1,327,522	774,522	843,522
New York Mills - dw01	06/09/09	08/20/28	1.296%	695,668	594,000	627,000
New York Mills - dw02	09/23/10	08/20/30	1.000%	206,096	188,000	177,728
Newfolden - dw01	07/02/12	08/20/31	1.000%	556,777	533,066	-
Nielsville - dw01	12/06/04	08/20/24	1.210%	30,563	16,000	18,000
Northome - dw01	03/04/04	08/20/23	1.730%	241,826	150,000	162,000
Norwood Young America - dw01	07/21/10	08/20/39	2.461%	1,966,604	1,865,229	1,884,440
Olivia - dw01	11/21/11	08/20/40	1.000%	3,519,100	2,127,103	50,000
Onamia - dw01	10/19/00	08/20/20	3.000%	420,000	201,000	223,000
Oronoco - dw01	10/07/09	08/20/29	1.000%	1,269,281	1,074,359	1,132,359
Osakis - dw01	01/14/03	08/20/22	2.920%	666,377	380,000	412,000
Ottertail - dw01	01/14/03	08/20/22	1.170%	1,488,000	793,000	867,000
Park Rapids - dw01	06/15/06	08/20/25	2.570%	859,259	633,000	673,000
Pelican Rapids - dw01	10/13/08	08/20/28	2.351%	280,648	234,000	246,000
Pelican Rapids - dw02	07/10/12	08/20/31	1.009%	695,737	572,545	-
Perham - dw01	11/19/99	08/20/19	2.790%	606,790	259,000	292,000
Perham - dw02	01/22/09	08/20/28	2.743%	2,422,209	2,098,000	2,201,000
Perham - dw03	08/08/11	08/20/26	1.391%	148,475	144,000	133,196
Pine River - dw01	09/20/02	08/20/22	1.630%	167,260	91,000	99,000
Plainview - dw01	06/15/06	08/20/21	2.630%	807,893	529,000	580,000
Plainview - dw02	08/09/11	08/20/31	1.929%	275,304	269,422	257,910
Plummer - dw01	12/13/11	08/20/41	1.000%	248,533	245,244	248,533
Princeton-PUC - dw01	09/08/99	08/20/19	3.290%	670,000	294,000	331,000
Princeton-PUC - dw02	06/10/04	08/20/23	2.530%	847,422	552,000	595,000
Red Lake Falls - dw01	09/30/09	08/20/39	1.000%	360,901	330,000	338,819
Red Wing - dw01	04/12/04	08/20/23	2.819%	15,283,450	9,801,000	10,552,000
Redwood Falls - dw01	10/22/09	08/20/39	2.936%	6,083,071	5,667,000	5,805,001
Remer - dw01	06/25/09	08/20/39	1.982%	79,748	74,000	76,000
Renville - dw01	08/23/04	08/20/24	1.980%	266,453	173,000	186,000
Rock County - dw01	09/30/99	08/20/19	1.790%	1,460,000	590,000	668,000
Rock County - dw02	04/03/07	08/20/26	1.020%	533,000	410,000	437,000
Rothsay - dw01	11/04/03	08/20/23	1.990%	378,740	229,000	247,000
Royalton - dw01	09/27/99	08/20/19	1.000%	458,452	172,000	196,000
Rush City - dw01	03/05/99	08/20/18	1.540%	3,889,693	1,352,000	1,565,000
Rushford - dw01	09/10/99	08/20/19	3.040%	765,000	329,000	371,000
Rushford - dw02	05/15/08	08/20/27	1.352%	1,212,760	1,080,000	1,144,000
Rushford - dw03	06/29/10	08/20/29	1.000%	1,171,855	1,029,855	1,098,901
Rushford Village - dw01	08/10/12	08/20/32	1.469%	324,559	289,960	-
Sabin - dw01	07/19/05	08/20/24	2.720%	871,267	596,267	638,267
Saint Augusta - dw01	07/14/03	08/20/22	2.819%	1,849,591	1,120,000	1,216,000
Saint Bonifacius - dw01	02/17/10	08/20/29	1.709%	664,864	602,000	632,000
Saint Clair - dw01	08/20/07	08/20/26	1.900%	1,246,721	971,000	1,031,000
Saint Cloud - dw01	03/01/04	08/20/23	2.590%	1,381,672	881,672	950,672
Saint Cloud - dw02	01/05/05	08/20/24	2.530%	2,527,278	1,690,350	1,809,350
Saint Cloud - dw03	05/08/09	08/20/28	2.481%	6,167,901	5,341,000	5,610,501

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Saint Cloud - dw04	08/24/10	08/20/30	1.656%	7,736,790	7,060,000	7,069,365
Saint Francis - dw01	12/18/07	08/20/27	2.563%	9,013,468	7,864,000	8,159,000
Saint James - dw01	01/08/02	08/20/21	3.570%	2,230,000	1,213,000	1,326,000
Saint James - dw02	05/19/10	08/20/29	2.104%	1,088,699	1,051,000	1,066,000
Saint Paul - dw02	07/13/10	12/01/30	1.963%	5,960,000	5,604,000	5,451,415
Saint Paul - dw03	07/13/10	12/01/30	1.962%	23,107,000	21,751,000	14,779,932
Saint Peter - dw01	03/12/09	08/20/28	2.482%	1,321,419	1,183,936	1,252,936
Saint Peter - dw02	08/28/09	08/20/29	2.745%	15,713,534	15,400,000	15,682,076
Saint Peter - dw03	03/29/10	08/20/29	1.710%	840,479	758,729	799,729
Sandstone - dw01	07/28/99	08/20/19	2.110%	401,331	166,000	188,000
Sauk Centre - dw01	11/05/98	08/20/18	3.540%	2,121,231	825,000	947,000
Savage - dw01	08/06/99	08/20/19	3.620%	8,984,395	4,006,395	4,501,395
Sebeka - dw01	10/15/02	08/20/22	1.130%	262,242	141,942	154,942
Silver Bay - dw01	11/19/98	08/20/18	2.560%	642,000	237,000	273,000
Silver Bay - dw02	06/04/07	08/20/26	1.650%	726,450	567,000	603,000
Sleepy Eye - dw01	08/11/09	08/20/29	2.550%	3,592,533	3,154,000	3,301,000
South Saint Paul - dw01	02/16/10	08/20/29	1.709%	2,568,810	2,325,000	2,442,759
Spring Lake Park - dw01	07/08/03	08/20/23	2.819%	3,846,216	2,350,000	2,530,000
Staples - dw01	03/24/03	08/20/22	1.490%	1,400,000	790,000	862,000
Stewart - dw01	08/08/05	08/20/24	2.220%	719,342	489,000	524,000
Stewart - dw02	09/15/12	08/20/41	1.000%	108,172	108,172	-
Sturgeon Lake - dw01	03/10/05	08/20/24	1.761%	2,476,541	1,737,000	1,760,541
Sturgeon Lake - dw02	03/02/06	08/20/24	1.754%	248,165	176,000	183,000
Swanville - dw01	07/07/09	08/20/29	1.544%	647,312	563,000	592,000
Taylors Falls - dw01	08/28/07	08/20/26	1.150%	1,015,254	869,000	926,000
Thomson - dw01	09/08/03	08/20/23	2.680%	105,104	40,000	43,000
Tower - dw01	01/20/00	08/20/19	1.860%	892,659	359,000	407,000
Trosky - dw01	11/03/99	08/20/19	3.290%	131,670	57,000	64,000
Two Harbors - dw01	06/30/99	08/20/19	3.040%	835,000	363,000	409,000
Two Harbors - dw02	12/21/09	08/20/29	2.528%	2,175,783	1,929,287	1,875,464
Two Harbors - dw03	05/11/10	08/20/29	1.665%	2,262,255	2,038,000	1,808,227
Tyler - dw01	06/15/11	08/20/40	1.000%	5,196,397	4,859,126	4,508,725
Underwood - dw01	11/13/01	08/20/21	2.570%	660,878	333,000	365,000
Utica - dw01	09/19/01	08/20/21	2.070%	173,000	88,000	97,000
Verndale - dw01	12/18/98	08/20/18	1.310%	75,572	24,000	28,000
Verndale - dw02	06/18/09	08/20/29	2.056%	190,933	166,000	174,000
Virginia - dw01	11/08/99	08/20/19	3.040%	6,127,973	2,657,000	2,993,000
Wadena - dw01	07/30/02	08/20/22	2.670%	2,617,891	1,503,000	1,633,000
Walker - dw01	08/18/99	08/20/19	1.810%	1,877,758	758,000	859,000
Wanamingo - dw01	08/29/01	08/20/21	1.810%	1,660,000	837,000	922,000
Warren - dw01	06/24/11	08/20/30	1.000%	394,424	389,000	391,926
Warren - dw02	05/21/13	08/20/32	1.000%	1,035,460	-	-
Watertown - dw01	12/27/01	08/20/21	3.570%	2,456,978	1,338,000	1,462,000
Waverly - dw01	05/31/12	08/20/31	1.524%	371,059	309,969	-
West Concord - dw01	10/09/03	08/20/23	2.819%	234,105	146,000	157,000
Wilmont - dw01	07/20/10	08/20/39	1.052%	727,376	670,945	692,945
Windom - dw01	03/12/99	08/20/18	2.570%	3,151,838	686,440	863,440
Windom - dw02	06/28/99	08/20/19	2.290%	1,319,714	550,000	622,000
Winnebago - dw01	09/19/00	08/20/20	2.160%	1,910,364	876,000	975,000
Winsted - dw01	03/06/06	08/20/25	2.560%	573,926	422,000	449,000
Wrenshall - dw01	01/21/10	08/20/29	1.000%	390,617	347,000	365,617

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Drinking Water Bond Fund (continued):						
Wykoff - dw01	05/10/04	08/20/23	2.340%	278,806	177,000	191,000
Wykoff - dw02	05/14/07	08/20/26	1.400%	470,195	363,000	386,000
Zimmerman - dw01	01/08/07	08/20/26	2.520%	2,009,068	1,522,000	1,612,000
Drinking Water Bond Fund				617,539,544	453,077,167	446,072,391
Transportation Bond Fund:						
Transportation Bond Fund Series 1999A / 2010-T1:						
Metropolitan Council - t101	03/12/99	02/15/20	2.710%	$ 21,025,000	$ 2,635,000	$ 2,970,000
Transportation Bond Fund Series 2001 / 2010-T2:						
Mazeppa - t201	10/26/99	08/20/14	2.480%	$ 535,000	$ 86,000	$ 127,000
Newport - t201	11/28/01	08/20/15	1.390%	1,625,600	363,000	481,000
Ramsey County - t201	05/04/01	08/20/30	3.590%	6,872,000	5,122,000	5,327,000
Robbinsdale - t201	10/23/01	08/20/12	2.290%	927,843	-	109,000
Rochester - t201	11/14/01	08/20/21	2.830%	2,500,000	-	1,480,000
Waite Park - t201	06/27/01	08/20/21	3.190%	2,100,000	1,109,000	1,214,000
Woodbury - t201	06/28/01	08/20/17	2.700%	13,049,400	1,868,664	2,510,155
Transportation Bond Fund Series 2001 / 2010-T2				27,609,843	8,548,664	11,248,155
Transportation Bond Fund Series 2006A:						
Stearns County - t301	12/12/06	02/20/20	2.346%	$ 10,240,155	$ 4,245,000	$ 4,730,000
Transportation Bond Fund Series 2008A:						
Metropolitan Council - t401	01/24/08	02/15/18	1.794%	$ 10,000,000	$ 4,525,000	$ 5,420,000
Transportation Bond Fund				68,874,998	19,953,664	24,368,155
Other Fund:						
Transportation Revolving Loan Fund Direct Loans:						
Albertville - t001	03/23/12	08/20/32	1.277%	$ 4,113,700	$ 3,278,551	$ -
Big Lake - t001	03/10/10	08/20/29	1.726%	2,465,000	2,233,000	2,345,000
East Grand Forks - t001	11/06/08	08/20/38	3.645%	3,466,577	3,318,000	3,393,577
Elk River - t001	07/07/08	08/20/13	1.311%	2,431,500	499,000	991,000
Hubbard County - t001	09/25/07	08/20/18	2.477%	1,780,163	964,000	1,134,000
Jeffers - t001	04/12/10	08/20/29	1.660%	329,687	288,000	303,000
MN Dept of Transportation - t002	01/02/02	12/01/16	2.980%	24,200,000	7,306,007	9,063,902
MN Dept of Transportation - t004	11/19/06	12/01/21	2.210%	3,030,150	1,742,242	1,915,901
MN Dept of Transportation - t005	01/29/09	12/01/28	2.600%	3,100,837	2,566,167	2,694,120
MN Dept of Transportation - t006	12/04/08	12/01/28	3.229%	2,325,000	1,968,374	2,062,089
MN Dept of Transportation - t007	12/04/08	12/01/28	3.230%	1,078,587	-	948,416
MN Dept of Transportation - t008	12/12/11	12/01/21	1.000%	1,597,175	1,597,175	-
Nisswa - t001	02/15/12	08/20/32	1.000%	1,500,000	279,431	-
Pennington County - t001	08/29/01	08/20/21	3.140%	1,731,285	901,000	986,000
Pine County - t001	05/29/01	08/20/16	3.000%	1,434,459	378,000	466,000
Rochester - t001	11/05/08	08/20/28	3.415%	2,500,000	-	2,227,000
Woodbury - t002	06/28/01	08/20/15	2.690%	4,589,700	705,000	920,000
Transportation Revolving Loan Fund Direct Loans				61,673,819	28,023,947	29,450,005

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2013	2012
Other Fund (continued):						
Wastewater Infrastructure (WIF) Loans:						
Alborn Township - wi01	07/07/08	02/20/40	0.000%	480,000	480,000	480,000
Alexandria LASR - wi01	08/13/07	08/20/30	0.000%	842,770	842,770	842,770
Brooten - wi01	08/27/07	08/20/31	0.000%	419,503	419,503	419,503
Chisago Lakes JSTC - wi01	07/20/06	02/20/27	0.000%	236,319	236,319	236,319
Hudson Township - wi01	05/02/07	08/20/30	0.000%	513,315	513,315	513,315
Kandiyohi County - wi01	10/17/06	08/20/32	0.000%	1,208,124	1,208,124	1,208,124
Litchfield - wi01	09/01/09	08/20/42	0.000%	6,000,000	6,000,000	6,000,000
Madelia - wi01	11/14/06	02/20/27	0.000%	89,587	89,587	89,587
Moose Lake - wi01	04/14/10	08/20/31	0.000%	422,641	422,641	422,641
Murray County - wi01	08/25/06	02/20/32	0.000%	3,589,451	3,589,451	3,589,451
Renville - wi01	04/12/10	08/20/37	0.000%	3,158,442	3,158,442	3,158,442
Richmond - wi01	12/21/06	02/20/29	0.000%	1,051,299	1,051,299	1,051,299
Rushmore - wi01	10/03/05	08/20/35	0.000%	290,876	290,876	290,876
Saint Hilaire - wi01	09/29/08	02/20/35	0.000%	282,304	282,304	282,304
Sturgeon Lake - wi01	02/21/07	08/20/35	0.000%	2,447,828	2,447,828	2,447,828
Willmar - wi01	09/09/08	02/20/30	0.000%	7,000,000	7,000,000	7,000,000
Wastewater Infrastructure (WIF) Loans				28,032,460	28,032,460	28,032,460
Small Community Wastewater Loans:						
Doran - sc01	02/22/11	08/20/22	1.000%	35,000	32,001	31,243
Forest City Township - sc01	08/20/10	08/20/20	1.000%	43,268	34,010	40,422
Red Rock Township - sc01	07/07/10	08/20/26	1.000%	147,318	134,537	143,921
Steele County - sc01	08/26/12	08/20/23	1.000%	205,815	175,989	-
Taopi - sc01	06/28/07	08/20/18	1.000%	135,411	59,735	72,735
Small Community Wastewater Loans:				566,812	436,272	288,321
Special Appropriation Direct Loans:						
Stewart, City of	04/22/02	08/20/21	1.000%	1,000,000	504,000	557,000
Other fund:				91,273,091	56,996,678	58,327,785
MPFA Totals				$ 2,915,860,947	$ 1,800,706,195	$ 1,991,814,282

Notes:

(1) This list exludes those 81 loans, for approximately $486 million, that were paid-in-full prior to July 1, 2012.

(2) Henning Clean Water loan: $500,000 of the principal amortized at -0-% with the balance amortized at 2.23%.

(3) Walnut Grove Clean Water loan: $500,000 of the principal amortized at -0-% with the balance amortized at 1.74%.

(4) Metropolitan Council-15th Clean Water loan: this loan was created by a "prepayment agreement"; the amount shown as disbursed is the present value at the loan date of the scheduled repayments.

(5) The following loans have had the term extended: Avon-CW, Harris-CW, Harris-DW02, and North Branch-CW.

(6) Certain of the WIF loans will be converted, partially or fully, to grants, pursuant to MN laws of 2013, chapter 105, section 8. This will not have an impact on the operations of the Authority. The monies that otherwise would have

Borrower concentration in the open pool bond funds:

Borrower concentration, Clean Water Bond Fund: only two borrowers' loan balances exceed five percent of the Clean Water loan portfolio. At June 30, 2013 and 2012, the Metropolitan Council made up 35.9% and 44.7%, respectively, of the outstanding Clean Water loan balances, and the city of Willmar made up 5.4% and 4.8%.

Borrower concentration, Drinking Water Bond Fund: only four borrowers' loan balances exceed five percent of the Drinking Water loan portfolio. At June 30, 2013 and 2012, the city of Minneapolis made up 19.4% and 20.5%, respectively, of the outstanding Drinking Water loan balances, the city of Mankato 6.5% and 7.0%, the city of Saint Paul 6.0% and 4.5%, and the city of Fairmont 5.3% and 1.7%.

Projected loan repayments:

The tables on the following two pages show projected repayments on outstanding loans. The repayments include as yet undisbursed amounts and are net of projected fees. Repayments will differ from projected for loans that are not yet fully disbursed.

The projections include only fully executed loans (listed above). The Authority anticipates funding a significant amount of new loans from existing resources; these loans will add to future repayment streams but are not included in the following projected repayments.

All pledged loans of the Authority are secured by the borrowers' general obligation and revenue pledges, except the DWBF loan to Saint Paul, secured by revenue pledges.

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Schedules of Future Loan Repayments – At June 30, 2013, scheduled loan repayments on outstanding loans are payable as follows:

Fiscal Year(s)	Clean Water Bond Fund		Drinking Water Bond Fund	
Ending	Interest	Principal	Interest	Principal
2014	28,275,257	76,481,979	10,015,391	29,210,468
2015	27,233,514	73,684,699	9,585,003	26,665,335
2016	25,591,334	80,301,396	8,946,280	28,713,000
2017	23,744,290	85,288,941	8,277,409	28,667,440
2018	21,764,633	87,963,848	7,577,609	31,335,700
2019 - 2023	77,830,229	447,982,339	26,424,896	160,195,128
2024 - 2028	33,379,518	324,462,099	10,670,218	110,669,356
2029 - 2033	9,437,124	129,283,797	3,089,036	31,111,208
2034 - 2038	2,957,729	27,299,000	1,403,913	13,220,000
2039 - 2043	257,105	9,865,133	269,822	8,347,610
	$ 250,470,734	$ 1,342,613,229	$ 86,259,577	$ 468,135,246
Less: undisbursed commitments:		71,934,543		15,058,079
Outstanding principal:		$ 1,270,678,686		$ 453,077,167

Fiscal Year(s)	TBF Series 1999A / 2010-T1		TBF Series 2001/ 2010-T2	
Ending	Interest	Principal	Interest	Principal
2014	4,225	345,000	263,110	993,000
2015	2,175	355,000	235,671	983,000
2016	399	365,000	208,910	935,000
2017	3,773	375,000	186,409	599,000
2018	2,198	385,000	168,825	504,664
2019 - 2023	9,706	810,000	636,174	1,867,000
2024 - 2028	-	-	340,871	1,580,000
2029 - 2033	-	-	59,325	1,087,000
2034 - 2038	-	-	-	-
2039 - 2043	-	-	-	-
	$ 22,476	$ 2,635,000	$ 2,099,294	$ 8,548,664
Less: undisbursed commitments:		-		-
Outstanding principal:		$ 2,635,000		$ 8,548,664

Scheduled future loan repayments (continued):

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A	
Ending	Interest	Principal	Interest	Principal
2014	99,119	505,000	80,282	910,000
2015	87,330	515,000	64,001	935,000
2016	75,307	530,000	47,317	950,000
2017	62,931	675,000	30,319	965,000
2018	47,155	690,000	13,320	765,000
2019 - 2023	45,336	1,330,000	-	-
2024 - 2028	-	-	-	-
2029 - 2033	-	-	-	-
2034 - 2038	-	-	-	-
2039 - 2043	-	-	-	-
	$ 417,177	$ 4,245,000	$ 235,238	$ 4,525,000
Less: undisbursed commitments:				
Outstanding principal:		$ 4,245,000		$ 4,525,000

Fiscal Year(s)	Other - Nonpledged		MPFA Totals	
Ending	Interest	Principal	Interest	Principal
2014	695,539	3,881,544	39,432,922	112,326,991
2015	624,233	3,629,329	37,831,926	106,767,363
2016	530,052	3,726,731	35,399,599	115,521,127
2017	436,575	3,306,820	32,741,706	119,877,201
2018	353,349	1,596,304	29,927,089	123,240,515
2019 - 2023	1,341,145	7,285,515	106,287,487	619,469,981
2024 - 2028	774,075	8,817,763	45,164,681	445,529,218
2029 - 2033	323,951	19,747,351	12,909,436	181,229,356
2034 - 2038	116,348	4,849,201	4,477,990	45,368,201
2039 - 2043	3,517	2,240,500	530,444	20,453,243
	$ 5,198,785	$ 59,081,058	$ 344,703,282	$ 1,889,783,196
Less: undisbursed commitments:		2,084,379		89,077,001
Outstanding principal:		$ 56,996,678		$ 1,800,706,195

4 Bonds Payable

Bonds payable at June 30, 2013 and 2012 consist of:

Series	Interest Rates	Date Issued	Final Maturity [1]	Original Principal	Outstanding Principal, June 30: 2013	2012
Clean Water						
Thirteen series of bonds no longer outstanding:				$ 1,002,962,117	$ -	$ -
2002A	3.00 - 5.25	12/19/02	03/01/21	100,000,000	6,000,000	11,500,000
2004BC	3.00 - 5.25	10/21/04	03/01/24	218,000,000	51,600,000	62,600,000
2004D	3.25 - 5.00	12/02/04	03/01/16	101,000,000	53,320,000	70,145,000
2005B	3.00 - 5.00	10/20/05	03/01/21	148,375,000	141,550,000	141,550,000
2005C	5.00	12/07/05	03/01/25	134,000,000	7,500,000	12,500,000
2007A	4.00 - 5.00	07/11/07	03/01/27	90,000,000	19,500,000	20,000,000
2007B	4.00 - 5.00	10/25/07	03/01/28	80,000,000	51,000,000	51,500,000
2010A	2.00 - 5.00	04/01/10	03/01/27	310,065,000	288,035,000	298,215,000
2010B_cw	4.25 - 5.25	04/01/10	03/01/28	20,990,000	20,990,000	20,990,000
2010C_cw	3.25 - 5.00	11/18/10	03/01/26	140,000,000	124,585,000	132,370,000
2010D_cw	4.77 - 4.90	11/18/10	03/01/31	63,700,000	63,700,000	63,700,000
Clean Water bonds				2,409,092,117	827,780,000	885,070,000
Plus: Remaining unamortized net premium (discount)					58,756,241	69,655,540
Less: Unamortized portion of the amount deferred in refunding [2]					(21,066,872)	(25,029,678)
Net bonds payable reflected on the statement of net position					865,469,369	929,695,862
Drinking Water						
1999B	4.60 - 5.125	07/14/99	03/01/19	21,500,000		
2002B	2.00 - 5.25	12/19/02	03/01/21	50,000,000	2,500,000	5,000,000
2004A	2.00 - 5.00	03/04/04	03/01/24	53,000,000	42,300,000	43,900,000
2005A	2.00 - 5.00	10/20/05	03/01/25	83,365,000	66,400,000	70,185,000
2010B_dw	4.25 - 5.25	04/01/10	03/01/28	12,050,000	12,050,000	12,050,000
2010C_dw	3.25 - 5.00	11/18/10	03/01/26	60,000,000	53,395,000	56,730,000
2010D_dw	4.77 - 4.90	11/18/10	03/01/31	27,300,000	27,300,000	27,300,000
Drinking Water bonds				307,215,000	203,945,000	215,165,000
Plus: Remaining unamortized net premium (discount)					6,404,153	7,934,698
Less: Unamortized portion of the amount deferred in refunding [2]					(556,465)	(680,967)
Net bonds payable reflected on the statement of net position					209,792,688	222,418,731

Bonds payable (continued):

Series	Interest Rates	Date Issued	Final Maturity [1]	Original Principal	Outstanding Principal, June 30: 2013	2012
Transportation Series 2006A						
2006A	3.75 - 4.00	12/20/06	03/01/20	8,900,000	3,825,000	4,250,000
Plus: Remaining unamortized net premium (discount)					10,675	16,480
Net bonds payable reflected on the statement of net position					3,835,675	4,266,480
Transportation Series 2008A						
2008A	3.50 - 4.00	01/24/08	03/01/18	7,700,000	3,620,000	4,290,000
Plus: Remaining unamortized net premium (discount)					45,264	62,008
Net bonds payable reflected on the statement of net position					3,665,264	4,352,008
Transportation Series 2010-T1						
2010-T1	2.00 - 3.00	11/18/10	03/01/20	2,945,000	2,070,000	2,320,000
Plus: Remaining unamortized net premium (discount)					38,602	51,603
Less: Unamortized portion of the amount deferred in refunding [2]					(23,966)	(29,864)
Net bonds payable reflected on the statement of net position					2,084,636	2,341,739
Transportation Series 2010-T2						
2010-T2	3.00	11/18/10	03/01/21	5,370,000	3,645,000	4,340,000
Plus: Remaining unamortized net premium (discount)					110,162	162,783
Less: Unamortized portion of the amount deferred in refunding [2]					(15,148)	(19,841)
Net bonds payable reflected on the statement of net position					3,740,014	4,482,942
Transportation Bond Fund				24,915,000	13,160,000	15,200,000
Plus: Remaining unamortized net premium (discount)					204,703	292,875
Less: Unamortized portion of the amount deferred in refunding [2]					(39,114)	(49,705)
					13,325,589	15,443,170
MPFA Totals						
Original and outstanding principal				2,741,222,117	1,044,885,000	1,115,435,000
Plus: Remaining unamortized net premium (discount)					65,365,096	77,883,112
Less: Unamortized portion of the amount deferred in refunding [2]					(21,662,451)	(25,760,350)
Net bonds payable reflected on the statement of net position					1,088,587,645	1,167,557,762

[1] Final maturity reflects the latest maturity currently outstanding.

[2] This amount is reflected on the statement of net position as a reduction of bonds payable.

Bond Proceeds – The net bond proceeds have been used to fund loans to Minnesota municipalities for projects relating to wastewater treatment facilities, drinking water systems, and transportation. See *Advanced and Current Refunding of Debt* below for information on us of proceeds for refundings.

Security - The bonds are secured by bond program assets and revenues as defined in the applicable basic and series bond resolutions.

Bonding Authority - The Authority bonds do not constitute a debt of the State of Minnesota or any agency or political subdivision thereof (other than the Authority). The Authority's outstanding debt limit is $1,500,000,000. The principal amount of bonds outstanding at June 30, 2013 was $1,044,885,000.

Advanced and Current Refunding of Debt - The Authority has, on eleven occasions to date, issued bonds the partial proceeds of which were used to defease or call certain prior debt issuances. In each case of defeasance, the Authority established an irrevocable escrow fund pursuant to an escrow agreement between the Authority, the Minnesota State Board of Investment, and an escrow agent. The escrow funds are pledged solely to the repayment of principal, premium, and interest on the refunded bonds. Under the agreements, the refunded bonds will be called for redemption at each series' applicable optional redemption dates. As these bonds have, in effect, been redeemed under the defeasance, they are no longer outstanding under the Authority's applicable bond resolutions and therefore, they are not entitled to the pledge of the applicable resolution. Accordingly, these bonds and the related escrow funds are not reflected in these basic financial statements as of June 30, 2013.

A portion of the 2004D Series was used to refund portions of the 1998B, 2000A, 2001A, and 2002A Series bonds. A portion of the 2005A Series was used to refund portions of the 1999B and 2002B Series bonds. The 2005B Series proceeds were used to refund portions of the 1998B, 2000A, 2001A, and 2002A Series bonds.

A portion of the 2010A Series was used to current refund portions of the 1998A bonds, and a portion was used to advance refund portions of the 2004C, 2005C, 2007A, and 2007B bonds. The difference between the net carrying amount of the refunded bonds and the amount placed in escrow was approximately $21.8 million. This amount has been deferred and is being amortized over the shorter of the remaining life of the refunded bonds or the life of the Series 2010A refunding bonds.

The Series 2010-T1 bonds were used to current refund the outstanding Series 1999A bonds. The difference between the net carrying amount of the refunded bonds and the amount required to redeem the principal of the refunded bonds was approximately $39 thousand. This amount has been deferred and is being amortized over the shorter of the remaining life of the refunded bonds or the life of the Series 2010-T1 refunding bonds.

The Series 2010-T2 bonds were used to current refund the outstanding Series 2001 bonds. The difference between the net carrying amount of the refunded bonds and the amount required to redeem the principal of the refunded bonds was approximately $27 thousand. This amount has been deferred and is being amortized over the shorter of the remaining life of the refunded bonds or the life of the Series 2010-T1 refunding bonds.

The amount deferred on refunding is reflected in the financial statements as a reduction of bonds payable and is charged to operations using the effective interest method. The refundings during fiscal year 2011 reduced debt service payments by approximately $5 million and obtained an economic gain (the difference between the present value of the old and new debt service payments) of approximately $4.6 million.

The following table lists all bonds defeased and not yet redeemed as of June 30, 2013:

CUSIP #	Series	Maturity	Call Date	Refunded Date	Par Refunded Unredeemed
604114NV6	2004C	03/01/17	03/01/14	04/01/10	$ 3,500,000
604114NW4	2004C	03/01/18	03/01/14	04/01/10	4,000,000
604114NX2	2004C	03/01/19	03/01/14	04/01/10	3,000,000
604114NY0	2004C	03/01/20	03/01/14	04/01/10	18,000,000
604114NZ7	2004C	03/01/21	03/01/14	04/01/10	24,000,000
604114PA0	2004C	03/01/22	03/01/14	04/01/10	30,000,000
604114PB8	2004C	03/01/23	03/01/14	04/01/10	17,000,000
604114PC6	2004C	03/01/24	03/01/14	04/01/10	10,500,000
604114RC4	2005C	03/01/18	03/01/15	04/01/10	8,000,000
604114RD2	2005C	03/01/19	03/01/15	04/01/10	9,000,000
604114RE0	2005C	03/01/20	03/01/15	04/01/10	8,000,000
604114RF7	2005C	03/01/21	03/01/15	04/01/10	8,000,000
604114RG5	2005C	03/01/22	03/01/15	04/01/10	6,000,000
604114RH3	2005C	03/01/23	03/01/15	04/01/10	5,000,000
604114RJ9	2005C	03/01/24	03/01/15	04/01/10	5,000,000
604114RK6	2005C	03/01/25	03/01/15	04/01/10	7,000,000
60411KAN2	2007A	03/01/20	03/01/17	04/01/10	5,000,000
60411KAP7	2007A	03/01/21	03/01/17	04/01/10	5,000,000
60411KAQ5	2007A	03/01/22	03/01/17	04/01/10	6,000,000
60411KAR3	2007A	03/01/23	03/01/17	04/01/10	7,000,000
60411KAS1	2007A	03/01/24	03/01/17	04/01/10	8,000,000
60411KAT9	2007A	03/01/25	03/01/17	04/01/10	12,000,000
60411KAU6	2007A	03/01/26	03/01/17	04/01/10	13,000,000
60411KAV4	2007A	03/01/27	03/01/17	04/01/10	12,000,000
60411KBH4	2007B	03/01/20	03/01/17	04/01/10	7,500,000
60411KBJ0	2007B	03/01/21	03/01/17	04/01/10	7,500,000
60411KBK7	2007B	03/01/22	03/01/17	04/01/10	6,500,000
60411KBN1	2007B	03/01/25	03/01/17	04/01/10	5,000,000
					$ 260,500,000

Schedule of Maturities - At June 30, 2013 debt service on outstanding bonds is payable as follows:

Fiscal Year(s)	Clean Water		Drinking Water	
Ending	Interest	Principal	Interest	Principal
2014	$ 40,936,304	$ 59,750,000	$ 9,554,969	$ 12,050,000
2015	37,941,804	63,020,000	8,968,219	12,525,000
2016	34,746,804	68,945,000	8,363,969	12,775,000
2017	31,292,929	63,185,000	7,747,219	13,135,000
2018	28,133,679	66,695,000	7,090,469	15,025,000
2019 - 2023	88,858,658	314,720,000	24,205,933	78,500,000
2024 - 2028	30,046,538	153,595,000	9,315,632	45,565,000
2029 - 2033	3,095,698	37,870,000	1,173,547	14,370,000
	$ 295,052,414	$ 827,780,000	$ 76,419,957	$ 203,945,000
Plus: Remaining premium (discount)		58,756,241		6,404,153
Less: Remaining refunding deferrals		(21,066,872)		(556,465)
Net bonds payable		$ 865,469,369		$ 209,792,688

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A	
Ending	Interest	Principal	Interest	Principal
2014	$ 151,875	$ 450,000	$ 137,650	$ 700,000
2015	135,000	460,000	113,150	730,000
2016	116,600	485,000	87,600	760,000
2017	97,200	640,000	57,200	790,000
2018	71,600	660,000	25,600	640,000
2019 - 2023	62,400	1,130,000	-	-
2024 - 2028	-	-	-	-
2029 - 2033	-	-	-	-
	$ 634,675	$ 3,825,000	$ 421,200	$ 3,620,000
Plus: Remaining premium (discount)		10,675		45,264
Less: Remaining refunding deferrals				
Net bonds payable		$ 3,835,675		$ 3,665,264

Schedule of revenue bond maturities (continued):

Fiscal Year(s)	TBF Series 2010-T1		TBF Series 2010-T2	
Ending	Interest	Principal	Interest	Principal
2014	$ 48,663	$ 265,000	$ 109,350	$ 610,000
2015	43,363	275,000	91,050	610,000
2016	37,863	280,000	72,750	590,000
2017	32,263	295,000	55,050	430,000
2018	26,363	305,000	42,150	410,000
2019 - 2023	29,550	650,000	60,000	995,000
2024 - 2028	-	-	-	-
2029 - 2033	-	-	-	-
	$ 218,063	$ 2,070,000	$ 430,350	$ 3,645,000
Plus: Remaining premium (discount)		38,602		110,162
Less: Remaining refunding deferrals		(23,966)		(15,148)
Net bonds payable		$ 2,084,636		$ 3,740,014

Fiscal Year(s)	MPFA Totals	
Ending	Interest	Principal
2014	$ 50,938,811	$ 73,825,000
2015	47,292,586	77,620,000
2016	43,425,586	83,835,000
2017	39,281,861	78,475,000
2018	35,389,861	83,735,000
2019 - 2023	113,216,540	395,995,000
2024 - 2028	39,362,170	199,160,000
2029 - 2033	4,269,245	52,240,000
	$ 373,176,658	$ 1,044,885,000
Plus: Remaining premium (discount)		65,365,096
Less: Remaining refunding deferrals		(21,662,451)
Net bonds payable		$ 1,088,587,645

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2013:

Bond Fund	Beginning Balance (par)	New Issues (par)	Redemptions	Defeased	Ending Balance (par)
CWBF	$ 885,070,000	$ -	$ (57,290,000)	$ -	$ 827,780,000
DWBF	215,165,000	-	(11,220,000)		203,945,000
TR-2006A	4,250,000		(425,000)		3,825,000
TR-2008A	4,290,000		(670,000)		3,620,000
TR-2010-T1	2,320,000	-	(250,000)		2,070,000
TR-2010-T2	4,340,000	-	(695,000)		3,645,000
Totals	$ 1,115,435,000	$ -	$ (70,550,000)	$ -	$ 1,044,885,000
plus: remaining unamortized premium					65,365,096
less: unamortized portion of the amount deferred in refunding					(21,662,451)
					$ 1,088,587,645

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2012:

Bond Fund	Beginning Balance (par)	New Issues (par)	Redemptions	Defeased	Ending Balance (par)
CWBF	$ 941,375,000	$ -	$ (56,305,000)	$ -	$ 885,070,000
DWBF	226,500,000	-	(11,335,000)		215,165,000
TR-2006A	4,660,000		(410,000)		4,250,000
TR-2008A	4,940,000		(650,000)		4,290,000
TR-2010-T1	2,650,000	-	(330,000)		2,320,000
TR-2010-T2	5,370,000	-	(1,030,000)		4,340,000
Totals	$ 1,185,495,000	$ -	$ (70,060,000)	$ -	$ 1,115,435,000
plus: remaining unamortized premium					77,883,112
less: unamortized portion of the amount deferred in refunding					(25,760,350)
					$ 1,167,557,762

5. *Arbitrage Rebate Payments*

The bonds issued by the Authority are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of investment income that may be earned on certain funds to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the related bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. During fiscal years 2013 and 2012 the Authority paid approximately $589 thousand, and $-0-, respectively.

6. *Related-Party Transactions*

Administrative Services – The Authority, DEED, MPCA, and the Department of Health provide administrative staff and services to Authority programs. During fiscal 2013 and 2012, the Authority paid approximately $3.0 million and $3.3 million, respectively, for these services.

Transfers - The Authority has transferred out, from CWBF net position to the Other Fund, sub grant awards for non point-source programs administered by the Minnesota Department of Agriculture, the MPCA, and DEED. Such transfers during fiscal 2013 and 2012 were $-0- and approximately $1.8 million, respectively. In fiscal year 2013 and 2012, approximately $2.4 million and $1.4 million, respectively, were transferred from the TBF Funds to the Other Fund, from excess bond year pledged revenues over bond year debt service in the TBF Funds.

State Appropriations:

The Capital Improvements bill of 2013 (regular session chapter 136, section 5) appropriated $8 million to the Authority for state match.

The Legacy Fund appropriations bill of 2013 (regular session chapter 137, article 2, section 4) made the following appropriations to the Authority:

> $9,000,000 for state fiscal year 2014 and $9,000,000 for 2015 for the Total Maximum Daily Load grant program under Minnesota Statutes, section 446A.073 (program renamed Point Source Implementation Grants, per laws of 2013 chapter 105).
>
> $2,000,000 for 2014 and $2,000,000 for 2015 for the Small Community Wastewater Treatment Program under Minnesota Statutes 446A.075.

The Disaster Assistance bill of 2012 (First special session, chapter 1, article 1, section 6) appropriated $6 million to the Authority for flood disaster relief facilities grants.

The Capital Improvements bill of 2012 (chapter 293, section 22) appropriated $23.5 million to the Authority, $8.5 million for state match and $15 million for the WIF program.

7. *Commitments*

At June 30, 2013 the Authority had committed approximately $99 million for the origination or disbursement of future loans, and $16 million for grants.

8. Accounting Standards Not Yet Adopted

GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, will be effective for the Authority beginning the year ending June 30, 2014. This statement modifies certain requirements for inclusion of component units, amends criteria for blending, and clarifies the reporting of equity interests in legally separated entities.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, will be effective for the Authority beginning the year ending June 30, 2014. This statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

Unless otherwise stated, the Authority's management has not yet determined the effect these GASB statements will have on the financial statements.

McGladrey

Independent Auditor's Report on the Supplementary Information

Minnesota Public Facilities Authority
St. Paul, Minnesota

We have audited the financial statements of Minnesota Public Facilities Authority as of and for the years ended June 30, 2013 and 2012, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See pages 4 and 5. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Minneapolis, Minnesota
October 30, 2013

Member of the RSM International network of independent accounting, tax and consulting firms.

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Net Position
June 30, 2013

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 960,553.22	$ 11,418.12	$ -	$ 1,054.38	$ 973,025.72
Loans receivable	505,000.00	910,000.00	345,000.00	993,000.00	2,753,000.00
Accrued interest receivable:					
Investments				5,929.00	5,929.00
Loans	36,239.00	30,667.00	1,737.00	100,757.00	169,400.00
Total current assets	1,501,792.22	952,085.12	346,737.00	1,100,740.38	3,901,354.72
Noncurrent assets:					
Investments				537,000.00	537,000.00
Loans receivable	3,740,000.00	3,615,000.00	2,290,000.00	7,555,663.53	17,200,663.53
Deferred bond issuance costs	53,801.00	32,578.00	42,685.00	48,778.00	177,842.00
Total noncurrent assets	3,793,801.00	3,647,578.00	2,332,685.00	8,141,441.53	17,915,505.53
Total assets	5,295,593.22	4,599,663.12	2,679,422.00	9,242,181.91	21,816,860.25
LIABILITIES					
Current liabilities:					
Interest payable on bonds	50,625.00	45,883.33	16,220.83	36,450.00	149,179.16
Arbitrage rebate liability					-
Bonds payable	450,000.00	700,000.00	265,000.00	610,000.00	2,025,000.00
Total current liabilities	500,625.00	745,883.33	281,220.83	646,450.00	2,174,179.16
Noncurrent liabilities:					
Bonds payable	3,385,674.65	2,965,263.79	1,819,635.70	3,130,014.48	11,300,588.62
Arbitrage rebate liability				5,623.73	5,623.73
Total liabilities	3,886,299.65	3,711,147.12	2,100,856.53	3,782,088.21	13,480,391.51
NET POSITION					
Restricted by bond resolutions	1,409,293.57	888,516.00	578,565.47	5,460,093.70	8,336,468.74
Total net position	$ 1,409,293.57	$ 888,516.00	$ 578,565.47	$ 5,460,093.70	$ 8,336,468.74

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Year Ended June 30, 2013

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
Operating revenues:					
Interest on loans	$ 106,297.95	$ 90,226.95	$ (27,246.00)	$ 287,152.96	$ 456,431.86
Investment earnings	707.81	8.41	-	11,713.17	12,429.39
Total operating revenues	107,005.76	90,235.36	(27,246.00)	298,866.13	468,861.25
Operating expenses:					
Interest on bonds	170,919.29	149,000.53	55,396.19	90,080.16	465,396.17
Total operating expenses	170,919.29	149,000.53	55,396.19	90,080.16	465,396.17
Operating income (loss)	(63,913.53)	(58,765.17)	(82,642.19)	208,785.97	3,465.08
Transfers in (out)	(7,260.88)	(160,589.84)	(32,935.02)	(2,218,384.12)	(2,419,169.86)
Change in net position	(71,174.41)	(219,355.01)	(115,577.21)	(2,009,598.15)	(2,415,704.78)
Total net position:					
Beginning of year	1,480,467.98	1,107,871.01	694,142.68	7,469,691.85	10,752,173.52
End of year	$ 1,409,293.57	$ 888,516.00	$ 578,565.47	$ 5,460,093.70	$ 8,336,468.74

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Cash Flows
for the Year Ended June 30, 2013

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
Operating activities:					
Interest rcvd on loans	$ 110,437.95	$ 96,292.95	$ 1,423.00	$ 314,468.96	$ 522,622.86
Principal rcvd on loans	485,000.00	895,000.00	335,000.00	2,699,491.48	4,414,491.48
Net cash provided in operating activities	595,437.95	991,292.95	336,423.00	3,013,960.44	4,937,114.34
Non capital financing activities:					
Interest on bonds	(167,812.50)	(161,100.00)	(53,662.50)	(130,200.00)	(512,775.00)
Principal on bonds	(425,000.00)	(670,000.00)	(250,000.00)	(695,000.00)	(2,040,000.00)
Cash transfers	(7,260.88)	(160,589.84)	(32,935.02)	(2,218,384.12)	(2,419,169.86)
Net cash used in capital and related financing activities	(600,073.38)	(991,689.84)	(336,597.52)	(3,043,584.12)	(4,971,944.86)
Investing activities:					
Investment interest	707.81	8.41		17,336.90	18,053.12
Net cash provided in investing activities	707.81	8.41	-	17,336.90	18,053.12
Net incr in cash and cash equivalents	(3,927.62)	(388.48)	(174.52)	(12,286.78)	(16,777.40)
Cash and cash equivalents:					
Beginning of year	964,480.84	11,806.60	174.52	13,341.16	989,803.12
End of year	$ 960,553.22	$ 11,418.12	$ -	$ 1,054.38	$ 973,025.72
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (63,913.53)	$ (58,765.17)	$ (82,642.19)	$ 208,785.97	$ 3,465.08
Adjustments to reconcile operating income to net cash provided in operating activities:					
Principal rcvd on loans	485,000.00	895,000.00	335,000.00	2,699,491.48	4,414,491.48
Interest paid on bonds	167,812.50	161,100.00	53,662.50	130,200.00	512,775.00
Investment earnings	(707.81)	(8.41)	-	(17,336.90)	(18,053.12)
Net amortizations	8,419.29	(4,282.80)	3,400.36	(33,169.84)	(25,632.99)
Changes in assets and liabilities:					
Accrued revenues	4,140.00	6,066.00	28,669.00	27,316.00	66,191.00
Accrued expenses	(5,312.50)	(7,816.67)	(1,666.67)	(1,326.27)	(16,122.11)
Net cash provided in operating activities	$ 595,437.95	$ 991,292.95	$ 336,423.00	$ 3,013,960.44	$ 4,937,114.34