



**Minnesota Public Facilities Authority**  
**(A Component Unit of the State of Minnesota)**

**Financial Report**  
**June 30, 2015**

[This page intentionally left blank]

**Minnesota Public Facilities Authority**  
**(A Component Unit of the State of Minnesota)**

**Financial Report**  
**June 30, 2015**

**Table of Contents**

---

|  |    |
|--|----|
| Independent Auditor’s Report.....                                      | 4  |
| Management’s Discussion and Analysis.....                              | 6  |
| Financial Statements:  |    |
| Statement of Net Position .....  | 18 |
| Statement of Revenues, Expenses and Changes in Fund Net Position.....  | 20 |
| Statement of Cash Flows .....  | 22 |
| Notes to the Financial Statements.....                                 | 24 |
| Supplementary Information:   |    |
| Independent Auditor’s Report on the Supplementary Information .....    | 40 |
| Transportation Bond Fund – Individual Bond Series:                     |    |
| Statement of Net Position .....  | 41 |
| Statement of Revenues, Expenses and Changes in Fund Net Position ..... | 42 |
| Statement of Cash Flows.....   | 43 |
| Schedule of Individual Loans Receivable by Fund .....                  | 44 |

## 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 each major fund of Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, as of and for the years ended June 30, 2015 and 2014, 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 each major fund of the Authority as of June 30, 2015 and 2014, 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.

## **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.

*RSM US LLP*

Minneapolis, Minnesota  
October 30, 2015

## 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, 2015 and 2014. 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 multiple 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, 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, 2015 are followed by statements for the fiscal year ended June 30, 2014 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, 2015, 2014, and 2013.

## Minnesota Public Facilities Authority - Condensed Financial Statement Information

### Condensed Statements of Net Position

June 30, 2015, 2014, and 2013

|                                   | 2015                       | 2014                       | 2013                       |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| Assets:                           |                            |                            |                            |
| Cash and investments              | \$ 360,580,998.09          | \$ 414,557,589.63          | \$ 485,626,590.34          |
| Loans receivable                  | 1,830,838,380.51           | 1,812,274,528.62           | 1,800,706,194.65           |
| Other                             | 16,347,455.05              | 15,999,796.84              | 16,352,553.23              |
| Total assets                      | <u>2,207,766,833.65</u>    | <u>2,242,831,915.09</u>    | <u>2,302,685,338.22</u>    |
| Deferred Outflows of Resources:   |                            |                            |                            |
| Deferred charge on debt refunding | 14,781,289.00              | 18,012,155.00              | 21,662,451.00              |
| Liabilities:                      |                            |                            |                            |
| Interest payable on bonds         | 14,475,195.50              | 15,764,194.84              | 16,979,604.16              |
| Bonds payable                     | 937,227,895.93             | 1,025,045,790.40           | 1,110,250,096.34           |
| Other                             | 10,433,945.31              | 4,530,583.12               | 4,926,771.50               |
| Total liabilities                 | <u>962,137,036.74</u>      | <u>1,045,340,568.36</u>    | <u>1,132,156,472.00</u>    |
| Net Position:                     |                            |                            |                            |
| Restricted                        | 1,254,869,525.27           | 1,210,341,662.22           | 1,187,558,907.04           |
| Unrestricted                      | 5,541,560.64               | 5,161,839.51               | 4,632,410.18               |
| Total net position                | <u>\$ 1,260,411,085.91</u> | <u>\$ 1,215,503,501.73</u> | <u>\$ 1,192,191,317.22</u> |

### Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position

Years ended June 30, 2015, 2014, 2013

|   | 2015                       | 2014                       | 2013                       |
|---|----------------------------|----------------------------|----------------------------|
| Operating Revenues:                     |                            |                            |                            |
| Interest on loans                       | \$ 38,518,162.03           | \$ 39,216,438.79           | \$ 43,636,333.41           |
| Investment earnings                     | 3,122,218.24               | 3,472,503.63               | 5,014,987.58               |
| Grants, appropriations, and fees        | 39,926,578.15              | 32,592,875.30              | 40,046,157.10              |
| Net (decrease) in investment fair value | (320,221.00)               | (146,704.00)               | (2,002,058.64)             |
| Total operating revenues                | <u>81,246,737.42</u>       | <u>75,135,113.72</u>       | <u>86,695,419.45</u>       |
| Operating Expenses:                     |                            |                            |                            |
| Interest on bonds                       | 39,036,557.71              | 41,994,391.26              | 44,765,052.08              |
| Other                                   | 46,561,238.62              | 37,896,260.63              | 40,577,435.50              |
| Total operating expenses                | <u>85,597,796.33</u>       | <u>79,890,651.89</u>       | <u>85,342,487.58</u>       |
| Operating income (loss)                 | (4,351,058.91)             | (4,755,538.17)             | 1,352,931.87               |
| Capital Contributions                   | 49,258,643.09              | 28,067,722.68              | 44,581,257.48              |
| Change in Net Position                  | 44,907,584.18              | 23,312,184.51              | 45,934,189.35              |
| Net Position at Beginning of Year       | <u>1,215,503,501.73</u>    | <u>1,192,191,317.22</u>    | <u>1,146,257,127.87</u>    |
| Net Position at End of Year             | <u>\$ 1,260,411,085.91</u> | <u>\$ 1,215,503,501.73</u> | <u>\$ 1,192,191,317.22</u> |

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

The table below summarizes certain financial activities during the fiscal years 2015, 2014, and 2013:

|   | <u>2015</u>               | <u>2014</u>               | <u>2013</u>                |
|---|---------------------------|---------------------------|----------------------------|
| <b>Operating revenues and capital contributions from federal grants and state appropriations:</b> |                           |                           |                            |
| Clean Water Bond Fund (CWBF):   |                           |                           |                            |
| Federal capitalization grants   | \$ 23,403,039.56          | \$ 18,893,680.00          | \$ 29,245,285.00           |
| Federal <i>Build America Bonds</i> revenue  | 1,321,496.89              | 1,311,523.33              | 1,432,681.51               |
| State appropriations  | 6,600,000.00              | 5,173,800.00              | 5,487,600.00               |
| Drinking Water Bond Fund (DWBF):  |                           |                           |                            |
| Federal capitalization grants   | 13,855,603.53             | 1,174,042.68              | 6,835,972.48               |
| Federal <i>Build America Bonds</i> revenue  | 612,840.97                | 608,215.76                | 665,271.98                 |
| State appropriations  | 5,400,000.00              | 2,826,200.00              | 3,012,400.00               |
| Other Fund:   |                           |                           |                            |
| Clean water federal grants  | 2,492,875.52              | 2,566,590.31              | 3,482,472.70               |
| Drinking water federal grants   | 11,185,851.25             | 11,623,939.05             | 7,326,077.60               |
| State appropriations and fees   | 24,313,513.52             | 16,482,606.85             | 27,139,653.31              |
|   | <u>\$ 89,185,221.24</u>   | <u>\$ 60,660,597.98</u>   | <u>\$ 84,627,414.58</u>    |
| <b>Bonds Payable (par):</b>   |                           |                           |                            |
| issued  |                           |                           |                            |
| defeased  |                           |                           |                            |
| redeemed  | (77,620,000.00)           | (73,825,000.00)           | (70,550,000.00)            |
| net change  | <u>\$ (77,620,000.00)</u> | <u>\$ (73,825,000.00)</u> | <u>\$ (70,550,000.00)</u>  |
| <b>Loans Receivable:</b>  |                           |                           |                            |
| disbursed   | 138,195,969.89            | 130,653,065.06            | 141,270,224.76             |
| repaid  | (113,594,839.00)          | (115,532,613.09)          | (332,378,312.35)           |
| net change  | <u>\$ 24,601,130.89</u>   | <u>\$ 15,120,451.97</u>   | <u>\$ (191,108,087.59)</u> |

During the fiscal years ended June 30, 2015, 2014, and 2013, net position changed by: \$44.9, \$23.3, and \$45.9 million, respectively. Volatility in this change is due largely to the timing of federal and state capital contributions: \$49.3, \$28.1, and \$44.6 million, respectively.

The weighted average interest rate on outstanding loan balances at June 30, 2015, 2014, and 2013 was 2.11%, 2.18%, and 2.24%, respectively.

The weighted average investment earnings rate (earnings ÷ average daily cash and investments balance) during fiscal years 2015, 2014, and 2013 was 0.71%, 0.66%, and 0.84%.

Loan and grant approvals for the last three fiscal years were \$227.7 million (60 contracts) in fiscal year 2015, \$148.7 million (70 contracts) in fiscal year 2014, and \$104.5 million (52 contracts) in fiscal year 2013.

*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, 2015 was \$893,440,000.

During fiscal years 2012 through 2015, the Authority has issued no bonds.

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, 2015 were approximately \$853 million, net of nonpledged set-asides and principal forgiveness. The Authority has over the years transferred out approximately \$90 million from the CWBF for related but nonpledged programs known as non point-source programs. During fiscal years 2015, 2014, and 2013, the Authority transferred out \$-0- million, \$0.9, and \$-0- 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 499 loan commitments to 278 borrowers for approximately \$2.75 billion. The largest borrower, at approximately \$559.6 million in outstanding loans as of June 30, 2015, 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, 2015 were approximately \$288 million, net of nonpledged set-asides and principal forgiveness. The fund has made 357 loan commitments to 246 borrowers for approximately \$726 million. The largest borrower, at approximately \$80.2 million in outstanding loans as of June 30, 2015, 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 from 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.

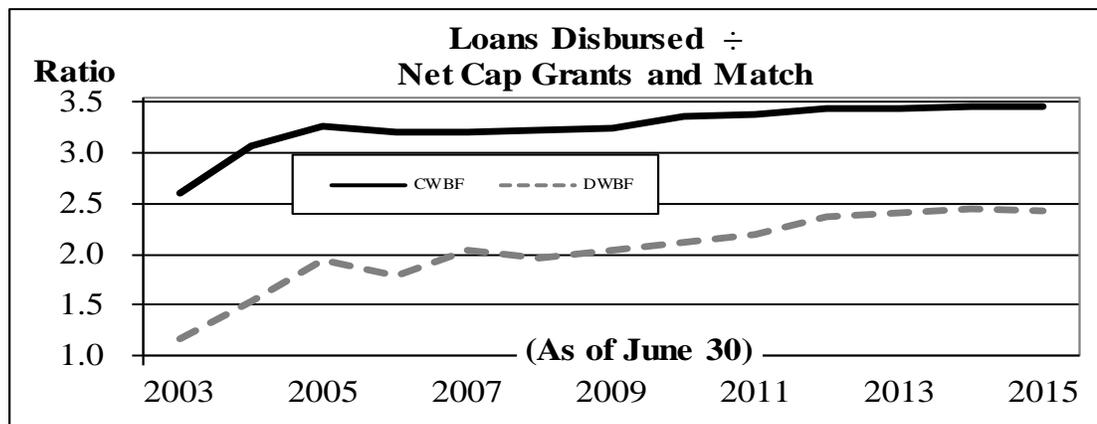
Criteria used in evaluating the financial results and conditions of the bond funds include:

- 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 thirteen years.

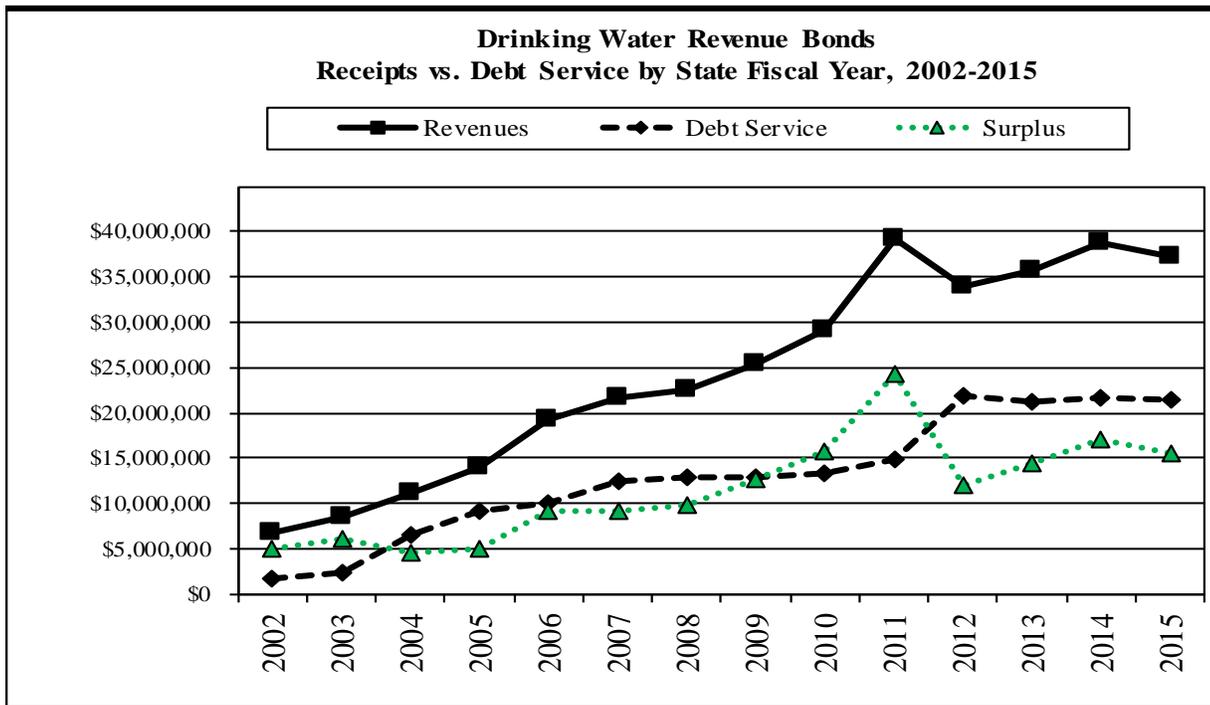
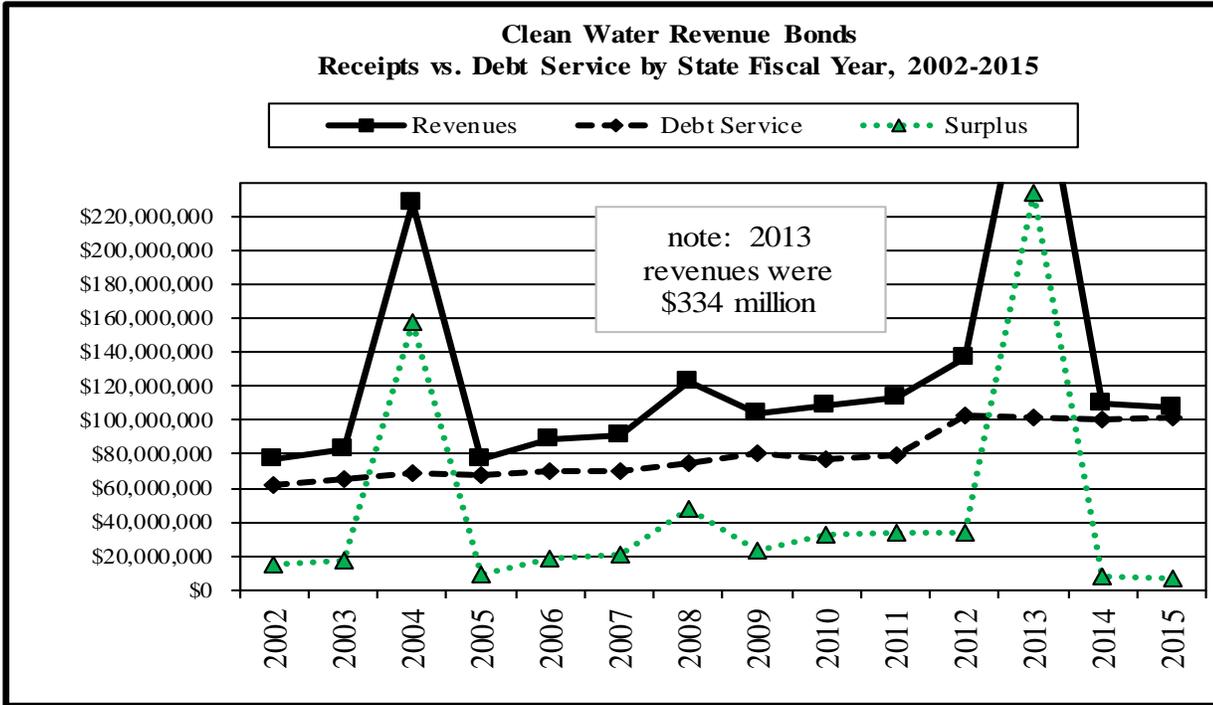
Clean Water and Drinking Water Bond Fund Programs  
Leveraging of Federal Capitalization Grants and State Match

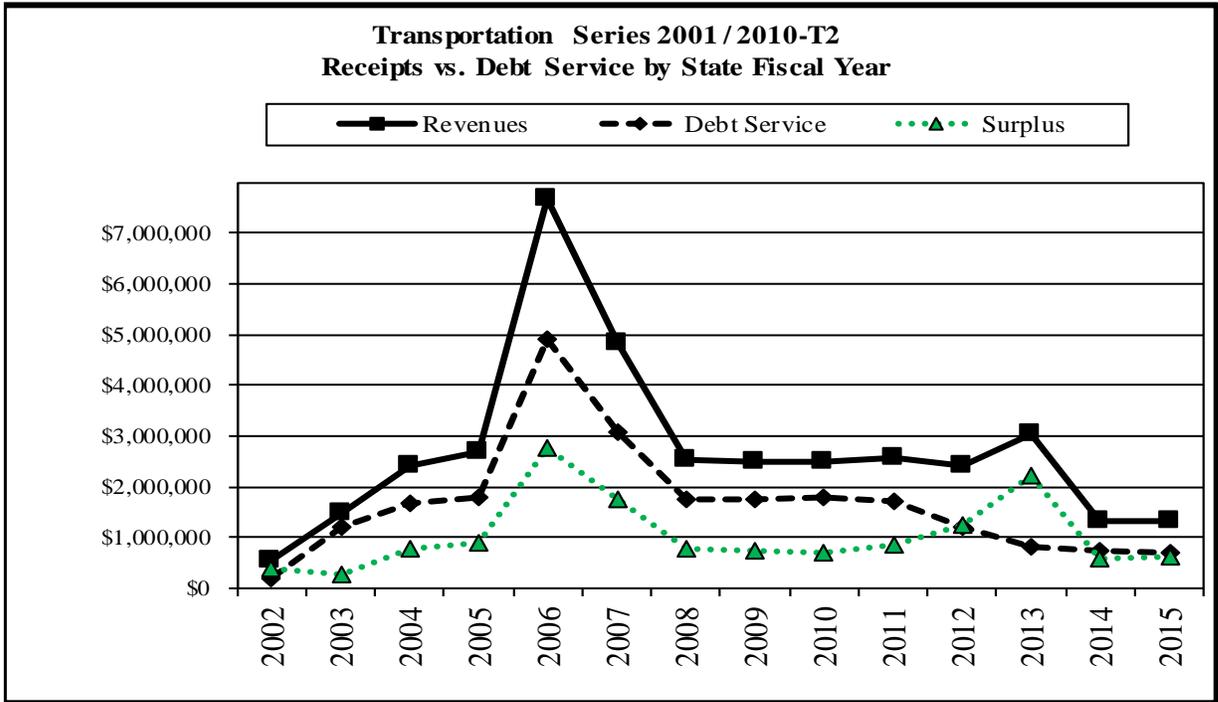
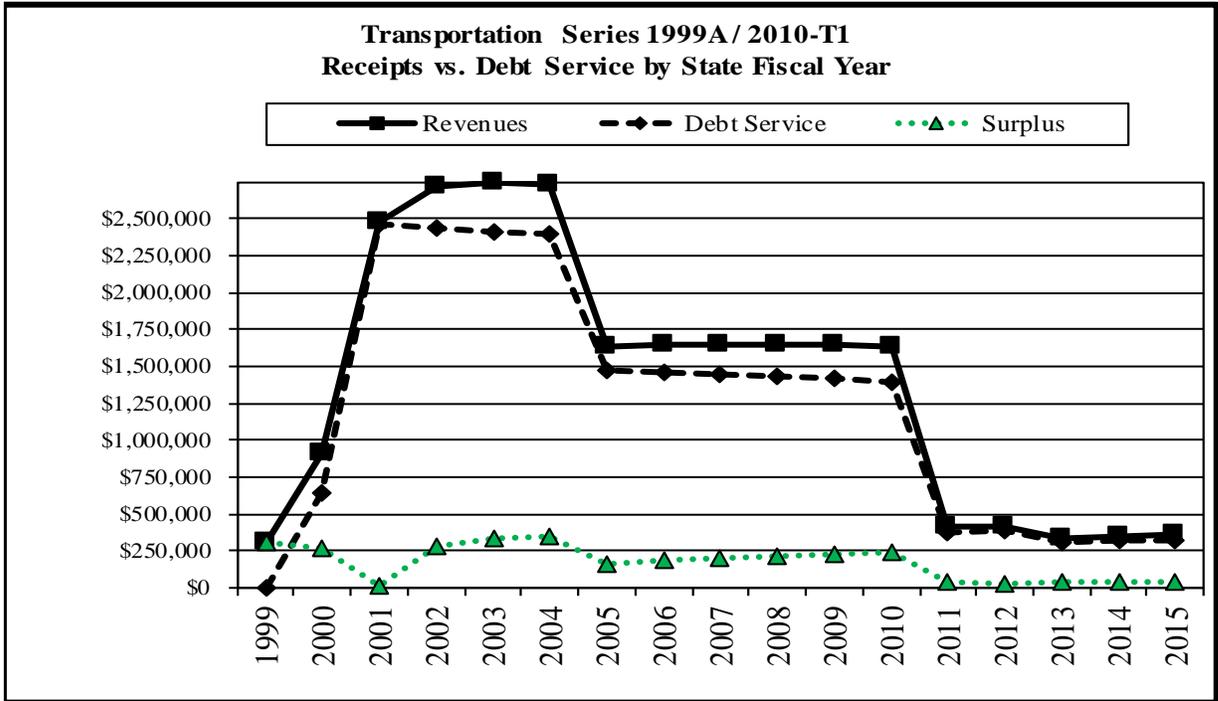


*Analysis of historical cash flow sufficiency to make debt service payments:*

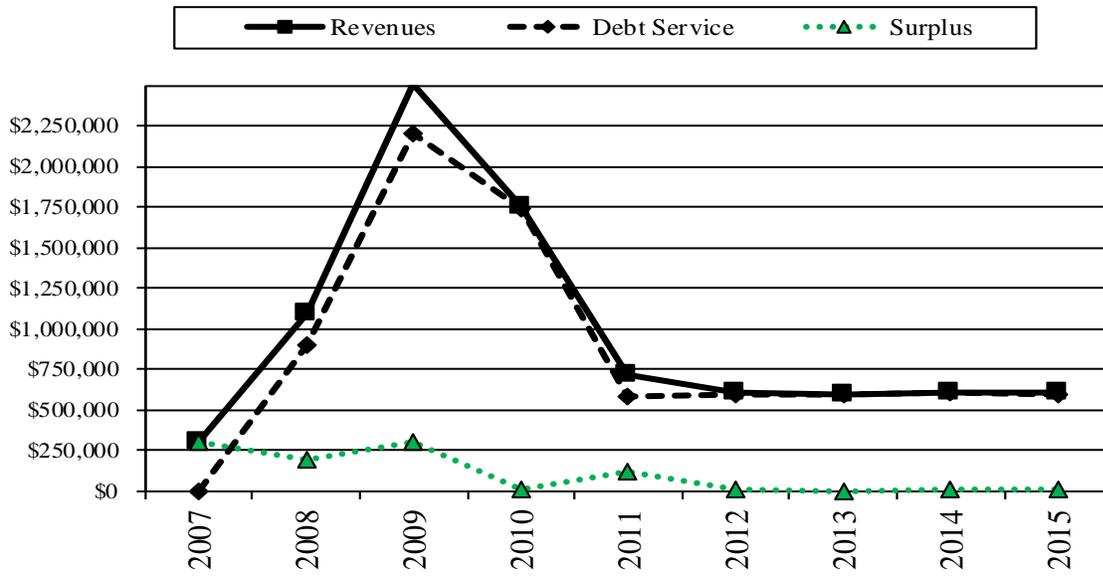
The following charts show each bond fund's cash flow history in meeting debt service payments. Annual total bond fund receipts, debt service, and net surplus are charted.

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

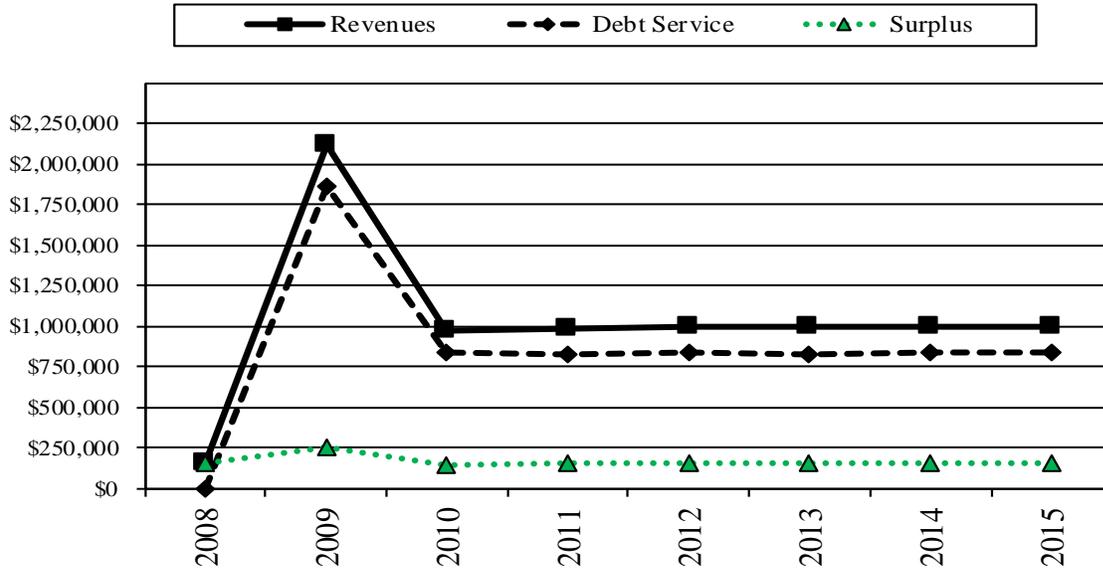




**Transportation Series 2006A**  
**Receipts vs. Debt Service by State Fiscal Year**



**Transportation Series 2008A**  
**Receipts vs. Debt Service by State Fiscal Year**



*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<br>Bond Fund | Drinking<br>Water<br>Bond Fund | Transportation Bond Fund  |                          |                 |                 |
|--------------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|-----------------|-----------------|
|                                |                          |                                | Series 1999A<br>/ 2010-T1 | Series 2001<br>/ 2010-T2 | Series<br>2006A | Series<br>2008A |
| <b>Current ratios</b>          |                          |                                |                           |                          |                 |                 |
| June 30, 2015                  | 3.99                     | 0.93                           | 1.32                      | 2.87                     | 2.90            | 1.23            |
| June 30, 2014                  | 4.86                     | 5.45                           | 1.23                      | 1.67                     | 2.99            | 1.25            |
| June 30, 2013                  | 6.07                     | 5.41                           | 1.23                      | 1.70                     | 3.00            | 1.28            |
| <b>Debt ratios</b>             |                          |                                |                           |                          |                 |                 |
| June 30, 2015                  | 0.47                     | 0.36                           | 0.79                      | 0.35                     | 0.69            | 0.82            |
| June 30, 2014                  | 0.50                     | 0.39                           | 0.80                      | 0.38                     | 0.71            | 0.81            |
| June 30, 2013                  | 0.52                     | 0.41                           | 0.78                      | 0.40                     | 0.72            | 0.80            |
| <b>Operating Income ratios</b> |                          |                                |                           |                          |                 |                 |
| FY 2015                        | 0.95                     | 1.28                           | 0.55                      | 4.04                     | 0.70            | 0.63            |
| FY 2014                        | 0.91                     | 1.22                           | 0.08                      | 3.88                     | 0.70            | 0.65            |
| FY 2013                        | 0.96                     | 1.24                           | -0.49                     | 3.32                     | 0.63            | 0.61            |
| <b>Debt Service Coverage</b>   |                          |                                |                           |                          |                 |                 |
| FY 2015                        | 1.07                     | 1.72                           | 1.02                      | 1.19                     | 1.12            | 1.90            |
| FY 2014                        | 1.09                     | 1.80                           | 1.11                      | 1.84                     | 1.01            | 1.18            |
| FY 2013                        | 3.31                     | 1.67                           | 1.11                      | 3.67                     | 1.01            | 1.19            |

current ratio:  $\text{current assets} \div \text{current liabilities}$

debt ratio:  $\text{debt} \div \text{assets}$

operating income ratio:  $\text{operating revenues} \div \text{operating expenses}$

debt service coverage ratio:  $(\text{loan repayments} + \text{investment interest}) \div (\text{bond debt service})$

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:

|                   | MPCA<br>Clean Water<br>Partnership | Agriculture<br>Best Mgmt<br>Practices | Health<br>Drinking Water<br>Set-Asides |
|-------------------|------------------------------------|---------------------------------------|--|
| <u>Sub-Grants</u> |                                    |                                       |  |
| New allocations   | \$ -                               | \$ -                                  | \$ 3,459,060                           |
| Grant expense     | -                                  | -                                     | 3,852,203                              |

State Appropriations – The Authority received multiple appropriations during the 2015 and 2014 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. These repayments were used to make new CWBF loans. CWBF revenues were reduced from fiscal year 2005 through fiscal year 2014 because the new loans had lower rates 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 has made new CWBF loans from these repayments. Net revenues to the CWBF will be reduced from fiscal year 2014 through fiscal year 2022 because 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, 2006, 2013, and 2014, Clean Water loans made have exceeded the long-term sustainable capacity of the Bond Fund. Needs for wastewater system improvements were substantial, and construction related inflation makes delays in project starts costly. Meeting current loan demand while preserving long term lending capacity for 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: Chief 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, 2015**

|   | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|---|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|   | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>ASSETS</b>                             |                          |                             |                             |                         |                                 |
| Current assets:                           |                          |                             |                             |                         |                                 |
| Cash and cash equivalents                 | \$ 223,069,335.93        | \$ 52,514,288.31            | \$ 969,759.73               | \$ 50,449,271.12        | \$ 327,002,655.09               |
| Investments                               | 407,592.00               |                             |                             |                         | 407,592.00                      |
| Loans receivable                          | 87,459,000.00            | 30,445,000.00               | 3,561,862.00                | 3,742,138.00            | 125,208,000.00                  |
| Federal grants receivable                 |                          |                             |                             | 1,965,085.05            | 1,965,085.05                    |
| Accrued interest receivable:              |                          |                             |                             |                         |                                 |
| Investments                               | 399,166.00               |                             | 5,929.00                    |                         | 405,095.00                      |
| Loans                                     | 10,232,385.00            | 3,342,045.00                | 144,945.00                  | 257,900.00              | 13,977,275.00                   |
| Total current assets                      | <u>321,567,478.93</u>    | <u>86,301,333.31</u>        | <u>4,682,495.73</u>         | <u>56,414,394.17</u>    | <u>468,965,702.14</u>           |
| Noncurrent assets:                        |                          |                             |                             |                         |                                 |
| Investments                               | 32,633,751.00            |                             | 537,000.00                  |                         | 33,170,751.00                   |
| Loans receivable                          | 1,236,081,620.65         | 419,992,177.43              | 10,713,807.92               | 38,842,774.51           | 1,705,630,380.51                |
| Total noncurrent assets                   | <u>1,268,715,371.65</u>  | <u>419,992,177.43</u>       | <u>11,250,807.92</u>        | <u>38,842,774.51</u>    | <u>1,738,801,131.51</u>         |
| Total assets                              | <u>1,590,282,850.58</u>  | <u>506,293,510.74</u>       | <u>15,933,303.65</u>        | <u>95,257,168.68</u>    | <u>2,207,766,833.65</u>         |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b> |                          |                             |                             |                         |                                 |
| Deferred charge on debt refunding         | 14,437,500.00            | 322,012.00                  | 21,777.00                   |                         | 14,781,289.00                   |
| <b>LIABILITIES</b>                        |                          |                             |                             |                         |                                 |
| Current liabilities:                      |                          |                             |                             |                         |                                 |
| Accounts payable & other                  |                          |                             |                             | 9,065,991.11            | 9,065,991.11                    |
| Interest payable on bonds                 | 11,582,268.00            | 2,787,990.00                | 104,937.50                  |                         | 14,475,195.50                   |
| Arbitrage rebate liability                | 91,594.32                | 67,091.97                   | 15,542.23                   |                         | 174,228.52                      |
| Compensated absences payable              |                          |                             |                             | 43,044.00               | 43,044.00                       |
| Bonds payable                             | 68,945,000.00            | 89,925,000.00               | 2,115,000.00                |                         | 160,985,000.00                  |
| Total current liabilities                 | <u>80,618,862.32</u>     | <u>92,780,081.97</u>        | <u>2,235,479.73</u>         | <u>9,109,035.11</u>     | <u>184,743,459.13</u>           |
| Noncurrent liabilities:                   |                          |                             |                             |                         |                                 |
| Bonds payable                             | 675,919,700.78           | 93,294,621.91               | 7,028,573.24                |                         | 776,242,895.93                  |
| Arbitrage rebate liability                | 851,876.84               |                             | 4,077.84                    |                         | 855,954.68                      |
| Compensated absences payable              |                          |                             |                             | 294,727.00              | 294,727.00                      |
| Total liabilities                         | <u>757,390,439.94</u>    | <u>186,074,703.88</u>       | <u>9,268,130.81</u>         | <u>9,403,762.11</u>     | <u>962,137,036.74</u>           |
| <b>NET POSITION</b>                       |                          |                             |                             |                         |                                 |
| Restricted (see Note 6)                   | 847,329,910.64           | 320,540,818.86              | 6,686,949.84                | 80,311,845.93           | 1,254,869,525.27                |
| Unrestricted                              |                          |                             |                             | 5,541,560.64            | 5,541,560.64                    |
| Total net position                        | <u>\$ 847,329,910.64</u> | <u>\$ 320,540,818.86</u>    | <u>\$ 6,686,949.84</u>      | <u>\$ 85,853,406.57</u> | <u>\$ 1,260,411,085.91</u>      |

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority**  
**Statement of Net Position**  
**June 30, 2014**

|   | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|---|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|   | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>ASSETS</b>                             |                          |                             |                             |                         |                                 |
| Current assets:                           |                          |                             |                             |                         |                                 |
| Cash and cash equivalents                 | \$ 279,394,822.13        | \$ 53,567,672.28            | \$ 969,101.05               | \$ 41,489,030.17        | \$ 375,420,625.63               |
| Investments                               |                          |                             |                             |                         | -                               |
| Loans receivable                          | 78,401,622.00            | 27,618,428.00               | 2,799,294.00                | 3,630,259.00            | 112,449,603.00                  |
| Federal grants receivable                 |                          |                             |                             | 1,568,112.84            | 1,568,112.84                    |
| Accrued interest receivable:              |                          |                             |                             |                         |                                 |
| Investments                               | 493,102.00               |                             | 5,929.00                    |                         | 499,031.00                      |
| Loans                                     | 10,048,016.00            | 3,437,139.00                | 147,687.00                  | 299,811.00              | 13,932,653.00                   |
| Total current assets                      | <u>368,337,562.13</u>    | <u>84,623,239.28</u>        | <u>3,922,011.05</u>         | <u>46,987,213.01</u>    | <u>503,870,025.47</u>           |
| Noncurrent assets:                        |                          |                             |                             |                         |                                 |
| Investments                               | 38,599,964.00            |                             | 537,000.00                  |                         | 39,136,964.00                   |
| Loans receivable                          | 1,224,574,568.23         | 414,147,787.90              | 14,356,070.29               | 46,746,499.20           | 1,699,824,925.62                |
| Total noncurrent assets                   | <u>1,263,174,532.23</u>  | <u>414,147,787.90</u>       | <u>14,893,070.29</u>        | <u>46,746,499.20</u>    | <u>1,738,961,889.62</u>         |
| Total assets                              | <u>1,631,512,094.36</u>  | <u>498,771,027.18</u>       | <u>18,815,081.34</u>        | <u>93,733,712.21</u>    | <u>2,242,831,915.09</u>         |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b> |                          |                             |                             |                         |                                 |
| Deferred charge on debt refunding         | 17,545,588.00            | 436,742.00                  | 29,825.00                   |                         | 18,012,155.00                   |
| <b>LIABILITIES</b>                        |                          |                             |                             |                         |                                 |
| Current liabilities:                      |                          |                             |                             |                         |                                 |
| Accounts payable & other                  |                          |                             |                             | 3,396,156.90            | 3,396,156.90                    |
| Interest payable on bonds                 | 12,647,268.00            | 2,989,406.00                | 127,520.84                  |                         | 15,764,194.84                   |
| Arbitrage rebate liability                | 104,000.00               |                             | 15,907.33                   |                         | 119,907.33                      |
| Compensated absences payable              |                          |                             |                             | 41,825.00               | 41,825.00                       |
| Bonds payable                             | 63,020,000.00            | 12,525,000.00               | 2,075,000.00                |                         | 77,620,000.00                   |
| Total current liabilities                 | <u>75,771,268.00</u>     | <u>15,514,406.00</u>        | <u>2,218,428.17</u>         | <u>3,437,981.90</u>     | <u>96,942,084.07</u>            |
| Noncurrent liabilities:                   |                          |                             |                             |                         |                                 |
| Bonds payable                             | 753,824,240.49           | 184,405,684.10              | 9,195,865.81                |                         | 947,425,790.40                  |
| Arbitrage rebate liability                | 525,774.89               | 162,000.00                  |                             |                         | 687,774.89                      |
| Compensated absences payable              |                          |                             |                             | 284,919.00              | 284,919.00                      |
| Total liabilities                         | <u>830,121,283.38</u>    | <u>200,082,090.10</u>       | <u>11,414,293.98</u>        | <u>3,722,900.90</u>     | <u>1,045,340,568.36</u>         |
| <b>NET POSITION</b>                       |                          |                             |                             |                         |                                 |
| Restricted (see Note 6)                   | 818,936,398.98           | 299,125,679.08              | 7,430,612.36                | 84,848,971.80           | 1,210,341,662.22                |
| Unrestricted                              |                          |                             |                             | 5,161,839.51            | 5,161,839.51                    |
| Total net position                        | <u>\$ 818,936,398.98</u> | <u>\$ 299,125,679.08</u>    | <u>\$ 7,430,612.36</u>      | <u>\$ 90,010,811.31</u> | <u>\$ 1,215,503,501.73</u>      |

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, 2015**

|  | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|--|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|  | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>Operating revenues:</b>                             |                          |                             |                             |                         |                                 |
| Interest on loans                                      | \$ 25,879,664.16         | \$ 8,809,195.32             | \$ 385,058.97               | \$ 3,444,243.58         | \$ 38,518,162.03                |
| Investment earnings                                    | 2,477,818.94             | 432,970.79                  | 24,581.21                   | 186,847.30              | 3,122,218.24                    |
| Net increase (decrease) , fair<br>value of investments | (320,221.00)             |                             |                             |                         | (320,221.00)                    |
| Federal grants-operating                               | 1,321,496.89             | 612,840.97                  |                             | 13,678,726.77           | 15,613,064.63                   |
| State appropriations and fees                          |                          |                             |                             | 24,313,513.52           | 24,313,513.52                   |
| Total operating revenues                               | <u>29,358,758.99</u>     | <u>9,855,007.08</u>         | <u>409,640.18</u>           | <u>41,623,331.17</u>    | <u>81,246,737.42</u>            |
| <b>Operating expenses:</b>                             |                          |                             |                             |                         |                                 |
| Interest on bonds                                      | 31,025,352.29            | 7,695,470.83                | 315,734.59                  |                         | 39,036,557.71                   |
| Salaries and employee benefits                         |                          |                             |                             | 2,464,399.42            | 2,464,399.42                    |
| Other general operating                                |                          |                             |                             | 859,111.49              | 859,111.49                      |
| Grants   |                          |                             |                             | 43,237,727.71           | 43,237,727.71                   |
| Total operating expenses                               | <u>31,025,352.29</u>     | <u>7,695,470.83</u>         | <u>315,734.59</u>           | <u>46,561,238.62</u>    | <u>85,597,796.33</u>            |
| Operating income (loss)                                | <u>(1,666,593.30)</u>    | <u>2,159,536.25</u>         | <u>93,905.59</u>            | <u>(4,937,907.45)</u>   | <u>(4,351,058.91)</u>           |
| <b>Capital Contributions:</b>                          |                          |                             |                             |                         |                                 |
| Federal Grants   | 23,403,039.56            | 13,855,603.53               |                             |                         | 37,258,643.09                   |
| State Match  | 6,600,000.00             | 5,400,000.00                |                             |                         | 12,000,000.00                   |
| Total capital contributions                            | <u>30,003,039.56</u>     | <u>19,255,603.53</u>        | <u>-</u>                    | <u>-</u>                | <u>49,258,643.09</u>            |
| <b>Transfers in (out)</b>                              | 57,065.40                |                             | (837,568.11)                | 780,502.71              | -                               |
| Change in net position                                 | 28,393,511.66            | 21,415,139.78               | (743,662.52)                | (4,157,404.74)          | 44,907,584.18                   |
| <b>Total net position:</b>                             |                          |                             |                             |                         |                                 |
| Beginning of year                                      | 818,936,398.98           | 299,125,679.08              | 7,430,612.36                | 90,010,811.31           | 1,215,503,501.73                |
| End of year  | <u>\$ 847,329,910.64</u> | <u>\$ 320,540,818.86</u>    | <u>\$ 6,686,949.84</u>      | <u>\$ 85,853,406.57</u> | <u>\$1,260,411,085.91</u>       |

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, 2014**

|  | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|--|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|  | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>Operating revenues:</b>                             |                          |                             |                             |                         |                                 |
| Interest on loans                                      | \$ 26,156,597.03         | \$ 9,100,510.78             | \$ 425,021.87               | \$ 3,534,309.11         | \$ 39,216,438.79                |
| Investment earnings                                    | 3,102,505.92             | 197,903.50                  | 16,627.66                   | 155,466.55              | 3,472,503.63                    |
| Net increase (decrease) , fair<br>value of investments | (146,704.00)             |                             |                             |                         | (146,704.00)                    |
| Federal grants-operating                               | 1,311,523.33             | 608,215.76                  |                             | 14,190,529.36           | 16,110,268.45                   |
| State appropriations and fees                          |                          |                             |                             | 16,482,606.85           | 16,482,606.85                   |
| Total operating revenues                               | <u>30,423,922.28</u>     | <u>9,906,630.04</u>         | <u>441,649.53</u>           | <u>34,362,911.87</u>    | <u>75,135,113.72</u>            |
| <b>Operating expenses:</b>                             |                          |                             |                             |                         |                                 |
| Interest on bonds                                      | 33,517,420.33            | 8,110,639.56                | 366,331.37                  |                         | 41,994,391.26                   |
| Salaries and employee benefits                         |                          |                             |                             | 2,274,528.64            | 2,274,528.64                    |
| Other general operating                                |                          |                             |                             | 839,908.50              | 839,908.50                      |
| Grants   |                          |                             |                             | 34,781,823.49           | 34,781,823.49                   |
| Total operating expenses                               | <u>33,517,420.33</u>     | <u>8,110,639.56</u>         | <u>366,331.37</u>           | <u>37,896,260.63</u>    | <u>79,890,651.89</u>            |
| Operating income (loss)                                | <u>(3,093,498.05)</u>    | <u>1,795,990.48</u>         | <u>75,318.16</u>            | <u>(3,533,348.76)</u>   | <u>(4,755,538.17)</u>           |
| <b>Capital Contributions:</b>                          |                          |                             |                             |                         |                                 |
| Federal Grants   | 18,893,680.00            | 1,174,042.68                |                             |                         | 20,067,722.68                   |
| State Match  | 5,173,800.00             | 2,826,200.00                |                             |                         | 8,000,000.00                    |
| Total capital contributions                            | <u>24,067,480.00</u>     | <u>4,000,242.68</u>         | <u>-</u>                    | <u>-</u>                | <u>28,067,722.68</u>            |
| <b>Transfers in (out)</b>                              |                          |                             |                             |                         |                                 |
|  | (801,270.40)             |                             | (803,332.54)                | 1,604,602.94            | -                               |
| Change in net position                                 | 20,172,711.55            | 5,796,233.16                | (728,014.38)                | (1,928,745.82)          | 23,312,184.51                   |
| <b>Total net position:</b>                             |                          |                             |                             |                         |                                 |
| Beginning of year                                      | 798,763,687.43           | 293,329,445.92              | 8,158,626.74                | 91,939,557.13           | 1,192,191,317.22                |
| End of year  | <u>\$ 818,936,398.98</u> | <u>\$ 299,125,679.08</u>    | <u>\$ 7,430,612.36</u>      | <u>\$ 90,010,811.31</u> | <u>\$1,215,503,501.73</u>       |

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority**  
**Statement of Cash Flows**  
**for the Year Ended June 30, 2015**

|   | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|---|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|   | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>Operating activities:</b>  |                          |                             |                             |                         |                                 |
| Interest received on loans  | \$ 25,695,295.16         | \$ 8,904,289.32             | \$ 387,800.97               | \$ 3,486,154.58         | \$ 38,473,540.03                |
| Principal received on loans   | 79,252,695.97            | 27,775,939.55               | 2,879,694.37                | 3,686,509.11            | 113,594,839.00                  |
| Payments to make loans  | (99,817,126.39)          | (36,446,901.08)             | -                           | (1,931,942.42)          | (138,195,969.89)                |
| Federal grants - operating  | 1,321,496.89             | 612,840.97                  |                             | 13,281,754.56           | 15,216,092.42                   |
| State appropriations, and fees  |                          |                             |                             | 24,313,513.52           | 24,313,513.52                   |
| Payments to employees   |                          |                             |                             | (2,390,572.18)          | (2,390,572.18)                  |
| Payments to vendors   |                          |                             |                             | (1,046,500.44)          | (1,046,500.44)                  |
| Payments to grantees  |                          |                             |                             | (27,553,822.59)         | (27,553,822.59)                 |
| Payments to sub-recipients  |                          |                             |                             | (3,852,203.20)          | (3,852,203.20)                  |
| Net cash provided in operating activities   | <u>6,452,361.63</u>      | <u>846,168.76</u>           | <u>3,267,495.34</u>         | <u>7,992,890.94</u>     | <u>18,558,916.67</u>            |
| <b>Non capital financing activities:</b>  |                          |                             |                             |                         |                                 |
| Capital contributions - federal   | 23,403,039.56            | 13,855,603.53               |                             |                         | 37,258,643.09                   |
| Capital contributions - state   | 6,600,000.00             | 5,400,000.00                |                             |                         | 12,000,000.00                   |
| Interest paid on bonds  | (37,941,804.00)          | (8,968,219.02)              | (382,562.50)                |                         | (47,292,585.52)                 |
| Principal paid on bonds   | (63,020,000.00)          | (12,525,000.00)             | (2,075,000.00)              |                         | (77,620,000.00)                 |
| Cash transfers  | 57,065.40                |                             | (837,568.11)                | 780,502.71              | -                               |
| Net cash provided (used) in non capital financing activities:   | <u>(70,901,699.04)</u>   | <u>(2,237,615.49)</u>       | <u>(3,295,130.61)</u>       | <u>780,502.71</u>       | <u>(75,653,942.43)</u>          |
| <b>Investing activities:</b>  |                          |                             |                             |                         |                                 |
| Investment interest   | 2,885,451.21             | 338,062.76                  | 28,293.95                   | 186,847.30              | 3,438,655.22                    |
| Proceeds from sale & maturities   | 5,238,400.00             |                             |                             |                         | 5,238,400.00                    |
| Net cash provided in investing activities   | <u>8,123,851.21</u>      | <u>338,062.76</u>           | <u>28,293.95</u>            | <u>186,847.30</u>       | <u>8,677,055.22</u>             |
| Net increase (decrease) in cash and cash equivalents  | (56,325,486.20)          | (1,053,383.97)              | 658.68                      | 8,960,240.95            | (48,417,970.54)                 |
| Cash and cash equivalents:  |                          |                             |                             |                         |                                 |
| Beginning of year   | <u>279,394,822.13</u>    | <u>53,567,672.28</u>        | <u>969,101.05</u>           | <u>41,489,030.17</u>    | <u>375,420,625.63</u>           |
| End of year   | <u>\$ 223,069,335.93</u> | <u>\$ 52,514,288.31</u>     | <u>\$ 969,759.73</u>        | <u>\$ 50,449,271.12</u> | <u>\$ 327,002,655.09</u>        |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                          |                             |                             |                         |                                 |
| Operating income (loss)   | (1,666,593.30)           | 2,159,536.25                | 93,905.59                   | (4,937,907.45)          | (4,351,058.91)                  |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:        |                          |                             |                             |                         |                                 |
| Principal received on loans   | 79,252,695.97            | 27,775,939.55               | 2,879,694.37                | 3,686,509.11            | 113,594,839.00                  |
| Payments to make loans  | (99,817,126.39)          | (36,446,901.08)             |                             | (1,931,942.42)          | (138,195,969.89)                |
| Interest paid on bonds  | 37,941,804.00            | 8,968,219.02                | 382,562.50                  |                         | 47,292,585.52                   |
| Investment earnings   | (2,885,451.21)           | (338,062.76)                | (28,293.95)                 | (186,847.30)            | (3,438,655.22)                  |
| Net change, investment fair value   | 320,221.00               |                             |                             |                         | 320,221.00                      |
| Net amortizations   | (5,851,451.71)           | (1,071,332.19)              | (44,244.57)                 |                         | (6,967,028.47)                  |
| Loans converted to grants   |                          |                             |                             | 6,037,279.00            | 6,037,279.00                    |
| Changes in assets and liabilities:  |                          |                             |                             |                         |                                 |
| Accrued interest and grants receivable  | (90,433.00)              | 95,094.00                   | 2,742.00                    | (355,061.21)            | (347,658.21)                    |
| Accrued interest and accounts payable   | (751,303.73)             | (296,324.03)                | (18,870.60)                 | 5,680,861.21            | 4,614,362.85                    |
| Net cash provided in operating activities   | <u>\$ 6,452,361.63</u>   | <u>\$ 846,168.76</u>        | <u>\$ 3,267,495.34</u>      | <u>\$ 7,992,890.94</u>  | <u>\$ 18,558,916.67</u>         |

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority**  
**Statement of Cash Flows**  
**for the Year Ended June 30, 2014**

|   | Revenue Bond Funds       |                             |                             |                         | Business-type<br>Activity Total |
|---|--------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|
|   | Clean Water<br>Bond Fund | Drinking Water<br>Bond Fund | Transportation<br>Bond Fund | Other                   |                                 |
| <b>Operating activities:</b>  |                          |                             |                             |                         |                                 |
| Interest received on loans  | \$ 26,512,295.03         | \$ 9,264,137.78             | \$ 446,734.87               | \$ 3,580,053.11         | \$ 39,803,220.79                |
| Principal received on loans   | 79,632,472.51            | 29,210,467.60               | 2,798,299.24                | 3,891,373.74            | 115,532,613.09                  |
| Payments to make loans  | (111,929,976.67)         | (17,899,516.68)             |                             | (823,571.71)            | (130,653,065.06)                |
| Federal grants - operating  | 1,311,523.33             | 608,215.76                  |                             | 13,973,050.75           | 15,892,789.84                   |
| State appropriations, and fees  |                          |                             |                             | 16,482,606.85           | 16,482,606.85                   |
| Payments to employees   |                          |                             |                             | (2,232,131.06)          | (2,232,131.06)                  |
| Payments to vendors   |                          |                             |                             | (635,331.39)            | (635,331.39)                    |
| Payments to grantees  |                          |                             |                             | (26,645,116.69)         | (26,645,116.69)                 |
| Payments to sub-recipients  |                          |                             |                             | (5,754,731.18)          | (5,754,731.18)                  |
| Net cash provided in operating activities   | <u>(4,473,685.80)</u>    | <u>21,183,304.46</u>        | <u>3,245,034.11</u>         | <u>1,836,202.42</u>     | <u>21,790,855.19</u>            |
| <b>Non capital financing activities:</b>  |                          |                             |                             |                         |                                 |
| Capital contributions - federal   | 18,893,680.00            | 1,174,042.68                |                             |                         | 20,067,722.68                   |
| Capital contributions - state   | 5,173,800.00             | 2,826,200.00                |                             |                         | 8,000,000.00                    |
| Interest paid on bonds  | (40,936,304.00)          | (9,554,969.02)              | (447,537.50)                |                         | (50,938,810.52)                 |
| Principal paid on bonds   | (59,750,000.00)          | (12,050,000.00)             | (2,025,000.00)              |                         | (73,825,000.00)                 |
| Cash transfers  | (801,270.40)             |                             | (803,332.54)                | 1,604,602.94            | -                               |
| Net cash provided (used) in non capital financing activities:   | <u>(77,420,094.40)</u>   | <u>(17,604,726.34)</u>      | <u>(3,275,870.04)</u>       | <u>1,604,602.94</u>     | <u>(96,696,087.84)</u>          |
| <b>Investing activities:</b>  |                          |                             |                             |                         |                                 |
| Investment interest   | 3,477,112.15             | 323,445.98                  | 26,911.26                   | 155,466.55              | 3,982,935.94                    |
| Proceeds from sale & maturities   |                          |                             |                             |                         | -                               |
| Net cash provided in investing activities   | <u>3,477,112.15</u>      | <u>323,445.98</u>           | <u>26,911.26</u>            | <u>155,466.55</u>       | <u>3,982,935.94</u>             |
| Net increase (decrease) in cash and cash equivalents  | (78,416,668.05)          | 3,902,024.10                | (3,924.67)                  | 3,596,271.91            | (70,922,296.71)                 |
| Cash and cash equivalents:  |                          |                             |                             |                         |                                 |
| Beginning of year   | 357,811,490.18           | 49,665,648.18               | 973,025.72                  | 37,892,758.26           | 446,342,922.34                  |
| End of year   | <u>\$ 279,394,822.13</u> | <u>\$ 53,567,672.28</u>     | <u>\$ 969,101.05</u>        | <u>\$ 41,489,030.17</u> | <u>\$ 375,420,625.63</u>        |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                          |                             |                             |                         |                                 |
| Operating income (loss)   | (3,093,498.05)           | 1,795,990.48                | 75,318.16                   | (3,533,348.76)          | (4,755,538.17)                  |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:        |                          |                             |                             |                         |                                 |
| Principal received on loans   | 79,632,472.51            | 29,210,467.60               | 2,798,299.24                | 3,891,373.74            | 115,532,613.09                  |
| Payments to make loans  | (111,929,976.67)         | (17,899,516.68)             |                             | (823,571.71)            | (130,653,065.06)                |
| Interest paid on bonds  | 40,936,304.00            | 9,554,969.02                | 447,537.50                  |                         | 50,938,810.52                   |
| Investment earnings   | (3,477,112.15)           | (323,445.98)                | (26,911.26)                 | (155,466.55)            | (3,982,935.94)                  |
| Net change, investment fair value   | 146,704.00               |                             |                             |                         | 146,704.00                      |
| Net amortizations   | (6,420,716.67)           | (1,248,745.46)              | (59,547.81)                 |                         | (7,729,009.94)                  |
| Loans converted to grants   |                          |                             |                             | 3,552,118.00            | 3,552,118.00                    |
| Changes in assets and liabilities:  |                          |                             |                             |                         |                                 |
| Accrued interest and grants receivable  | 339,151.00               | 163,627.00                  | 21,713.00                   | (171,734.61)            | 352,756.39                      |
| Accrued interest and accounts payable   | (607,013.77)             | (70,041.52)                 | (11,374.72)                 | (923,167.69)            | (1,611,597.70)                  |
| Net cash provided in operating activities   | <u>\$ (4,473,685.80)</u> | <u>\$ 21,183,304.46</u>     | <u>\$ 3,245,034.11</u>      | <u>\$ 1,836,202.42</u>  | <u>\$ 21,790,855.19</u>         |

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority  
Notes to the Financial Statements  
Years Ended June 30, 2015 and 2014**

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 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.
- *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 Clean Water Bond Fund, Drinking Water Bond Fund, and Transportation Bond Fund.

*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 taxing and levy authority 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 nonparticipating and, as such, are reported at cost and annually tested for impairment. 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 and premiums are amortized using the effective interest method over the term of the bond series. Bond issuance costs are expensed in the period incurred.

*Income Taxes* - The Authority is a discretely 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.

## 2. *Deposits and Investments*

*Deposits* - In accordance with state statutes, the Authority's cash deposits are held in the state treasury and managed by the State Board of Investment (SBI) in a state pool. Minnesota Department of Management and Budget (MMB) is responsible for ensuring balances are insured or collateralized in accordance with statutes. Further information regarding the state pool can be found in MMB's Comprehensive Annual Financial Reports for the state of Minnesota, and in SBI's financial reports. At June 30, 2015 and 2014, \$319,998,457 and \$373,817,245, respectively, of cash deposits were interest-bearing and \$7,004,198.58 and \$1,603,381, respectively, were non-interest-bearing.

*Investments* - The Authority's investment policy requires it to follow Minnesota state statutes and bond resolutions. Investments 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, 2015 and 2014 carried the following ratings by the three nationally recognized statistical rating organizations shown:

| Investment type                        | Standard & Poors       | Fitch Ratings | Moody's 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 <sup>1</sup> |               |                           |

<sup>1</sup> 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, 2015 and 2014, 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:

| Issuer                                 | June 30, 2015 |                  | June 30, 2014 |                  |
|--|---------------|------------------|---------------|------------------|
|  | Fair Value    | % of Investments | Fair Value    | % of Investments |
| Federal Home Loan Mortgage Corporation | \$ 5,889,675  | 18%              | \$ 6,088,280  | 16%              |
| Texas, State of                        | 5,753,444     | 17%              | 5,867,131     | 15%              |
| Minneapolis MN                         | 5,633,828     | 17%              | 5,615,545     | 14%              |
| Guaranteed Investment Contracts:AIGMFC | 3,265,500     | 10%              | 3,265,500     | 8%               |
| Brown County WI                        | 3,041,255     | 9%               | 3,055,180     | 8%               |
| Federal Farm Credit Banks              | 2,821,455     | 8%               | 2,932,305     | 7%               |
| Dallas, TX S.D.                        |               |                  | 5,030,550     | 13%              |

At June 30, 2015, the Authority had the following investments:

| Investment type                           | Fair Value           | Investment Maturities (in Years) |                      |                     |                     | WAM <sup>1</sup> |
|---|----------------------|----------------------------------|----------------------|---------------------|---------------------|------------------|
|   |                      | less than 1                      | 1 to 5               | 6 to 10             | more than 10        |                  |
| U.S. Treasury SLGS                        | \$ 537,000           | \$ -                             | \$ 191,950           | \$ 345,050          | \$ -                | 5.29             |
| Federal Farm Credit Banks                 | 2,821,455            |                                  | 2,821,455            |                     |                     | 1.54             |
| Federal Home Loan<br>Mortgage Corporation | 5,889,675            |                                  | 5,889,675            |                     |                     | 1.63             |
| Guaranteed Investment<br>Contracts        | 3,265,500            |                                  | 3,265,500            |                     |                     | 2.66             |
| State & municipal securities              | 21,064,713           | 407,592                          | 5,132,928            | 6,502,522           | 9,021,671           | 9.56             |
| <b>totals</b>                             | <b>\$ 33,578,343</b> | <b>\$ 407,592</b>                | <b>\$ 17,301,508</b> | <b>\$ 6,847,572</b> | <b>\$ 9,021,671</b> | <b>6.77</b>      |

At June 30, 2014, the Authority had the following investments:

| Investment type                           | Fair Value           | Investment Maturities (in Years) |                      |                     |                      | WAM <sup>1</sup> |
|---|----------------------|----------------------------------|----------------------|---------------------|----------------------|------------------|
|   |                      | less than 1                      | 1 to 5               | 6 to 10             | more than 10         |                  |
| U.S. Treasury SLGS                        | \$ 537,000           | \$ -                             | \$ -                 | \$ 537,000          | \$ -                 | 6.29             |
| Federal Farm Credit Banks                 | 2,932,305            |                                  | 2,932,305            |                     |                      | 2.54             |
| Federal Home Loan<br>Mortgage Corporation | 6,088,280            |                                  | 6,088,280            |                     |                      | 2.63             |
| Guaranteed Investment<br>Contracts        | 3,265,500            |                                  | 3,265,500            |                     |                      | 3.66             |
| State & municipal securities              | 26,313,879           |                                  | 3,122,279            | 5,349,679           | 17,841,921           | 11.86            |
| <b>totals</b>                             | <b>\$ 39,136,964</b> | <b>\$ -</b>                      | <b>\$ 15,408,363</b> | <b>\$ 5,886,679</b> | <b>\$ 17,841,921</b> | <b>9.03</b>      |

### 3. *Loans Receivable*

The Authority lends funds to political subdivisions within the state of Minnesota, through bond purchase and project loan agreements. All of the loans pledged to bond-holders are secured by the borrowers' general taxing and levy authority and revenue pledges, except DWBF loans to the City of Saint Paul which are secured by revenue pledges only.

Loans receivable balances by Fund:

At June 30, 2015 and 2014 the Authority had outstanding loans receivable consisting of:

| Fund  | Loan rates from - to | Final maturity | Outstanding Principal, June 30: |                         |
|-------|----------------------|----------------|---------------------------------|-------------------------|
|       |                      |                | 2015                            | 2014                    |
| CWBF  | 0.000% - 4.630%      | Aug-2045       | \$ 1,323,540,621                | \$ 1,302,976,190        |
| DWBF  | 1.000% - 4.160%      | Aug-2044       | 450,437,177                     | 441,766,216             |
| TBF   | 1.390% - 3.590%      | Aug-2030       | 14,275,670                      | 17,155,364              |
| Other | 0.000% - 3.645%      | Aug-2042       | 42,584,913                      | 50,376,758              |
|       |                      |                | <u>\$ 1,830,838,381</u>         | <u>\$ 1,812,274,529</u> |

The supplemental *Schedule of Individual Loans Receivable by Fund* lists outstanding loans by fund.

Borrower concentration in the open-pool bond funds (CWBF and DWBF):

The Clean Water Bond Fund and the Drinking Water Bond Fund both have large loan portfolios with many borrowers. These loans are a significant portion of the assets securing the outstanding bonds of these two funds, and provide a significant portion of the revenues pledged to the payment of debt service on the bonds.

The tables on the following page show the borrowers whose loan balances make up more than 4% of the outstanding loan balances of, respectively: the Clean Water Bond Fund, the Drinking Water Bond Fund, and the combined loan portfolios of both funds.

At June 30, 2015 and 2014, the Clean Water Bond Fund had outstanding loans to 245 and 247, respectively, Minnesota political subdivisions. Two of those borrowers' loan balances made up more than 4% of the outstanding total as shown below:

| CWBF Borrower        | June 30, 2015           |               | June 30, 2014           |               |
|----------------------|-------------------------|---------------|-------------------------|---------------|
|                      | Balance                 | %             | Balance                 | %             |
| Metropolitan Council | \$ 559,635,144          | 42.3%         | \$ 512,140,636          | 39.3%         |
| Willmar, City of     | 67,689,029              | 5.1%          | 67,425,010              | 5.2%          |
| All other borrowers  | 696,216,448             | 52.6%         | 723,410,544             | 55.5%         |
|                      | <u>\$ 1,323,540,621</u> | <u>100.0%</u> | <u>\$ 1,302,976,190</u> | <u>100.0%</u> |

At June 30, 2015 and 2014, the Drinking Water Bond Fund had outstanding loans to 235 and 226, respectively, Minnesota political subdivisions. Four of those borrowers' loan balances made up more than 4% of the outstanding total as shown below:

| DWBF Borrower       | June 30, 2015         |               | June 30, 2014         |               |
|---------------------|-----------------------|---------------|-----------------------|---------------|
|                     | Balance               | %             | Balance               | %             |
| Minneapolis         | \$ 80,230,000         | 17.8%         | \$ 84,075,000         | 19.0%         |
| Saint Paul, City of | 27,406,067            | 6.1%          | 26,285,000            | 5.9%          |
| Mankato, City of    | 27,170,248            | 6.0%          | 28,395,743            | 6.4%          |
| Fairmont, City of   | 26,422,495            | 5.9%          | 26,567,562            | 6.0%          |
| All other borrowers | 289,208,367           | 64.2%         | 276,442,910           | 62.6%         |
|                     | <u>\$ 450,437,177</u> | <u>100.0%</u> | <u>\$ 441,766,216</u> | <u>100.0%</u> |

At June 30, 2015 and 2014, the two loan portfolios together had outstanding loans to 365 and 363, respectively, Minnesota political subdivisions. Two of those borrowers' loan balances made up more than 4% of the combined outstanding total as shown below:

| CWBF+DWBF combined   | June 30, 2015           |               | June 30, 2014           |               |
|----------------------|-------------------------|---------------|-------------------------|---------------|
|                      | Balance                 | %             | Balance                 | %             |
| Metropolitan Council | \$ 559,635,144          | 31.5%         | \$ 512,140,636          | 29.4%         |
| Minneapolis, City of | 80,230,000              | 4.5%          | 84,075,000              | 4.8%          |
| All other borrowers  | 1,134,112,654           | 63.9%         | 1,148,526,770           | 65.8%         |
|                      | <u>\$ 1,773,977,798</u> | <u>100.0%</u> | <u>\$ 1,744,742,406</u> | <u>100.0%</u> |

#### Projected loan repayments:

The tables on the following two pages show projected repayments on outstanding loans. The projections include only fully executed loans existing at June 30, 2015. The Authority anticipates that subsequent to June 30, 2015, a significant amount of new loans will be made from existing resources; these loans will add to future repayment streams but are not included in the following projections.

*Schedules of Future Loan Repayments* – At June 30, 2015, scheduled loan repayments (interest and principal) on outstanding loans are payable as follows:

| Fiscal Year(s)                 | Clean Water Bond Fund |                       | Drinking Water Bond Fund       |                      |                              |
|--------------------------------|-----------------------|-----------------------|--------------------------------|----------------------|------------------------------|
|                                | Ending                | Interest              | Principal                      | Interest             | Principal                    |
| 2016                           |                       | 25,328,593            | 87,459,000                     | 8,627,769            | 30,445,000                   |
| 2017                           |                       | 23,694,011            | 94,212,523                     | 8,261,710            | 32,207,644                   |
| 2018                           |                       | 21,655,440            | 95,090,507                     | 7,485,683            | 35,027,000                   |
| 2019                           |                       | 19,288,215            | 99,817,351                     | 6,658,682            | 37,253,000                   |
| 2020                           |                       | 17,079,965            | 97,163,419                     | 5,826,840            | 37,932,825                   |
| 2021 - 2025                    |                       | 54,915,888            | 474,685,556                    | 18,447,157           | 162,900,790                  |
| 2026 - 2030                    |                       | 18,549,034            | 290,166,117                    | 6,189,376            | 100,187,752                  |
| 2031 - 2035                    |                       | 4,845,915             | 97,824,912                     | 2,226,847            | 36,969,133                   |
| 2036 - 2040                    |                       | 1,177,992             | 26,132,000                     | 812,561              | 16,245,556                   |
| 2041 - 2045                    |                       | 30,720                | 5,013,347                      | 41,680               | 5,898,178                    |
| 2046 - 2050                    |                       | -                     | 8,500                          | -                    | -                            |
|                                |                       | <u>\$ 186,565,772</u> | <u>\$ 1,367,573,232</u>        | <u>\$ 64,578,303</u> | <u>\$ 495,066,878</u>        |
| Less: undisbursed commitments: |                       |                       | 44,032,611                     |                      | 44,629,701                   |
| Outstanding principal:         |                       |                       | <u><u>\$ 1,323,540,621</u></u> |                      | <u><u>\$ 450,437,177</u></u> |

| Fiscal Year(s)                 | TBF Series 1999A / 2010-T1 |                  | TBF Series 2001/ 2010-T2   |                     |                            |
|--------------------------------|----------------------------|------------------|----------------------------|---------------------|----------------------------|
|                                | Ending                     | Interest         | Principal                  | Interest            | Principal                  |
| 2016                           |                            | 399              | 365,000                    | 192,760             | 1,716,862                  |
| 2017                           |                            | 3,773            | 375,000                    | 159,748             | 476,808                    |
| 2018                           |                            | 2,198            | 385,000                    | 147,980             | 240,000                    |
| 2019                           |                            | 4,864            | 395,000                    | 139,184             | 250,000                    |
| 2020                           |                            | 4,842            | 415,000                    | 130,030             | 260,000                    |
| 2021 - 2025                    |                            | -                | -                          | 502,510             | 1,425,000                  |
| 2026 - 2030                    |                            | -                | -                          | 223,388             | 1,695,000                  |
| 2031 - 2035                    |                            | -                | -                          | 6,677               | 372,000                    |
| 2036 - 2040                    |                            | -                | -                          | -                   | -                          |
| 2041 - 2045                    |                            | -                | -                          | -                   | -                          |
| 2046 - 2050                    |                            | -                | -                          | -                   | -                          |
|                                |                            | <u>\$ 16,076</u> | <u>\$ 1,935,000</u>        | <u>\$ 1,502,277</u> | <u>\$ 6,435,670</u>        |
| Less: undisbursed commitments: |                            |                  |                            |                     |                            |
| Outstanding principal:         |                            |                  | <u><u>\$ 1,935,000</u></u> |                     | <u><u>\$ 6,435,670</u></u> |

Scheduled future loan repayments (continued):

| Fiscal Year(s)                 | TBF Series 2006A |                     | TBF Series 2008A    |                     |                     |
|--------------------------------|------------------|---------------------|---------------------|---------------------|---------------------|
|                                | Ending           | Interest            | Principal           | Interest            | Principal           |
| 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                           |                  | 31,026              | 715,000             | -                   | -                   |
| 2020                           |                  | 14,311              | 615,000             | -                   | -                   |
| 2021 - 2025                    |                  | -                   | -                   | -                   | -                   |
| 2026 - 2030                    |                  | -                   | -                   | -                   | -                   |
| 2031 - 2035                    |                  | -                   | -                   | -                   | -                   |
| 2036 - 2040                    |                  | -                   | -                   | -                   | -                   |
| 2041 - 2045                    |                  | -                   | -                   | -                   | -                   |
| 2046 - 2050                    |                  | -                   | -                   | -                   | -                   |
|                                |                  | <u>\$ 230,729</u>   | <u>\$ 3,225,000</u> | <u>\$ 90,956</u>    | <u>\$ 2,680,000</u> |
| Less: undisbursed commitments: |                  |                     |                     |                     |                     |
| Outstanding principal:         |                  | <u>\$ 3,225,000</u> |                     | <u>\$ 2,680,000</u> |                     |

| Fiscal Year(s)                 | Other - Nonpledged |                      | MPFA Totals          |                         |                         |
|--------------------------------|--------------------|----------------------|----------------------|-------------------------|-------------------------|
|                                | Ending             | Interest             | Principal            | Interest                | Principal               |
| 2016                           |                    | 3,696,117            | 3,742,138            | 37,968,262              | 125,208,000             |
| 2017                           |                    | 3,839,182            | 4,453,129            | 36,051,674              | 133,365,104             |
| 2018                           |                    | 3,779,170            | 2,768,634            | 33,130,945              | 134,966,142             |
| 2019                           |                    | 3,814,621            | 2,735,789            | 29,936,593              | 141,166,140             |
| 2020                           |                    | 3,672,717            | 2,726,066            | 26,728,705              | 139,112,311             |
| 2021 - 2025                    |                    | 16,178,030           | 12,503,931           | 90,043,585              | 651,515,278             |
| 2026 - 2030                    |                    | 9,301,941            | 20,310,278           | 34,263,739              | 412,359,147             |
| 2031 - 2035                    |                    | 3,115,668            | 7,246,787            | 10,195,107              | 142,412,831             |
| 2036 - 2040                    |                    | 959,983              | 3,487,068            | 2,950,535               | 45,864,624              |
| 2041 - 2045                    |                    | 155,734              | 1,065,000            | 228,133                 | 11,976,525              |
| 2046 - 2050                    |                    | 43                   | -                    | 43                      | 8,500                   |
|                                |                    | <u>\$ 48,513,206</u> | <u>\$ 61,038,821</u> | <u>\$ 301,497,319</u>   | <u>\$ 1,937,954,601</u> |
| Less: undisbursed commitments: |                    |                      |                      |                         |                         |
| Outstanding principal:         |                    | <u>\$ 42,584,913</u> |                      | <u>\$ 1,830,838,381</u> |                         |

4 *Bonds Payable*

Bonds payable at June 30, 2015 and 2014 consist of:

| Series   | Interest Rates | Date Issued | Final Maturity <sup>1</sup> | Original Principal | Outstanding Principal, June 30: |             |    |             |
|--|----------------|-------------|-----------------------------|--------------------|---------------------------------|-------------|----|-------------|
|  |                |             |                             |                    | 2015                            | 2014        |    |             |
| <b>Clean Water</b>   |                |             |                             |                    |                                 |             |    |             |
| Fourteen series of bonds no longer outstanding:              |                |             |                             | \$1,102,962,117    | \$                              | -           | \$ | -           |
| 2004BC   | 3.00 - 5.25    | 10/21/04    | 03/01/16                    | 218,000,000        |                                 | 20,600,000  |    | 40,600,000  |
| 2004D  | 3.25 - 5.00    | 12/02/04    | 03/01/16                    | 101,000,000        |                                 | 7,180,000   |    | 33,560,000  |
| 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    | 03/01/17                    | 134,000,000        |                                 | 7,500,000   |    | 7,500,000   |
| 2007A  | 4.00 - 5.00    | 07/11/07    | 03/01/19                    | 90,000,000         |                                 | 18,500,000  |    | 19,000,000  |
| 2007B  | 4.00 - 5.00    | 10/25/07    | 03/01/28                    | 80,000,000         |                                 | 50,600,000  |    | 50,700,000  |
| 2010A  | 2.00 - 5.00    | 04/01/10    | 03/01/27                    | 310,065,000        |                                 | 265,920,000 |    | 273,785,000 |
| 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        |                                 | 108,470,000 |    | 116,645,000 |
| 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      |                                 | 705,010,000 |    | 768,030,000 |
| Plus: Remaining unamortized net premium                      |                |             |                             |                    |                                 | 39,854,701  |    | 48,814,240  |
| Net bonds payable reflected on the statement of net position |                |             |                             |                    |                                 | 744,864,701 |    | 816,844,240 |
| <b>Drinking Water</b>  |                |             |                             |                    |                                 |             |    |             |
| 1999B  | 4.60 - 5.125   | 07/14/99    | 03/01/09                    | \$ 21,500,000      | \$                              | -           | \$ | -           |
| 2002B  | 2.00 - 5.25    | 12/19/02    | 03/01/12                    | 50,000,000         |                                 | -           |    | -           |
| 2004A  | 2.00 - 5.00    | 03/04/04    | 03/01/24                    | 53,000,000         |                                 | 37,900,000  |    | 40,100,000  |
| 2005A  | 2.00 - 5.00    | 10/20/05    | 03/01/25                    | 83,365,000         |                                 | 55,630,000  |    | 62,450,000  |
| 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         |                                 | 46,490,000  |    | 49,995,000  |
| 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        |                                 | 179,370,000 |    | 191,895,000 |
| Plus: Remaining unamortized net premium                      |                |             |                             |                    |                                 | 3,849,622   |    | 5,035,684   |
| Net bonds payable reflected on the statement of net position |                |             |                             |                    |                                 | 183,219,622 |    | 196,930,684 |

Bonds payable (continued):

| Series   | Interest Rates                          | Date Issued | Final Maturity <sup>1</sup> | Original Principal | Outstanding Principal, June 30: |               |
|--|---|-------------|-----------------------------|--------------------|---------------------------------|---------------|
|  |   |             |                             |                    | 2015                            | 2014          |
| <b>Transportation Series 2006A</b>                           |   |             |                             |                    |                                 |               |
| 2006A  | 3.75 - 4.00                             | 12/20/06    | 03/01/20                    | 8,900,000          | 2,915,000                       | 3,375,000     |
|  | Plus: Remaining unamortized net premium |             |                             |                    | 2,413                           | 5,780         |
| Net bonds payable reflected on the statement of net position |   |             |                             |                    | 2,917,413                       | 3,380,780     |
| <b>Transportation Series 2008A</b>                           |   |             |                             |                    |                                 |               |
| 2008A  | 3.50 - 4.00                             | 01/24/08    | 03/01/18                    | 7,700,000          | 2,190,000                       | 2,920,000     |
|  | Plus: Remaining unamortized net premium |             |                             |                    | 17,955                          | 30,715        |
| Net bonds payable reflected on the statement of net position |   |             |                             |                    | 2,207,955                       | 2,950,715     |
| <b>Transportation Series 2010-T1</b>                         |   |             |                             |                    |                                 |               |
| 2010-T1  | 2.00 - 3.00                             | 11/18/10    | 03/01/20                    | 2,945,000          | 1,530,000                       | 1,805,000     |
|  | Plus: Remaining unamortized net premium |             |                             |                    | 20,426                          | 28,358        |
| Net bonds payable reflected on the statement of net position |   |             |                             |                    | 1,550,426                       | 1,833,358     |
| <b>Transportation Series 2010-T2</b>                         |   |             |                             |                    |                                 |               |
| 2010-T2  | 3.00                                    | 11/18/10    | 03/01/21                    | 5,370,000          | 2,425,000                       | 3,035,000     |
|  | Plus: Remaining unamortized net premium |             |                             |                    | 42,779                          | 71,013        |
| Net bonds payable reflected on the statement of net position |   |             |                             |                    | 2,467,779                       | 3,106,013     |
| Transportation Bond Fund                                     |   |             |                             | 24,915,000         | 9,060,000                       | 11,135,000    |
|  | Plus: Remaining unamortized net premium |             |                             |                    | 83,573                          | 135,866       |
|  |   |             |                             |                    | 9,143,573                       | 11,270,866    |
| <b>MPFA Totals</b>   |   |             |                             |                    |                                 |               |
| Original and outstanding principal                           |   |             |                             | 2,741,222,117      | 893,440,000                     | 971,060,000   |
| Plus: Remaining unamortized net premium                      |   |             |                             |                    | 43,787,896                      | 53,985,790    |
| Net bonds payable reflected on the statement of net position |   |             |                             |                    | 937,227,896                     | 1,025,045,790 |

<sup>1</sup> Final maturity reflects the latest maturity outstanding as of June 30, 2015.

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 use of proceeds for refundings.

Collateral - 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, 2015 was \$893,440,000.

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 of the Authority.

The amount deferred on refunding is reflected in the statement of net position as a deferred outflow of resources 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, 2015:

| CUSIP #   | Series | Maturity | Call Date | Refunded Date | Par Refunded Unredeemed |
|-----------|--------|----------|-----------|---------------|-------------------------|
| 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               |
|           |        |          |           |               | \$ 94,500,000           |

*Schedule of Maturities* - At June 30, 2015 debt service on outstanding bonds is payable as follows:

| Fiscal Year(s)<br>Ending | Clean Water |             | Drinking Water |             |
|--------------------------|-------------|-------------|----------------|-------------|
|                          | Interest    | Principal   | Interest       | Principal   |
| 2016                     | 34,589,742  | 68,945,000  | 6,600,075      | 89,925,000  |
| 2017                     | 31,292,929  | 63,185,000  | 4,219,430      | 10,935,000  |
| 2018                     | 28,133,679  | 66,695,000  | 3,672,680      | 3,830,000   |
| 2019                     | 24,798,929  | 72,000,000  | 3,481,180      | 3,945,000   |
| 2020                     | 21,198,929  | 71,595,000  | 3,283,930      | 5,260,000   |
| 2021 - 2025              | 59,502,995  | 240,220,000 | 12,596,364     | 28,840,000  |
| 2026 - 2030              | 16,229,071  | 116,840,000 | 5,447,661      | 33,835,000  |
| 2031 - 2035              | 270,970     | 5,530,000   | 137,200        | 2,800,000   |
|                          | 216,017,243 | 705,010,000 | 39,438,520     | 179,370,000 |
| Plus remaining premium   |             | 39,854,701  |                | 3,849,622   |
| Net bonds payable        |             | 744,864,701 |                | 183,219,622 |

| Fiscal Year(s)<br>Ending | TBF Series 2006A |           | TBF Series 2008A |           |
|--------------------------|------------------|-----------|------------------|-----------|
|                          | Interest         | Principal | Interest         | Principal |
| 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                     | 45,200           | 700,000   |                  |           |
| 2020                     | 17,200           | 430,000   |                  |           |
| 2021 - 2025              |                  |           |                  |           |
| 2026 - 2030              |                  |           |                  |           |
| 2031 - 2035              |                  |           |                  |           |
|                          | 347,800          | 2,915,000 | 170,400          | 2,190,000 |
| Plus remaining premium   |                  | 2,413     |                  | 17,955    |
| Net bonds payable        |                  | 2,917,413 |                  | 2,207,955 |

| Fiscal Year(s)<br>Ending | TBF Series 20010-T1 |           | TBF Series 20010-T2 |           |
|--------------------------|---------------------|-----------|---------------------|-----------|
|                          | Interest            | Principal | Interest            | Principal |
| 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                     | 19,500              | 315,000   | 29,850              | 325,000   |
| 2020                     | 10,050              | 335,000   | 20,100              | 335,000   |
| 2021 - 2025              | -                   | -         | 10,050              | 335,000   |
| 2026 - 2030              |                     |           |                     |           |
| 2031 - 2035              |                     |           |                     |           |
|                          | 126,038             | 1,530,000 | 229,950             | 2,425,000 |
| Plus remaining premium   |                     | 20,426    |                     | 42,779    |
| Net bonds payable        |                     | 1,550,426 |                     | 2,467,779 |

Schedule of maturities (continued):

| Fiscal Year(s)<br>Ending | MPFA Totals        |                    |
|--------------------------|--------------------|--------------------|
|                          | Interest           | Principal          |
| 2016                     | 41,504,629         | 160,985,000        |
| 2017                     | 35,754,072         | 76,275,000         |
| 2018                     | 31,972,072         | 72,540,000         |
| 2019                     | 28,374,659         | 77,285,000         |
| 2020                     | 24,530,209         | 77,955,000         |
| 2021 - 2025              | 72,109,409         | 269,395,000        |
| 2026 - 2030              | 21,676,732         | 150,675,000        |
| 2031 - 2035              | 408,170            | 8,330,000          |
|                          | <u>256,329,951</u> | <u>893,440,000</u> |
| Plus remaining premium   |                    | <u>43,787,896</u>  |
| Net bonds payable        |                    | <u>937,227,896</u> |

*Table of changes during the fiscal year:* The following table summarizes the change in reported bonds payable during the year ended June 30, 2015:

| Bond Fund  | Beginning      | New          |                 | Defeased | Ending                |
|--|----------------|--------------|-----------------|----------|-----------------------|
|  | Balance (par)  | Issues (par) | Redemptions     |          | Balance (par)         |
| CWBF   | \$ 768,030,000 | \$ -         | \$ (63,020,000) | \$ -     | \$ 705,010,000        |
| DWBF   | 191,895,000    | -            | (12,525,000)    |          | 179,370,000           |
| TR-2006A   | 3,375,000      |              | (460,000)       |          | 2,915,000             |
| TR-2008A   | 2,920,000      |              | (730,000)       |          | 2,190,000             |
| TR-2010-T1   | 1,805,000      | -            | (275,000)       |          | 1,530,000             |
| TR-2010-T2   | 3,035,000      | -            | (610,000)       |          | 2,425,000             |
| Totals   | \$ 971,060,000 | \$ -         | \$ (77,620,000) | \$ -     | \$ 893,440,000        |
| Plus remaining unamortized premium                           |                |              |                 |          | <u>43,787,896</u>     |
| Net bonds payable reflected in the statement of net position |                |              |                 |          | <u>\$ 937,227,896</u> |

*Table of changes during the fiscal year:* The following table summarizes the change in reported bonds payable during the year ended June 30, 2014:

| Bond Fund  | Beginning       | New          |                 | Defeased | Ending                 |
|--|-----------------|--------------|-----------------|----------|------------------------|
|  | Balance (par)   | Issues (par) | Redemptions     |          | Balance (par)          |
| CWBF   | \$ 827,780,000  | \$ -         | \$ (59,750,000) | \$ -     | \$ 768,030,000         |
| DWBF   | 203,945,000     | -            | (12,050,000)    |          | 191,895,000            |
| TR-2006A   | 3,825,000       |              | (450,000)       |          | 3,375,000              |
| TR-2008A   | 3,620,000       |              | (700,000)       |          | 2,920,000              |
| TR-2010-T1   | 2,070,000       | -            | (265,000)       |          | 1,805,000              |
| TR-2010-T2   | 3,645,000       | -            | (610,000)       |          | 3,035,000              |
| Totals   | \$1,044,885,000 | \$ -         | \$ (73,825,000) | \$ -     | \$ 971,060,000         |
| Plus remaining unamortized premium                           |                 |              |                 |          | <u>53,985,790</u>      |
| Net bonds payable reflected in the statement of net position |                 |              |                 |          | <u>\$1,025,045,790</u> |

5. *Arbitrage Rebate Payments*

The bonds issued by the Authority are subject to a variety of Internal Revenue Service regulations that limit the amount of investment income that may be earned on certain funds to an amount not greater than the amount earned had the funds been invested at the yield on the related bonds. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. During fiscal years 2015 and 2014 the Authority paid \$-0-. At June 30, 2015 and 2014, the arbitrage rebate liability totaled \$1,030,183 and \$807,682, respectfully.

6. *Restricted Net Position*

At June 30, 2015, Restricted Net Position consisted of the following:

| <u>Restricted for the purposes of</u>    | <u>CWBF</u>        | <u>DWBF</u>        | <u>TBF</u>       | <u>Other</u>      | <u>Total Business-type Activity</u> |
|--|--------------------|--------------------|------------------|-------------------|-------------------------------------|
| Wastewater and Stormwater Infrastructure | 847,329,911        |                    |                  | 19,336,412        | 866,666,323                         |
| Drinking Water Infrastructure            |                    | 320,540,819        |                  |                   | 320,540,819                         |
| Transportation Infrastructure            |                    |                    | 6,686,950        | 60,975,434        | 67,662,383                          |
|  | <u>847,329,911</u> | <u>320,540,819</u> | <u>6,686,950</u> | <u>80,311,846</u> | <u>1,254,869,525</u>                |

At June 30, 2014, Restricted Net Position consisted of the following:

|  |                    |                    |                  |                   |                      |
|--|--------------------|--------------------|------------------|-------------------|----------------------|
| Wastewater and Stormwater Infrastructure | 818,936,399        |                    |                  | 25,404,917        | 844,341,316          |
| Drinking Water Infrastructure            |                    | 299,125,679        |                  |                   | 299,125,679          |
| Transportation Infrastructure            |                    |                    | 7,430,612        | 59,444,054        | 66,874,667           |
|  | <u>818,936,399</u> | <u>299,125,679</u> | <u>7,430,612</u> | <u>84,848,972</u> | <u>1,210,341,662</u> |

7. *Related-Party Transactions*

**Administrative Services** – The Authority, DEED, MPCA, and the Department of Health provide administrative staff and services to Authority programs. During fiscal 2015 and 2014, the Authority paid approximately \$3.3 million and \$3.1 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 2015 and 2014 were \$-0-, and approximately \$859 thousand, respectively. In fiscal year 2015 and 2014, approximately \$838 thousand and \$803 thousand, 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 Legacy funding bill of 2015 (special session 1 chapter 2 article 2 section 4) appropriated \$18,000,000 for the Point Source Implementation Grants Program and \$500,000 for the Small Community Wastewater Treatment program.

The Capital Improvements bill of 2015 (special session 1 chapter 5 article 1 section 15) appropriated \$10,000,000 for the WIF program.

The Capital Improvements bills of 2014 (regular session chapters 294 section 22 and 295 section 11) made the following appropriations to the Authority:

\$12,000,000 for state match.

\$18,333,000 for the WIF program.

\$37,935,000 for various grants to certain political subdivisions for public infrastructure related to drinking water and wastewater treatment systems.

8. *Commitments*

At June 30, 2015 the Authority had committed approximately \$111 million for the origination or disbursement of future loans, and \$45 million for grants.

9. *Accounting Standards Adoption of GASB Statement 68*

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of this Statement are effective for the Agency's fiscal year ending June 30, 2015. The provisions of statement were adopted for fiscal year ended June 30, 2015. The Authority has determined that the effect of adoption of the standard would not be material to a user of the financial statements and therefore no amounts have been recognized or disclosures made.



RSM US LLP

### **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, 2015 and 2014, 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.

*RSM US LLP*

Minneapolis, Minnesota  
October 30, 2015

**Minnesota Public Facilities Authority**  
**Transportation Bond Fund – Individual Bond Series**  
**Combining Statement of Net Position**  
**June 30, 2015**

|   | Series<br>2006A | Series<br>2008A | Series<br>2010-T1 | Series<br>2010-T2 | Total          |
|---|-----------------|-----------------|-------------------|-------------------|----------------|
| <b>ASSETS</b>                             |                 |                 |                   |                   |                |
| Current assets:                           |                 |                 |                   |                   |                |
| Cash and cash equivalents                 | \$ 962,162.16   | \$ 196.65       | \$ 65.84          | \$ 7,335.08       | \$ 969,759.73  |
| Loans receivable                          | 530,000.00      | 950,000.00      | 365,000.00        | 1,716,862.00      | 3,561,862.00   |
| Accrued interest receivable:              |                 |                 |                   |                   |                |
| Investments                               |                 |                 |                   | 5,929.00          | 5,929.00       |
| Loans                                     | 27,531.00       | 18,163.00       | 19,810.00         | 79,441.00         | 144,945.00     |
| Total current assets                      | 1,519,693.16    | 968,359.65      | 384,875.84        | 1,809,567.08      | 4,682,495.73   |
| Noncurrent assets:                        |                 |                 |                   |                   |                |
| Investments                               |                 |                 |                   | 537,000.00        | 537,000.00     |
| Loans receivable                          | 2,695,000.00    | 1,730,000.00    | 1,570,000.00      | 4,718,807.92      | 10,713,807.92  |
| Total noncurrent assets                   | 2,695,000.00    | 1,730,000.00    | 1,570,000.00      | 5,255,807.92      | 11,250,807.92  |
| Total assets                              | 4,214,693.16    | 2,698,359.65    | 1,954,875.84      | 7,065,375.00      | 15,933,303.65  |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b> |                 |                 |                   |                   |                |
| Deferred charge<br>on debt refunding      |                 |                 | 13,852.00         | 7,925.00          | 21,777.00      |
|   |                 |                 | 13,852.00         | 7,925.00          | 21,777.00      |
| <b>LIABILITIES</b>                        |                 |                 |                   |                   |                |
| Current liabilities:                      |                 |                 |                   |                   |                |
| Interest payable on bonds                 | 38,866.67       | 29,200.00       | 12,620.83         | 24,250.00         | 104,937.50     |
| Arbitrage rebate liability                |                 |                 |                   | 15,542.23         | 15,542.23      |
| Bonds payable                             | 485,000.00      | 760,000.00      | 280,000.00        | 590,000.00        | 2,115,000.00   |
| Total current liabilities                 | 523,866.67      | 789,200.00      | 292,620.83        | 629,792.23        | 2,235,479.73   |
| Noncurrent liabilities:                   |                 |                 |                   |                   |                |
| Bonds payable                             | 2,432,413.45    | 1,447,954.75    | 1,270,426.34      | 1,877,778.70      | 7,028,573.24   |
| Arbitrage rebate liability                |                 |                 |                   | 4,077.84          | 4,077.84       |
| Total liabilities                         | 2,956,280.12    | 2,237,154.75    | 1,563,047.17      | 2,511,648.77      | 9,268,130.81   |
| <b>NET POSITION</b>                       |                 |                 |                   |                   |                |
| Restricted by bond resolutions            | 1,258,413.04    | 461,204.90      | 405,680.67        | 4,561,651.23      | 6,686,949.84   |
| Total net position                        | \$1,258,413.04  | \$ 461,204.90   | \$ 405,680.67     | \$4,561,651.23    | \$6,686,949.84 |

**Minnesota Public Facilities Authority**  
**Transportation Bond Fund – Individual Bond Series**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**for the Year Ended June 30, 2015**

|                            | Series<br><u>2006A</u> | Series<br><u>2008A</u> | Series<br><u>2010-T1</u> | Series<br><u>2010-T2</u> | <u>Total</u>           |
|----------------------------|------------------------|------------------------|--------------------------|--------------------------|------------------------|
| <b>Operating revenues:</b> |                        |                        |                          |                          |                        |
| Interest on loans          | \$ 82,932.85           | \$ 57,663.95           | \$ 21,010.00             | \$ 223,452.17            | \$ 385,058.97          |
| Investment earnings        | <u>5,116.00</u>        | <u>365.75</u>          | <u>90.94</u>             | <u>19,008.52</u>         | <u>24,581.21</u>       |
| Total operating revenues   | 88,048.85              | 58,029.70              | 21,100.94                | 242,460.69               | 409,640.18             |
| <b>Operating expenses:</b> |                        |                        |                          |                          |                        |
| Interest on bonds          | <u>125,500.38</u>      | <u>91,872.97</u>       | <u>38,363.41</u>         | <u>59,997.83</u>         | <u>315,734.59</u>      |
| Total operating expenses   | <u>125,500.38</u>      | <u>91,872.97</u>       | <u>38,363.41</u>         | <u>59,997.83</u>         | <u>315,734.59</u>      |
| Operating income (loss)    | <u>(37,451.53)</u>     | <u>(33,843.27)</u>     | <u>(17,262.47)</u>       | <u>182,462.86</u>        | <u>93,905.59</u>       |
| <b>Transfers in (out)</b>  | <u>(12,070.15)</u>     | <u>(156,184.27)</u>    | <u>(38,889.97)</u>       | <u>(630,423.72)</u>      | <u>(837,568.11)</u>    |
| Change in net position     | (49,521.68)            | (190,027.54)           | (56,152.44)              | (447,960.86)             | (743,662.52)           |
| <b>Total net position:</b> |                        |                        |                          |                          |                        |
| Beginning of year          | <u>1,307,934.72</u>    | <u>651,232.44</u>      | <u>461,833.11</u>        | <u>5,009,612.09</u>      | <u>7,430,612.36</u>    |
| End of year                | <u>\$ 1,258,413.04</u> | <u>\$ 461,204.90</u>   | <u>\$ 405,680.67</u>     | <u>\$ 4,561,651.23</u>   | <u>\$ 6,686,949.84</u> |

**Minnesota Public Facilities Authority**  
**Transportation Bond Fund – Individual Bond Series**  
**Combining Statement of Cash Flows**  
**for the Year Ended June 30, 2015**

|   | Series<br>2006A      | Series<br>2008A      | Series<br>2010-T1    | Series<br>2010-T2      | Total                  |
|---|----------------------|----------------------|----------------------|------------------------|------------------------|
| <b>Operating activities:</b>  |                      |                      |                      |                        |                        |
| Interest revd on loans  | \$ 87,329.85         | \$ 64,000.95         | \$ 2,175.00          | \$ 234,295.17          | \$ 387,800.97          |
| Principal revd on loans   | 515,000.00           | 935,000.00           | 355,000.00           | 1,074,694.37           | 2,879,694.37           |
| Net cash provided in operating activities   | <u>602,329.85</u>    | <u>999,000.95</u>    | <u>357,175.00</u>    | <u>1,308,989.54</u>    | <u>3,267,495.34</u>    |
| <b>Non capital financing activities:</b>  |                      |                      |                      |                        |                        |
| Interest on bonds   | (135,000.00)         | (113,150.00)         | (43,362.50)          | (91,050.00)            | (382,562.50)           |
| Principal on bonds  | (460,000.00)         | (730,000.00)         | (275,000.00)         | (610,000.00)           | (2,075,000.00)         |
| Cash transfers  | (12,070.15)          | (156,184.27)         | (38,889.97)          | (630,423.72)           | (837,568.11)           |
| Net cash used in capital and related financing activities   | <u>(607,070.15)</u>  | <u>(999,334.27)</u>  | <u>(357,252.47)</u>  | <u>(1,331,473.72)</u>  | <u>(3,295,130.61)</u>  |
| <b>Investing activities:</b>  |                      |                      |                      |                        |                        |
| Investment interest   | 5,116.00             | 365.75               | 90.94                | 22,721.26              | 28,293.95              |
| Net cash provided in investing activities   | <u>5,116.00</u>      | <u>365.75</u>        | <u>90.94</u>         | <u>22,721.26</u>       | <u>28,293.95</u>       |
| Net incr in cash and cash equivalents   | 375.70               | 32.43                | 13.47                | 237.08                 | 658.68                 |
| Cash and cash equivalents:  |                      |                      |                      |                        |                        |
| Beginning of year   | 961,786.46           | 164.22               | 52.37                | 7,098.00               | 969,101.05             |
| End of year   | <u>\$ 962,162.16</u> | <u>\$ 196.65</u>     | <u>\$ 65.84</u>      | <u>\$ 7,335.08</u>     | <u>\$ 969,759.73</u>   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                      |                      |                      |                        |                        |
| Operating income (loss)   | \$ (37,451.53)       | \$ (33,843.27)       | \$ (17,262.47)       | \$ 182,462.86          | \$ 93,905.59           |
| Adjustments to reconcile operating income to net cash provided in operating activities:               |                      |                      |                      |                        |                        |
| Principal revd on loans   | 515,000.00           | 935,000.00           | 355,000.00           | 1,074,694.37           | 2,879,694.37           |
| Interest paid on bonds  | 135,000.00           | 113,150.00           | 43,362.50            | 91,050.00              | 382,562.50             |
| Investment earnings   | (5,116.00)           | (365.75)             | (90.94)              | (22,721.26)            | (28,293.95)            |
| Net amortizations   | (3,366.29)           | (12,760.36)          | (3,165.75)           | (24,952.17)            | (44,244.57)            |
| Changes in assets and liabilities:  |                      |                      |                      |                        |                        |
| Accrued revenues  | 4,397.00             | 6,337.00             | (18,835.00)          | 10,843.00              | 2,742.00               |
| Accrued expenses  | (6,133.33)           | (8,516.67)           | (1,833.34)           | (2,387.26)             | (18,870.60)            |
| Net cash provided in operating activities   | <u>\$ 602,329.85</u> | <u>\$ 999,000.95</u> | <u>\$ 357,175.00</u> | <u>\$ 1,308,989.54</u> | <u>\$ 3,267,495.34</u> |

## **Schedule of Individual Loans Receivable by Fund**

**Loans Receivable by Fund:**

| Fund<br>Borrower              | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|-------------------------------|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|                               |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Clean Water Bond Fund:</b> |                 |                   |                  |                    |                                   |            |  |
| Aitkin - cw01                 | 10/15/97        | 02/20/18          | 2.240%           | \$ 525,000         | \$ 94,401                         | \$ 124,491 |  |
| Aitkin - cw02                 | 07/15/03        | 08/20/23          | 1.000%           | 1,009,719          | 512,000                           | 566,000    |  |
| Albany - cw01                 | 04/21/03        | 02/20/22          | 3.490%           | 1,296,061          | 583,000                           | 656,000    |  |
| Albertville - cw01            | 10/19/93        | 08/20/14          | 3.320%           | 1,454,514          | -                                 | 35,698     |  |
| Alborn Township - cw01        | 07/07/08        | 08/20/20          | 1.000%           | 280,571            | 117,159                           | 143,000    |  |
| Alexandria LASR - cw01        | 08/13/07        | 08/20/27          | 1.240%           | 4,968,093          | 3,396,784                         | 3,635,784  |  |
| Alexandria LASR - cw02        | 03/12/12        | 08/20/31          | 1.413%           | 228,823            | 209,000                           | 220,000    |  |
| Alvarado - cw01               | 10/16/98        | 02/20/20          | 1.000%           | 677,980            | 182,304                           | 217,702    |  |
| Annandale - cw01              | 08/17/07        | 08/20/26          | 2.220%           | 16,036,613         | 11,626,000                        | 12,464,000 |  |
| Appleton - cw01               | 07/13/06        | 08/20/25          | 1.070%           | 1,331,574          | 854,000                           | 927,000    |  |
| Arlington - cw01              | 06/23/11        | 08/20/31          | 1.000%           | 4,141,932          | 3,650,000                         | 3,846,386  |  |
| Atwater - cw01                | 06/15/11        | 08/20/30          | 1.776%           | 496,770            | 440,000                           | 463,770    |  |
| Aurora - cw01                 | 06/24/08        | 08/20/27          | 1.277%           | 2,700,000          | 1,895,000                         | 2,028,000  |  |
| Avon - cw01                   | 11/18/02        | 08/20/32          | 1.000%           | 7,943,904          | 4,622,789                         | 4,937,789  |  |
| Bagley - cw01                 | 07/01/98        | 08/20/19          | 1.000%           | 1,654,075          | 395,435                           | 481,236    |  |
| Barnesville - cw01            | 07/31/06        | 08/20/25          | 1.560%           | 4,137,640          | 2,674,000                         | 2,895,000  |  |
| Barnesville - cw02            | 09/13/11        | 08/20/31          | 1.000%           | 512,203            | 450,000                           | 474,000    |  |
| Battle Lake - cw01            | 06/18/03        | 08/20/22          | 1.000%           | 1,698,073          | 804,000                           | 900,000    |  |
| Beaver Bay - cw01             | 10/13/10        | 08/20/40          | 1.000%           | 435,086            | 383,987                           | 351,281    |  |
| Beaver Creek - cw01           | 09/23/94        | 08/20/15          | 3.600%           | 103,102            | 3,499                             | 10,424     |  |
| Belle Plaine - cw01           | 01/27/03        | 08/20/22          | 1.990%           | 10,565,764         | 4,918,000                         | 5,480,000  |  |
| Benson - cw01                 | 07/26/04        | 08/20/24          | 1.980%           | 4,296,201          | 2,459,000                         | 2,679,000  |  |
| Big Lake - cw01               | 09/24/09        | 08/20/29          | 2.414%           | 13,470,120         | 12,220,000                        | 12,520,000 |  |
| Bird Island - cw01            | 11/13/06        | 08/20/26          | 1.000%           | 4,194,000          | 3,021,000                         | 3,257,000  |  |
| Blooming Prairie - cw01       | 10/12/10        | 08/20/30          | 1.000%           | 2,173,590          | 1,768,000                         | 1,869,000  |  |
| Blue Earth - cw01             | 03/30/00        | 08/20/20          | 1.290%           | 3,290,170          | 1,127,000                         | 1,307,000  |  |
| Blue Earth - cw02             | 07/03/07        | 08/20/26          | 1.400%           | 716,592            | 506,000                           | 544,000    |  |
| Blue Earth - cw03             | 07/20/09        | 08/20/29          | 2.603%           | 699,230            | 553,000                           | 583,000    |  |
| Blue Earth - cw04             | 07/06/10        | 08/20/25          | 1.448%           | 1,791,176          | 1,318,000                         | 1,428,176  |  |
| Blue Earth - cw05             | 04/16/12        | 08/20/26          | 1.407%           | 529,757            | 464,000                           | 499,757    |  |
| Blue Earth - cw06             | 07/01/13        | 08/20/28          | 1.202%           | 394,873            | 371,120                           | 394,873    |  |
| Brainerd - cw01               | 03/12/08        | 08/20/17          | 2.230%           | 1,965,098          | 636,000                           | 839,000    |  |
| Brainerd - cw02               | 06/24/09        | 08/20/28          | 3.233%           | 25,966,788         | 20,666,000                        | 21,819,000 |  |
| Breckenridge - cw01           | 07/22/08        | 08/20/27          | 2.802%           | 1,461,216          | 1,076,000                         | 1,144,000  |  |
| Brooten - cw01                | 08/27/07        | 08/20/27          | 1.000%           | 1,892,040          | 1,331,000                         | 1,427,000  |  |
| Browerville - cw03            | 11/19/04        | 08/20/24          | 1.000%           | 493,048            | 267,000                           | 292,000    |  |
| Brownton - cw01               | 01/06/10        | 08/20/30          | 1.000%           | 813,910            | 654,000                           | 691,000    |  |
| Butterfield - cw01            | 08/02/10        | 08/20/30          | 1.536%           | 2,210,104          | 1,891,000                         | 1,995,000  |  |
| Caledonia - cw01              | 02/07/94        | 02/20/15          | 3.440%           | 606,675            | -                                 | 40,885     |  |
| Caledonia - cw02              | 07/09/12        | 08/20/31          | 1.519%           | 1,884,688          | 1,711,918                         | 1,800,918  |  |
| Cambridge - cw03              | 09/17/13        | 08/20/32          | 1.000%           | 15,062,300         | 10,555,880                        | 7,030,847  |  |
| Canby - cw01                  | 07/20/10        | 08/20/39          | 1.349%           | 4,860,517          | 4,382,000                         | 4,529,000  |  |
| Canby - cw02                  | 08/05/14        | 08/20/44          | 1.000%           | 4,266,964          | 1,142,657                         | -          |  |
| Cannon Falls - cw01           | 06/27/01        | 08/20/21          | 3.070%           | 4,529,000          | 2,012,000                         | 2,266,000  |  |
| Cannon Falls - cw02           | 11/20/01        | 08/20/22          | 2.860%           | 8,021,909          | 3,819,909                         | 4,239,909  |  |
| Canosia Township - cw01       | 09/10/99        | 08/20/20          | 1.290%           | 2,517,810          | 804,873                           | 946,624    |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           |            | Outstanding Principal at June 30, |      |
|--|-----------------|-------------------|------------------|--------------------|------------|-----------------------------------|------|
|  |                 |                   |                  | Loan<br>Commitment |            | 2015                              | 2014 |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |            |                                   |      |
| Carver - cw01                            | 02/16/00        | 08/20/19          | 2.860%           | \$ 1,188,000       | \$ 372,000 | \$ 440,000                        |      |
| Cass County - cw01                       | 06/23/97        | 02/20/19          | 1.130%           | 1,366,190          | 325,029    | 404,022                           |      |
| Cedar Lake Area WSSDB - cw01             | 07/26/01        | 08/20/21          | 1.570%           | 3,225,000          | 853,287    | 1,014,820                         |      |
| Central Iron Range SSD - cw01            | 08/31/11        | 08/20/30          | 1.508%           | 650,915            | 560,881    | 577,709                           |      |
| Central Iron Range SSD - cw02            | 08/31/11        | 08/20/41          | 2.279%           | 7,361,329          | 6,965,000  | 7,150,000                         |      |
| Central Iron Range SSD - cw03            | 12/08/14        | 02/20/30          | 1.000%           | 600,000            | 390,529    | -                                 |      |
| Chandler - cw01                          | 09/24/02        | 08/20/23          | 1.000%           | 1,348,589          | 645,490    | 713,490                           |      |
| Chisago Lakes JSTC - cw01                | 11/01/04        | 08/20/24          | 2.230%           | 13,019,689         | 6,380,960  | 6,944,960                         |      |
| Chisago Lakes JSTC - cw02                | 07/20/06        | 08/20/25          | 1.000%           | 3,917,643          | 2,404,000  | 2,610,000                         |      |
| Chisholm - cw01                          | 05/17/94        | 02/20/15          | 3.820%           | 2,150,644          | -          | 150,442                           |      |
| Clara City - cw01                        | 08/19/97        | 08/20/18          | 2.740%           | 2,138,045          | 317,826    | 419,817                           |      |
| Clear Lake - cw01                        | 07/30/97        | 02/20/19          | 3.080%           | 223,506            | 56,177     | 69,196                            |      |
| Clear Lake - cw02                        | 01/12/09        | 08/20/28          | 1.153%           | 1,889,177          | 1,587,000  | 1,691,000                         |      |
| Clear Lake - cw03                        | 08/03/09        | 08/20/39          | 1.000%           | 95,301             | 81,000     | 84,000                            |      |
| Clearwater - cw01                        | 07/23/97        | 02/20/19          | 2.080%           | 1,654,550          | 387,667    | 479,678                           |      |
| Clearwater - cw02                        | 11/18/08        | 08/20/27          | 1.697%           | 7,700,145          | 5,733,000  | 6,124,000                         |      |
| Cokato - cw01                            | 10/26/94        | 02/20/16          | 3.320%           | 2,760,000          | 185,323    | 364,644                           |      |
| Cold Spring - cw01                       | 02/24/04        | 08/20/23          | 2.490%           | 7,802,416          | 3,566,000  | 3,916,000                         |      |
| Cologne - cw01                           | 01/03/97        | 02/20/18          | 3.320%           | 1,538,699          | 280,701    | 374,547                           |      |
| Comfrey - cw01                           | 06/23/10        | 08/20/39          | 1.000%           | 622,459            | 542,000    | 561,329                           |      |
| Cottonwood - cw01                        | 05/03/04        | 08/20/24          | 2.230%           | 895,920            | 517,000    | 563,000                           |      |
| Cottonwood Township - cw01               | 03/12/99        | 08/20/20          | 1.290%           | 391,546            | 127,707    | 147,707                           |      |
| Cottonwood Township - cw02               | 09/22/99        | 08/20/20          | 1.290%           | 140,296            | 48,000     | 55,000                            |      |
| Cross Lake Area WSSD - cw01              | 07/09/97        | 02/20/19          | 2.880%           | 2,035,802          | 505,182    | 622,704                           |      |
| Crow Wing County - cw01                  | 06/12/15        | 08/20/45          | 1.000%           | 208,305            | -          | -                                 |      |
| Dassel - cw01                            | 07/30/02        | 08/20/22          | 1.380%           | 1,610,153          | 735,000    | 821,000                           |      |
| Dassel - cw02                            | 08/19/13        | 08/20/33          | 1.000%           | 788,030            | 707,610    | 734,640                           |      |
| Dawson - cw01                            | 08/10/04        | 08/20/24          | 1.730%           | 1,788,670          | 1,014,000  | 1,106,000                         |      |
| Dayton - cw01                            | 08/16/00        | 08/20/21          | 3.250%           | 986,395            | 272,000    | 306,000                           |      |
| Delano - cw01                            | 05/24/95        | 08/20/16          | 4.620%           | 2,480,000          | 273,117    | 445,810                           |      |
| Delano - cw02                            | 10/16/98        | 02/20/20          | 2.980%           | 1,150,000          | 353,821    | 418,569                           |      |
| Delano - cw03                            | 07/22/03        | 08/20/22          | 2.090%           | 11,054,217         | 5,476,000  | 6,099,000                         |      |
| Detroit Lakes - cw01                     | 09/10/93        | 08/20/14          | 2.820%           | 2,552,820          | -          | 80,104                            |      |
| Detroit Lakes - cw02                     | 12/19/95        | 02/20/17          | 2.930%           | 3,754,889          | 480,690    | 710,749                           |      |
| Dilworth - cw01                          | 03/22/00        | 08/20/20          | 3.070%           | 1,849,510          | 691,000    | 794,000                           |      |
| Dover-Eyota-Saint Charles SD - cw0       | 05/30/02        | 08/20/21          | 3.293%           | 1,573,871          | 704,000    | 792,000                           |      |
| Dover-Eyota-Saint Charles SD - cw0       | 08/16/11        | 08/20/31          | 1.869%           | 1,567,234          | 1,394,000  | 1,463,000                         |      |
| Duluth - cw01                            | 07/24/02        | 08/20/18          | 1.000%           | 364,195            | 105,000    | 130,000                           |      |
| Duluth - cw02                            | 10/17/03        | 08/20/18          | 1.340%           | 1,179,115          | 365,000    | 453,000                           |      |
| Duluth - cw03                            | 06/11/07        | 08/20/22          | 1.150%           | 1,973,033          | 1,205,000  | 1,348,000                         |      |
| Duluth - cw04                            | 06/17/09        | 08/20/24          | 1.969%           | 796,835            | 568,000    | 619,000                           |      |
| Duluth - cw05                            | 12/10/09        | 08/20/24          | 2.017%           | 2,414,150          | 1,773,000  | 1,932,000                         |      |
| Duluth - cw06                            | 08/31/10        | 08/20/25          | 1.258%           | 8,504,224          | 6,295,000  | 6,825,839                         |      |
| Duluth - cw07                            | 08/31/10        | 08/20/25          | 1.258%           | 3,753,059          | 2,822,000  | 3,060,000                         |      |
| Duluth - cw08                            | 11/18/11        | 08/20/21          | 1.000%           | 278,149            | 209,000    | 238,000                           |      |
| Duluth - cw09                            | 11/18/11        | 08/20/21          | 1.000%           | 354,551            | 136,524    | 142,307                           |      |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| Duluth - cw10                            | 11/30/11        | 08/20/21          | 1.000%           | \$ 265,418         | \$ 194,798                        | \$ 160,829 |  |
| Duluth - cw11                            | 09/10/12        | 08/20/22          | 1.000%           | 476,537            | 376,362                           | 407,978    |  |
| Duluth - cw12                            | 09/04/14        | 08/20/24          | 1.000%           | 1,255,464          | 221,965                           | -          |  |
| Duluth/North Shore SD - cw03             | 07/01/02        | 08/20/23          | 1.630%           | 7,952,500          | 3,658,058                         | 4,254,058  |  |
| Dundas - cw01                            | 03/21/97        | 02/20/18          | 2.880%           | 927,469            | 174,998                           | 230,093    |  |
| East Grand Forks - cw01                  | 09/17/08        | 08/20/28          | 2.687%           | 4,012,598          | 3,096,000                         | 3,276,000  |  |
| East Gull Lake - cw02                    | 08/03/04        | 08/20/24          | 1.000%           | 6,416,500          | 3,600,000                         | 3,941,000  |  |
| Eden Valley - cw01                       | 10/13/09        | 08/20/29          | 1.744%           | 652,228            | 510,000                           | 540,000    |  |
| Eden Valley - cw02                       | 10/09/13        | 08/20/33          | 1.463%           | 470,625            | 454,000                           | 339,813    |  |
| Elbow Lake - cw01                        | 07/07/09        | 08/20/39          | 1.993%           | 164,274            | 141,000                           | 145,000    |  |
| Elbow Lake - cw02                        | 08/05/13        | 08/20/33          | 1.000%           | 325,016            | 295,865                           | 268,857    |  |
| Elbow Lake - cw03                        | 08/11/14        | 08/20/44          | 1.000%           | 450,608            | 130,034                           | -          |  |
| Ely - cw01                               | 01/02/01        | 08/20/21          | 1.070%           | 4,699,982          | 1,013,000                         | 1,152,000  |  |
| Elysian - cw01                           | 07/31/97        | 08/20/18          | 2.130%           | 1,163,536          | 240,761                           | 306,333    |  |
| Evansville - cw01                        | 12/11/97        | 02/20/19          | 1.250%           | 673,073            | 148,241                           | 184,169    |  |
| Evansville - cw02                        | 11/15/11        | 08/20/31          | 1.000%           | 43,959             | 38,329                            | 40,329     |  |
| Evansville - cw03                        | 07/08/14        | 08/20/44          | 1.000%           | 600,721            | 56,445                            | -          |  |
| Eveleth - cw02                           | 09/14/04        | 08/20/24          | 1.340%           | 3,522,034          | 1,964,000                         | 2,146,000  |  |
| Eveleth - cw03                           | 11/10/05        | 08/20/24          | 1.340%           | 34,182             | 16,000                            | 17,000     |  |
| Fairfax - cw01                           | 08/18/95        | 08/20/16          | 2.950%           | 1,506,773          | 145,767                           | 239,448    |  |
| Fairmont - cw01                          | 05/25/04        | 08/20/24          | 1.730%           | 13,248,347         | 7,493,000                         | 8,174,000  |  |
| Faribault - cw01                         | 07/28/09        | 08/20/29          | 2.550%           | 23,332,461         | 18,469,000                        | 19,470,000 |  |
| Farmington - cw01                        | 04/04/95        | 08/20/16          | 4.630%           | 764,377            | 83,924                            | 136,861    |  |
| Fayal Township - cw01                    | 09/22/99        | 08/20/20          | 2.110%           | 4,851,756          | 1,662,000                         | 1,919,000  |  |
| Fayal Township - cw02                    | 06/22/01        | 08/20/21          | 1.570%           | 341,468            | 115,000                           | 130,000    |  |
| Fayal Township - cw03                    | 10/04/01        | 08/20/20          | 2.110%           | 855,267            | 254,000                           | 293,000    |  |
| Fergus Falls - cw02                      | 10/07/96        | 02/20/17          | 3.740%           | 450,000            | 61,365                            | 90,408     |  |
| Foley - cw01                             | 07/21/94        | 08/20/15          | 3.320%           | 1,080,000          | 36,483                            | 107,820    |  |
| Forest Prairie Township - cw01           | 04/12/01        | 08/20/21          | 1.800%           | 711,095            | 284,000                           | 322,000    |  |
| Fosston - cw01                           | 11/15/11        | 08/20/41          | 1.000%           | 3,219,053          | 2,896,302                         | 2,992,302  |  |
| Fosston - cw02                           | 04/08/14        | 08/20/41          | 1.000%           | 579,178            | 552,223                           | 476,545    |  |
| Fountain - cw01                          | 08/06/09        | 08/20/29          | 1.303%           | 1,034,122          | 799,407                           | 857,340    |  |
| Garfield - cw01                          | 05/09/97        | 02/20/18          | 3.080%           | 100,000            | 19,128                            | 25,134     |  |
| Garfield - cw02                          | 06/29/98        | 08/20/19          | 1.040%           | 450,489            | 107,795                           | 131,081    |  |
| Garrison-Kathio-WMLL SSD - cw01          | 01/09/01        | 08/20/21          | 1.620%           | 500,000            | 194,000                           | 220,000    |  |
| Garrison-Kathio-WMLL SSD - cw02          | 06/04/07        | 08/20/26          | 1.000%           | 6,066,964          | 4,190,960                         | 4,517,960  |  |
| Gilbert - cw01                           | 07/14/10        | 08/20/30          | 1.000%           | 1,337,076          | 1,091,000                         | 1,154,000  |  |
| Glyndon - cw02                           | 08/09/10        | 08/20/30          | 1.089%           | 1,073,735          | 864,001                           | 918,000    |  |
| Good Thunder - cw01                      | 10/15/99        | 08/20/19          | 1.290%           | 1,010,545          | 303,990                           | 362,000    |  |
| Goodhue County - cw01                    | 04/29/97        | 02/20/18          | 1.580%           | 141,175            | 24,091                            | 31,872     |  |
| Grand Lake Township - cw01               | 09/02/99        | 08/20/20          | 1.290%           | 1,131,190          | 360,944                           | 426,164    |  |
| Grand Lake Township - cw02               | 05/29/01        | 08/20/20          | 1.290%           | 93,000             | -                                 | 2,930      |  |
| Grand Rapids - cw01                      | 11/10/09        | 08/20/29          | 2.900%           | 26,370,231         | 21,184,000                        | 22,299,000 |  |
| Grey Eagle - cw01                        | 02/03/97        | 02/20/18          | 1.220%           | 410,000            | 51,037                            | 67,670     |  |
| Hackensack - cw01                        | 11/21/97        | 02/20/18          | 1.250%           | 287,844            | 47,464                            | 62,906     |  |
| Hamburg - cw01                           | 08/09/11        | 08/20/30          | 1.256%           | 290,242            | 216,227                           | 235,521    |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           |   |            |
|--|-----------------|-------------------|------------------|--------------------|---|------------|
|  |                 |                   |                  | Loan<br>Commitment | Outstanding Principal at June 30,<br>2015      2014 |            |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |   |            |
| Hanover - cw01                           | 08/18/99        | 08/20/20          | 2.290%           | \$ 1,909,275       | \$ 583,000  | \$ 674,000 |
| Harmony - cw02                           | 05/13/04        | 08/20/23          | 1.000%           | 625,465            | 313,000   | 346,000    |
| Harris - cw01                            | 12/11/06        | 08/20/37          | 1.000%           | 4,995,642          | 4,780,239   | 4,790,239  |
| Hawley - cw01                            | 07/12/06        | 08/20/25          | 1.060%           | 1,010,111          | 640,000   | 695,000    |
| Hawley - cw02                            | 06/17/08        | 08/20/27          | 2.293%           | 132,955            | 98,000  | 104,000    |
| Hayfield - cw01                          | 08/13/14        | 08/20/34          | 1.000%           | 2,068,712          | 1,666,152   | -          |
| Hayward - cw01                           | 05/11/15        | 08/20/30          | 1.000%           | 163,033            | -   | -          |
| Hector - cw01                            | 12/14/94        | 02/20/16          | 3.920%           | 1,914,260          | 133,180   | 262,840    |
| Henderson - cw01                         | 08/27/07        | 08/20/27          | 1.490%           | 3,713,099          | 2,710,000   | 2,898,000  |
| Hendrum - cw01                           | 11/15/07        | 08/20/27          | 2.279%           | 220,661            | 158,000   | 168,000    |
| Hendrum - cw02                           | 07/31/08        | 08/20/27          | 1.530%           | 253,458            | 173,000   | 185,000    |
| Henning - cw02                           | 08/08/13        | 08/20/43          | 1.000%           | 2,596,463          | 2,507,190   | 1,065,074  |
| Hibbing - cw01                           | 12/16/02        | 08/20/22          | 1.740%           | 9,847,450          | 4,591,000   | 5,122,000  |
| Hibbing - cw02                           | 12/11/10        | 08/20/25          | 1.340%           | 1,533,748          | 1,154,173   | 1,267,173  |
| Hibbing - cw03                           | 10/29/12        | 08/20/31          | 1.000%           | 4,912,830          | 4,003,349   | 4,046,278  |
| Hinckley - cw02                          | 07/28/99        | 08/20/20          | 2.110%           | 2,435,641          | 833,000   | 962,000    |
| Hoffman - cw01                           | 10/02/97        | 02/20/19          | 1.990%           | 263,440            | 61,346  | 75,939     |
| Howard Lake - cw01                       | 06/09/09        | 08/20/28          | 1.076%           | 3,730,249          | 2,792,000   | 2,976,000  |
| Howard Lake - cw02                       | 06/17/11        | 08/20/40          | 1.000%           | 2,508,122          | 2,316,000   | 2,394,000  |
| Hudson Township - cw01                   | 05/02/07        | 08/20/27          | 1.000%           | 3,025,426          | 2,057,263   | 2,215,453  |
| Hutchinson - cw01                        | 06/26/07        | 08/20/26          | 2.150%           | 13,696,602         | 9,889,000   | 10,605,000 |
| Ida Township - cw01                      | 03/28/01        | 08/20/21          | 1.980%           | 7,536,190          | 1,580,376   | 2,028,235  |
| Isanti - cw01                            | 09/18/96        | 08/20/17          | 2.630%           | 4,682,145          | 642,871   | 888,706    |
| Jackson - cw01                           | 10/02/12        | 08/20/32          | 1.000%           | 3,176,800          | 2,352,256   | 2,129,745  |
| Jasper - cw01                            | 08/25/95        | 08/20/16          | 2.440%           | 778,200            | 72,336  | 119,118    |
| Jordan - cw01                            | 05/30/00        | 08/20/21          | 2.290%           | 6,850,120          | 2,804,000   | 3,169,901  |
| Kandiyohi - cw01                         | 07/20/09        | 08/20/29          | 1.000%           | 538,495            | 415,000   | 440,000    |
| Kandiyohi - cw02                         | 11/10/14        | 08/20/44          | 1.000%           | 326,080            | 121,703   | -          |
| Kandiyohi County - cw01                  | 09/22/99        | 08/20/20          | 2.250%           | 7,188,360          | 2,584,000   | 2,982,000  |
| Kandiyohi County - cw02                  | 11/30/00        | 08/20/21          | 2.250%           | 3,648,450          | 1,493,000   | 1,688,000  |
| Kandiyohi County - cw03                  | 10/10/01        | 08/20/21          | 2.140%           | 651,000            | 264,000   | 299,000    |
| Kandiyohi County - cw04                  | 10/17/06        | 08/20/26          | 1.000%           | 3,761,876          | 2,460,000   | 2,652,000  |
| Kasson - cw01                            | 08/17/01        | 08/20/21          | 3.070%           | 7,632,919          | 3,325,000   | 3,745,000  |
| Kasson - cw02                            | 08/31/11        | 08/20/31          | 1.861%           | 994,038            | 886,000   | 930,000    |
| Kenyon - cw01                            | 07/09/13        | 08/20/33          | 1.000%           | 1,828,630          | 1,776,344   | 1,628,039  |
| Knife River-Larsmont SSD - cw01          | 10/25/05        | 08/20/25          | 1.310%           | 882,212            | 533,212   | 578,212    |
| Koochiching County - cw01                | 08/09/05        | 08/20/25          | 1.000%           | 4,430,839          | 2,611,000   | 2,834,000  |
| Lake City - cw01                         | 08/25/93        | 08/20/14          | 3.740%           | 1,442,000          | -   | 50,554     |
| Lake City - cw02                         | 11/24/96        | 02/20/17          | 3.320%           | 1,500,000          | 198,176   | 292,477    |
| Lake City - cw03                         | 08/18/99        | 08/20/20          | 2.860%           | 1,226,667          | 433,000   | 498,000    |
| Lake City - cw04                         | 09/30/02        | 08/20/23          | 2.990%           | 4,800,000          | 2,537,000   | 2,780,000  |
| Lake Crystal - cw01                      | 10/30/03        | 08/20/23          | 2.340%           | 1,571,616          | 836,000   | 919,000    |
| Lake Lillian - cw01                      | 02/13/07        | 08/20/26          | 1.000%           | 226,216            | 149,000   | 161,000    |
| Lake Mary Township - cw01                | 05/05/98        | 08/20/19          | 1.540%           | 2,120,212          | 117,535   | 209,335    |
| Lake Mary Township - cw02                | 09/11/00        | 08/20/20          | 1.360%           | 377,951            | 80,150  | 94,150     |
| Lake Park - cw01                         | 11/14/03        | 08/20/23          | 1.590%           | 424,520            | 210,520   | 232,520    |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| Lake Park - cw02                         | 07/26/11        | 08/20/31          | 1.000%           | \$ 1,000,000       | \$ 880,000                        | \$ 927,000 |  |
| Lake Washington SD - cw01                | 06/23/04        | 08/20/24          | 1.480%           | 6,490,000          | 2,742,368                         | 3,098,321  |  |
| Lakefield - cw01                         | 05/03/96        | 08/20/17          | 2.630%           | 1,143,940          | 177,565                           | 245,472    |  |
| Laketown Township - cw01                 | 08/12/98        | 08/20/19          | 1.790%           | 1,020,000          | 135,509                           | 168,509    |  |
| Landfall - cw01                          | 01/26/94        | 02/20/15          | 1.940%           | 1,088,007          | -                                 | 64,869     |  |
| Lanesboro - cw01                         | 08/15/96        | 08/20/17          | 2.680%           | 492,733            | 76,667                            | 105,995    |  |
| Lansing Township - cw01                  | 08/24/12        | 08/20/27          | 1.000%           | 64,151             | 34,000                            | 36,000     |  |
| Le Center - cw01                         | 07/01/94        | 08/20/15          | 2.960%           | 2,315,710          | 75,382                            | 224,092    |  |
| Le Center - cw02                         | 08/10/04        | 08/20/24          | 1.980%           | 2,595,136          | 1,483,286                         | 1,616,286  |  |
| Le Sueur - cw01                          | 08/27/07        | 08/20/27          | 1.000%           | 16,353,395         | 11,731,000                        | 12,572,000 |  |
| Leota SD - cw01                          | 08/10/99        | 08/20/19          | 1.000%           | 256,598            | 71,000                            | 85,000     |  |
| Lester Prairie - cw01                    | 07/10/06        | 08/20/25          | 1.560%           | 4,387,680          | 2,867,000                         | 3,104,000  |  |
| Lewiston - cw01                          | 07/17/01        | 08/20/21          | 2.320%           | 1,630,000          | 695,000                           | 785,000    |  |
| Lismore - cw01                           | 08/07/95        | 02/20/16          | 2.070%           | 550,000            | 33,208                            | 65,739     |  |
| Litchfield - cw01                        | 12/27/01        | 08/20/22          | 2.680%           | 10,963,561         | 5,181,000                         | 5,755,000  |  |
| Litchfield - cw02                        | 09/01/09        | 08/20/29          | 2.652%           | 7,086,048          | 6,225,048                         | 6,560,048  |  |
| Little Falls - cw01                      | 02/03/03        | 08/20/22          | 1.240%           | 4,248,645          | 1,932,000                         | 2,161,000  |  |
| Little Falls - cw02                      | 07/11/05        | 08/20/22          | 1.240%           | 1,998,468          | 993,000                           | 1,110,000  |  |
| Little Falls - cw03                      | 07/11/05        | 08/20/22          | 1.240%           | 631,555            | 298,000                           | 333,000    |  |
| Long Prairie - cw02                      | 08/22/11        | 08/20/31          | 2.190%           | 4,821,000          | 4,309,000                         | 4,516,000  |  |
| Lonsdale - cw01                          | 11/03/03        | 08/20/23          | 2.340%           | 6,644,792          | 3,533,792                         | 3,882,792  |  |
| Mabel - cw01                             | 08/13/03        | 08/20/23          | 1.090%           | 1,562,875          | 783,000                           | 865,000    |  |
| Madelia - cw02                           | 11/14/06        | 08/20/26          | 1.000%           | 4,732,813          | 3,182,000                         | 3,430,000  |  |
| Madison Lake - cw01                      | 11/01/95        | 02/20/17          | 0.000%           | 301,512            | 30,151                            | 45,227     |  |
| Madison Lake - cw02                      | 06/01/09        | 08/20/29          | 1.883%           | 320,500            | 251,000                           | 265,000    |  |
| Mahnomen - cw01                          | 08/07/08        | 08/20/27          | 1.786%           | 718,929            | 517,000                           | 552,000    |  |
| Mankato - cw01                           | 05/21/98        | 08/20/19          | 3.070%           | 24,682,000         | 6,930,258                         | 8,345,487  |  |
| Mankato - cw02                           | 11/09/00        | 08/20/19          | 3.070%           | 678,000            | 218,000                           | 258,000    |  |
| Mankato - cw03                           | 06/13/09        | 08/20/29          | 1.882%           | 1,070,750          | 832,000                           | 880,000    |  |
| Mankato - cw04                           | 10/01/10        | 08/20/30          | 1.656%           | 5,006,168          | 4,061,000                         | 4,281,168  |  |
| Mankato - cw05                           | 08/26/14        | 08/20/34          | 1.007%           | 6,829,525          | 5,214,224                         | -          |  |
| Mankato - cw06                           | 05/01/15        | 08/20/25          | 1.000%           | 111,173            | -                                 | -          |  |
| Mantorville - cw01                       | 08/18/10        | 08/20/30          | 1.802%           | 250,542            | 211,901                           | 223,000    |  |
| Maple Lake - cw01                        | 07/16/13        | 08/20/33          | 1.000%           | 1,511,800          | 1,201,477                         | 1,158,603  |  |
| Mapleton - cw01                          | 02/20/14        | 08/20/33          | 1.231%           | 1,950,000          | 1,625,434                         | 716,370    |  |
| Martin County - cw01                     | 08/11/09        | 08/20/29          | 1.000%           | 628,307            | 460,000                           | 488,000    |  |
| Mayer - cw01                             | 01/14/00        | 08/20/20          | 2.570%           | 689,274            | 249,000                           | 287,000    |  |
| McIntosh - cw01                          | 07/10/12        | 08/20/41          | 1.000%           | 1,033,108          | 950,557                           | 984,557    |  |
| Medford - cw01                           | 08/02/07        | 08/20/26          | 2.240%           | 1,355,197          | 978,000                           | 1,048,000  |  |
| Metropolitan Council - cw14              | 11/26/03        | 08/20/23          | 3.090%           | 100,000,000        | 70,000,000                        | 75,500,000 |  |
| Metropolitan Council - cw15              | 10/31/03        | 02/20/16          | 0.000%           | -                  | 53,511                            | 117,601    |  |
| Metropolitan Council - cw16              | 10/20/04        | 02/20/25          | 2.536%           | 50,000,000         | 26,500,000                        | 28,700,000 |  |
| Metropolitan Council - cw17              | 11/10/05        | 02/20/25          | 2.840%           | 40,000,000         | 28,630,000                        | 30,600,000 |  |
| Metropolitan Council - cw18              | 09/13/06        | 08/20/26          | 2.730%           | 50,000,000         | 41,050,000                        | 41,300,000 |  |
| Metropolitan Council - cw19              | 10/11/07        | 08/20/27          | 3.181%           | 80,000,000         | 74,450,000                        | 75,200,000 |  |
| Metropolitan Council - cw20              | 08/31/09        | 08/20/29          | 2.449%           | 30,588,750         | 23,610,000                        | 25,140,000 |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |               |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|---------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014          |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |               |  |
| Metropolitan Council - cw21              | 09/22/09        | 08/20/29          | 2.830%           | \$ 49,411,250      | \$ 38,140,000                     | \$ 40,610,000 |  |
| Metropolitan Council - cw22              | 01/12/11        | 08/20/30          | 1.767%           | 70,000,000         | 59,571,000                        | 62,769,000    |  |
| Metropolitan Council - cw23              | 02/15/12        | 08/20/31          | 1.603%           | 60,000,000         | 54,545,000                        | 57,283,000    |  |
| Metropolitan Council - cw24              | 05/23/13        | 08/20/32          | 1.000%           | 40,000,000         | 39,600,000                        | 40,000,000    |  |
| Metropolitan Council - cw25              | 12/30/13        | 08/20/33          | 1.839%           | 60,000,000         | 59,000,000                        | 34,921,035    |  |
| Metropolitan Council - cw26              | 12/10/14        | 08/20/34          | 1.080%           | 60,000,000         | 44,485,634                        | -             |  |
| Middle River - cw01                      | 08/11/10        | 08/20/30          | 1.000%           | 176,092            | 140,423                           | 148,423       |  |
| Midway Township - cw01                   | 09/28/10        | 08/20/30          | 1.000%           | 630,041            | 431,677                           | 467,657       |  |
| Minneota - cw01                          | 07/26/10        | 08/20/30          | 1.329%           | 864,500            | 710,000                           | 750,000       |  |
| Minnesota City - cw01                    | 08/11/11        | 08/20/31          | 1.095%           | 640,928            | 543,053                           | 589,608       |  |
| Montevideo - cw01                        | 06/17/09        | 08/20/29          | 2.890%           | 8,913,742          | 7,019,000                         | 7,389,000     |  |
| Montevideo - cw02                        | 05/08/12        | 08/20/31          | 1.517%           | 161,967            | 146,000                           | 154,122       |  |
| Montgomery - cw01                        | 02/05/03        | 08/20/22          | 1.000%           | 8,507,628          | 3,768,998                         | 4,219,998     |  |
| Montrose - cw02                          | 08/27/02        | 08/20/22          | 2.740%           | 4,209,000          | 2,073,000                         | 2,302,000     |  |
| Montrose - cw03                          | 02/21/03        | 08/20/22          | 2.740%           | 1,566,000          | 761,000                           | 845,000       |  |
| Moorhead - cw01                          | 09/23/94        | 02/20/15          | 4.100%           | 2,478,112          | -                                 | 175,804       |  |
| Moorhead - cw02                          | 05/23/95        | 08/20/16          | 4.100%           | 1,601,443          | 169,512                           | 276,921       |  |
| Moorhead - cw03                          | 09/29/97        | 02/20/18          | 3.290%           | 426,290            | 82,582                            | 108,361       |  |
| Moorhead - cw04                          | 05/06/02        | 08/20/22          | 3.130%           | 3,389,288          | 1,632,000                         | 1,809,000     |  |
| Moorhead - cw05                          | 06/21/04        | 08/20/23          | 1.980%           | 6,598,073          | 3,474,099                         | 3,824,099     |  |
| Moorhead - cw06                          | 07/18/07        | 08/20/26          | 1.990%           | 12,407,226         | 8,951,000                         | 9,606,000     |  |
| Moose Lake - cw03                        | 01/14/09        | 08/20/28          | 1.139%           | 2,962,416          | 2,343,000                         | 2,496,000     |  |
| Moose Lake - cw04                        | 04/14/10        | 08/20/29          | 1.000%           | 752,171            | 443,000                           | 490,000       |  |
| Mora - cw01                              | 05/21/15        | 08/20/35          | 1.000%           | 3,366,357          | 528,957                           | -             |  |
| Morgan - cw01                            | 09/23/93        | 08/20/14          | 2.570%           | 131,280            | -                                 | 4,159         |  |
| Morgan - cw02                            | 09/30/94        | 02/20/16          | 2.570%           | 640,309            | 40,345                            | 79,673        |  |
| Morristown - cw01                        | 11/19/98        | 02/20/20          | 1.810%           | 1,229,797          | 350,078                           | 416,406       |  |
| Motley - cw01                            | 01/18/11        | 08/20/30          | 1.000%           | 2,630,293          | 2,188,000                         | 2,314,000     |  |
| Mountain Iron - cw01                     | 10/20/09        | 08/20/29          | 2.248%           | 599,250            | 473,000                           | 499,000       |  |
| Mountain Lake - cw01                     | 08/20/12        | 08/20/32          | 1.000%           | 7,754,480          | 6,218,951                         | 5,406,498     |  |
| Murray County - cw01                     | 08/25/06        | 08/20/26          | 1.010%           | 10,568,836         | 6,512,537                         | 7,068,115     |  |
| New London - cw01                        | 06/15/11        | 08/20/30          | 1.000%           | 1,638,981          | 1,442,000                         | 1,524,771     |  |
| New Munich - cw01                        | 12/10/10        | 08/20/30          | 1.027%           | 562,173            | 449,000                           | 474,700       |  |
| New Prague - cw01                        | 12/01/08        | 08/20/28          | 3.127%           | 32,280,687         | 29,038,000                        | 29,561,000    |  |
| New Richland - cw01                      | 08/29/11        | 08/20/31          | 1.000%           | 2,142,895          | 1,867,000                         | 1,967,895     |  |
| New Ulm - cw02                           | 06/19/07        | 08/20/26          | 2.650%           | 3,943,632          | 2,880,000                         | 3,082,000     |  |
| New York Mills - cw01                    | 11/15/06        | 08/20/26          | 1.000%           | 3,563,645          | 2,377,000                         | 2,563,000     |  |
| New York Mills - cw02                    | 06/22/09        | 08/20/29          | 1.000%           | 130,134            | 100,000                           | 106,000       |  |
| New York Mills - cw03                    | 12/14/10        | 08/20/30          | 1.000%           | 99,331             | 80,000                            | 85,000        |  |
| Nicollet - cw01                          | 08/03/95        | 02/20/17          | 3.200%           | 1,260,000          | 164,697                           | 243,316       |  |
| North Branch - cw01                      | 08/05/03        | 08/20/33          | 2.601%           | 11,500,000         | 8,270,000                         | 8,320,000     |  |
| North Koochiching ASD - cw01             | 04/16/12        | 08/20/41          | 2.135%           | 9,688,290          | 8,436,244                         | 7,690,631     |  |
| North Mankato - cw01                     | 11/25/97        | 02/20/19          | 3.405%           | 1,032,679          | 266,919                           | 327,766       |  |
| North Mankato - cw02                     | 09/30/99        | 08/20/19          | 3.140%           | 442,988            | 140,000                           | 166,000       |  |
| Oak Grove - cw01                         | 04/01/10        | 08/20/29          | 1.694%           | 490,429            | 367,000                           | 388,000       |  |
| Olivia - cw01                            | 09/26/97        | 02/20/19          | 3.490%           | 1,122,092          | 289,104                           | 355,538       |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |              |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|--------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014         |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |              |  |
| Olivia - cw02                            | 11/21/11        | 08/20/40          | 1.000%           | \$ 5,845,636       | \$ 4,383,573                      | \$ 4,423,899 |  |
| Ortonville - cw01                        | 05/05/08        | 08/20/27          | 2.290%           | 471,836            | 333,429                           | 355,429      |  |
| Owatonna - cw01                          | 07/06/10        | 08/20/25          | 1.423%           | 7,929,333          | 5,973,928                         | 6,471,928    |  |
| Paynesville - cw01                       | 02/12/13        | 08/20/32          | 1.000%           | 3,069,736          | 2,993,628                         | 2,924,332    |  |
| Pelican Rapids - cw02                    | 10/13/08        | 08/20/27          | 1.257%           | 5,517,884          | 4,014,000                         | 4,297,000    |  |
| Pelican Rapids - cw03                    | 07/10/12        | 08/20/31          | 1.000%           | 208,899            | 188,000                           | 198,661      |  |
| Pelican Rapids - cw04                    | 09/16/13        | 08/20/33          | 1.900%           | 7,413,385          | 6,139,441                         | 2,516,688    |  |
| Pemberton - cw01                         | 02/03/97        | 02/20/18          | 1.580%           | 372,136            | 63,530                            | 84,053       |  |
| Perham - cw01                            | 08/08/11        | 08/20/26          | 1.400%           | 337,745            | 284,000                           | 306,000      |  |
| Perham - cw02                            | 11/16/12        | 08/20/42          | 1.000%           | 3,014,667          | 2,887,034                         | 2,667,827    |  |
| Pipestone - cw02                         | 04/04/11        | 08/20/30          | 2.063%           | 2,438,093          | 2,100,765                         | 2,210,765    |  |
| Plato - cw01                             | 04/20/99        | 08/20/19          | 1.290%           | 107,025            | 30,000                            | 36,000       |  |
| Plato - cw02                             | 03/27/00        | 08/20/21          | 1.860%           | 857,047            | 336,000                           | 380,000      |  |
| Proctor - cw01                           | 07/26/07        | 08/20/22          | 1.240%           | 104,119            | 58,000                            | 65,000       |  |
| Ramsey-Washington MWD - cw01             | 06/13/97        | 08/20/17          | 3.824%           | 540,835            | 92,105                            | 126,574      |  |
| Ramsey-Washington MWD - cw02             | 09/24/98        | 08/20/18          | 3.340%           | 711,431            | 163,596                           | 206,958      |  |
| Ramsey-Washington MWD - cw03             | 07/11/12        | 08/20/27          | 1.695%           | 1,177,217          | 1,068,000                         | 1,112,507    |  |
| Red Wing - cw01                          | 12/20/96        | 08/20/17          | 3.824%           | 750,000            | 124,909                           | 172,747      |  |
| Red Wing - cw02                          | 12/02/97        | 02/20/18          | 3.405%           | 700,000            | 137,072                           | 179,854      |  |
| Red Wing - cw03                          | 05/22/98        | 08/20/18          | 3.340%           | 2,500,000          | 469,593                           | 622,437      |  |
| Red Wing - cw04                          | 10/11/02        | 08/20/22          | 3.740%           | 1,494,594          | 741,000                           | 819,000      |  |
| Red Wing - cw05                          | 08/24/04        | 08/20/24          | 2.340%           | 5,283,360          | 3,069,000                         | 3,339,000    |  |
| Redwood Falls - cw01                     | 12/11/96        | 08/20/17          | 2.490%           | 133,900            | 20,534                            | 28,416       |  |
| Renville - cw01                          | 08/22/96        | 02/20/17          | 2.470%           | 794,818            | 97,938                            | 145,174      |  |
| Renville - cw02                          | 04/12/10        | 08/20/17          | 1.000%           | 712,479            | 407,000                           | 517,000      |  |
| Rice - cw01                              | 10/13/04        | 08/20/24          | 1.980%           | 1,153,293          | 653,000                           | 711,000      |  |
| Rice County - cw01                       | 12/31/13        | 08/20/43          | 1.224%           | 2,538,907          | 1,863,501                         | 1,042,525    |  |
| Richmond - cw01                          | 11/01/06        | 08/20/26          | 1.000%           | 7,264,863          | 5,293,000                         | 5,609,000    |  |
| Rockford - cw01                          | 08/14/97        | 02/20/19          | 3.990%           | 1,694,279          | 189,469                           | 232,614      |  |
| Rockville - cw01                         | 12/19/95        | 02/20/17          | 0.000%           | 869,580            | 86,958                            | 130,437      |  |
| Rockville - cw02                         | 04/22/04        | 08/20/24          | 1.340%           | 9,182,090          | 4,590,000                         | 5,016,000    |  |
| Rogers - cw02                            | 12/23/94        | 02/20/16          | 4.170%           | 2,710,873          | 194,145                           | 381,068      |  |
| Rollingstone - cw01                      | 04/12/00        | 08/20/20          | 2.790%           | 532,035            | 199,000                           | 229,000      |  |
| Roseau - cw01                            | 05/09/94        | 08/20/14          | 2.990%           | 237,000            | -                                 | 5,087        |  |
| Roseau - cw02                            | 11/01/95        | 02/20/17          | 2.950%           | 950,000            | 121,835                           | 180,169      |  |
| Rush City - cw01                         | 03/05/99        | 08/20/19          | 1.040%           | 4,097,542          | 1,107,000                         | 1,321,000    |  |
| Rush City - cw02                         | 06/25/12        | 08/20/31          | 1.522%           | 920,505            | 843,219                           | 888,601      |  |
| Rushford - cw01                          | 06/04/96        | 08/20/17          | 3.430%           | 1,101,488          | 181,833                           | 250,388      |  |
| Rushford - cw02                          | 03/28/11        | 08/20/30          | 1.077%           | 1,396,704          | 1,249,000                         | 1,317,874    |  |
| Rushford - cw03                          | 07/24/14        | 08/20/34          | 1.000%           | 484,860            | 259,527                           | -            |  |
| Rushford Village - cw01                  | 05/30/96        | 02/20/17          | 3.180%           | 168,403            | 20,801                            | 31,278       |  |
| Rushmore - cw01                          | 10/03/05        | 08/20/24          | 1.210%           | 424,101            | 232,000                           | 254,000      |  |
| Sacred Heart - cw01                      | 07/17/97        | 08/20/18          | 1.580%           | 1,441,093          | 285,929                           | 364,795      |  |
| Saint Augusta - cw01                     | 09/02/03        | 08/20/23          | 2.090%           | 4,389,732          | 2,214,998                         | 2,436,000    |  |
| Saint Augusta - cw02                     | 10/06/10        | 08/20/40          | 1.000%           | 1,839,044          | 1,624,000                         | 1,678,000    |  |
| Saint Clair - cw01                       | 09/28/98        | 08/20/19          | 1.480%           | 2,653,226          | 666,257                           | 808,416      |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |              |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|--------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014         |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |              |  |
| Saint Cloud - cw01                       | 07/23/97        | 08/20/18          | 3.630%           | \$ 4,812,000       | \$ 1,109,730                      | \$ 1,401,965 |  |
| Saint Cloud - cw02                       | 04/06/10        | 08/20/30          | 1.771%           | 40,115,015         | 34,088,000                        | 35,917,000   |  |
| Saint Hilaire - cw01                     | 03/27/98        | 02/20/19          | 2.250%           | 15,641             | 3,299                             | 4,086        |  |
| Saint Hilaire - cw02                     | 09/29/08        | 08/20/28          | 1.058%           | 807,912            | 586,000                           | 625,000      |  |
| Saint Hilaire - cw03                     | 06/22/09        | 08/20/29          | 1.000%           | 25,589             | 21,000                            | 22,000       |  |
| Saint James - cw02                       | 06/03/10        | 08/20/29          | 1.799%           | 7,084,225          | 5,969,000                         | 6,280,000    |  |
| Saint Paul - cw01                        | 08/23/93        | 08/20/14          | 2.570%           | 1,072,837          | -                                 | 33,962       |  |
| Saint Paul - cw02                        | 11/10/94        | 08/20/15          | 3.600%           | 600,000            | 20,733                            | 61,233       |  |
| Saint Paul - cw03                        | 12/20/95        | 08/20/16          | 3.200%           | 600,000            | 59,312                            | 97,347       |  |
| Saint Paul - cw04                        | 06/21/96        | 02/20/17          | 2.880%           | 4,269,844          | 544,923                           | 805,919      |  |
| Saint Paul - cw05                        | 01/17/97        | 02/20/18          | 3.820%           | 1,500,000          | 303,240                           | 396,908      |  |
| Saint Paul - cw06                        | 01/13/98        | 02/20/19          | 3.250%           | 3,100,000          | 789,231                           | 971,143      |  |
| Saint Paul - cw07                        | 02/18/99        | 08/20/19          | 2.790%           | 4,600,000          | 1,400,000                         | 1,655,000    |  |
| Saint Paul - cw08                        | 09/12/00        | 08/20/20          | 3.870%           | 8,965,000          | 3,615,000                         | 4,141,000    |  |
| Saint Peter - cw01                       | 12/29/00        | 08/20/21          | 2.040%           | 11,733,250         | 4,750,000                         | 5,375,000    |  |
| Saint Peter - cw02                       | 09/17/02        | 08/20/22          | 2.040%           | 7,260,850          | 2,498,000                         | 2,783,000    |  |
| Saint Peter - cw03                       | 12/15/03        | 08/20/22          | 3.480%           | 2,240,000          | 1,175,000                         | 1,301,000    |  |
| Sauk Centre - cw01                       | 10/30/95        | 08/20/16          | 3.200%           | 1,407,000          | 139,206                           | 228,395      |  |
| Sauk Centre - cw02                       | 07/07/10        | 08/20/30          | 1.911%           | 6,596,236          | 5,818,000                         | 6,009,269    |  |
| Shafer - cw01                            | 03/17/95        | 08/20/16          | 2.240%           | 174,000            | 15,847                            | 26,160       |  |
| Shafer - cw02                            | 09/24/02        | 08/20/23          | 1.630%           | 1,167,000          | 576,000                           | 635,000      |  |
| Sherburn - cw01                          | 11/18/10        | 08/20/30          | 1.000%           | 1,296,848          | 1,053,000                         | 1,113,000    |  |
| Shingobee Township - cw01                | 01/24/00        | 08/20/20          | 1.000%           | 60,240             | 18,000                            | 21,000       |  |
| Shorewood Park SD/Rush Lake SD -         | 12/19/95        | 02/20/17          | 0.000%           | 625,000            | 62,500                            | 93,750       |  |
| Silver Bay - cw01                        | 09/23/94        | 02/20/16          | 2.820%           | 1,490,796          | 96,001                            | 189,351      |  |
| Silver Creek Township - cw01             | 03/23/99        | 08/20/20          | 2.290%           | 1,700,000          | 592,000                           | 683,000      |  |
| Sky line - cw01                          | 07/12/04        | 08/20/24          | 1.000%           | 1,179,511          | 488,704                           | 549,195      |  |
| Spring Lake Township - cw01              | 06/11/01        | 08/20/21          | 1.290%           | 1,263,000          | 350,000                           | 398,000      |  |
| Spring Lake Township - cw02              | 11/22/04        | 08/20/24          | 1.000%           | 1,100,000          | 607,000                           | 664,000      |  |
| Springsteel Island SD - cw01             | 09/04/07        | 08/20/27          | 1.000%           | 811,946            | 567,000                           | 607,948      |  |
| Starbuck - cw01                          | 09/20/11        | 08/20/31          | 1.000%           | 416,792            | 364,567                           | 366,218      |  |
| Stewart - cw01                           | 10/02/98        | 02/20/19          | 1.000%           | 150,000            | 32,438                            | 40,348       |  |
| Stewart - cw02                           | 11/06/12        | 08/20/32          | 1.000%           | 819,578            | 770,000                           | 809,000      |  |
| Stewart - cw03                           | 12/09/13        | 08/20/33          | 1.000%           | 317,250            | 126,399                           | 84,270       |  |
| Sturgeon Lake - cw01                     | 02/21/07        | 08/20/26          | 1.188%           | 4,495,958          | 3,898,000                         | 4,043,000    |  |
| Sturgeon Lake - cw02                     | 11/07/08        | 02/20/26          | 1.634%           | 669,849            | 510,000                           | 528,000      |  |
| Thief River Falls - cw01                 | 07/16/98        | 08/20/19          | 2.790%           | 925,525            | 254,654                           | 307,077      |  |
| Tracy - cw01                             | 06/30/00        | 08/20/20          | 2.110%           | 1,434,769          | 505,000                           | 583,000      |  |
| Trimont - cw01                           | 11/17/04        | 08/20/24          | 1.000%           | 1,699,869          | 935,000                           | 1,024,000    |  |
| Truman - cw01                            | 12/21/10        | 08/20/30          | 1.317%           | 393,771            | 328,000                           | 346,000      |  |
| Two Harbors - cw01                       | 03/11/94        | 02/20/15          | 2.440%           | 2,200,000          | -                                 | 136,246      |  |
| Two Harbors - cw02                       | 10/13/14        | 08/20/29          | 1.000%           | 160,828            | 6,942                             | -            |  |
| Ulen - cw01                              | 07/12/11        | 08/20/41          | 1.000%           | 1,538,613          | 1,422,000                         | 1,468,000    |  |
| Verndale - cw01                          | 07/10/97        | 02/20/18          | 1.130%           | 155,809            | 25,575                            | 33,919       |  |
| Verndale - cw02                          | 06/18/09        | 08/20/29          | 1.393%           | 48,111             | 38,000                            | 40,000       |  |
| Verndale - cw03                          | 05/31/11        | 08/20/30          | 1.000%           | 336,932            | 298,000                           | 315,000      |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                         | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |               |  |
|--|-----------------|-------------------|------------------|--------------------|-----------------------------------|---------------|--|
|  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014          |  |
| <b>Clean Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |               |  |
| Virginia - cw01                          | 11/10/11        | 08/20/31          | 1.458%           | \$ 16,526,481      | \$ 14,245,064                     | \$ 14,952,294 |  |
| Wabasha - cw01                           | 07/22/03        | 08/20/22          | 1.590%           | 5,866,644          | 2,811,000                         | 3,138,000     |  |
| Wadena - cw01                            | 09/13/11        | 08/20/31          | 1.529%           | 3,811,009          | 3,365,010                         | 3,554,010     |  |
| Walker - cw01                            | 04/03/95        | 08/20/16          | 2.600%           | 2,182,510          | 205,334                           | 337,869       |  |
| Warren - cw01                            | 06/24/11        | 08/20/30          | 1.223%           | 362,774            | 320,000                           | 338,000       |  |
| Warren - cw02                            | 09/24/14        | 08/20/34          | 1.000%           | 442,934            | 59,094                            | -             |  |
| Waseca - cw01                            | 07/10/09        | 08/20/29          | 2.627%           | 9,335,004          | 7,416,000                         | 7,815,000     |  |
| Watertown - cw01                         | 05/11/93        | 08/20/14          | 3.490%           | 3,300,000          | -                                 | 111,099       |  |
| Watkins - cw01                           | 01/03/07        | 08/20/25          | 1.270%           | 1,631,700          | 1,040,000                         | 1,127,000     |  |
| Welcome - cw01                           | 08/10/11        | 08/20/31          | 1.000%           | 753,307            | 664,000                           | 700,000       |  |
| Wells - cw01                             | 10/29/04        | 08/20/24          | 1.960%           | 1,560,000          | 893,000                           | 973,000       |  |
| West Concord - cw01                      | 09/20/96        | 02/20/18          | 3.990%           | 281,777            | 57,515                            | 75,270        |  |
| West Concord - cw02                      | 06/10/04        | 08/20/24          | 1.000%           | 2,231,649          | 1,231,000                         | 1,348,000     |  |
| Western Lake Superior SD - cw04          | 09/02/99        | 08/20/14          | 3.560%           | 835,800            | -                                 | 73,000        |  |
| Western Lake Superior SD - cw08          | 07/17/06        | 08/20/21          | 2.820%           | 3,847,077          | 2,090,000                         | 2,357,000     |  |
| Western Lake Superior SD - cw09          | 04/08/08        | 08/20/23          | 2.611%           | 2,367,407          | 1,516,000                         | 1,664,000     |  |
| Western Lake Superior SD - cw10          | 06/16/09        | 08/20/24          | 2.700%           | 1,889,541          | 1,413,000                         | 1,535,000     |  |
| Western Lake Superior SD - cw11          | 08/31/10        | 08/20/25          | 1.586%           | 151,866            | 114,866                           | 124,866       |  |
| Western Lake Superior SD - cw12          | 08/31/10        | 08/20/25          | 1.591%           | 342,262            | 256,000                           | 277,000       |  |
| Western Lake Superior SD - cw13          | 08/31/10        | 08/20/25          | 1.590%           | 622,488            | 460,000                           | 498,740       |  |
| Western Lake Superior SD - cw14          | 08/31/10        | 08/20/25          | 1.589%           | 3,258,795          | 2,447,255                         | 2,649,255     |  |
| Western Lake Superior SD - cw15          | 09/26/11        | 08/20/26          | 1.520%           | 3,488,093          | 2,932,000                         | 3,153,763     |  |
| Western Lake Superior SD - cw16          | 09/26/11        | 08/20/26          | 1.520%           | 307,272            | 258,000                           | 277,141       |  |
| Western Lake Superior SD - cw17          | 09/26/11        | 08/20/26          | 1.520%           | 1,544,360          | 1,298,000                         | 1,396,401     |  |
| Western Lake Superior SD - cw18          | 07/03/12        | 08/20/27          | 1.693%           | 5,195,750          | 4,694,000                         | 5,015,577     |  |
| Western Lake Superior SD - cw19          | 11/16/12        | 08/20/28          | 1.000%           | 2,783,315          | 2,505,797                         | 2,676,451     |  |
| Western Lake Superior SD - cw20          | 06/27/13        | 08/20/28          | 1.000%           | 2,059,132          | 1,968,163                         | 1,699,342     |  |
| Western Lake Superior SD - cw21          | 08/25/14        | 08/20/29          | 1.000%           | 6,941,990          | 1,541,105                         | -             |  |
| Wheaton - cw01                           | 06/26/03        | 08/20/22          | 2.240%           | 2,505,000          | 1,193,000                         | 1,328,000     |  |
| Wheaton - cw02                           | 07/15/09        | 08/20/29          | 1.331%           | 1,623,390          | 1,256,000                         | 1,331,000     |  |
| Wheaton - cw03                           | 10/01/09        | 08/20/29          | 1.067%           | 878,761            | 676,000                           | 717,000       |  |
| Wheaton - cw04                           | 03/22/12        | 08/20/41          | 1.000%           | 684,903            | 642,543                           | 591,885       |  |
| Willmar - cw01                           | 06/28/96        | 08/20/17          | 3.130%           | 4,300,000          | 692,799                           | 955,819       |  |
| Willmar - cw02                           | 09/09/08        | 08/20/28          | 3.275%           | 42,001,362         | 36,355,000                        | 37,848,000    |  |
| Willmar - cw03                           | 09/21/09        | 08/20/29          | 2.457%           | 1,711,867          | 1,357,151                         | 1,431,151     |  |
| Willmar - cw04                           | 11/18/09        | 08/20/38          | 3.440%           | 27,663,530         | 25,120,000                        | 25,739,000    |  |
| Willmar - cw05                           | 07/25/13        | 08/20/42          | 1.124%           | 1,886,812          | 1,444,228                         | 1,451,040     |  |
| Willmar - cw06                           | 08/18/14        | 08/20/34          | 1.000%           | 3,000,000          | 2,719,851                         | -             |  |
| Windom - cw02                            | 05/17/94        | 08/20/15          | 2.710%           | 3,886,970          | 124,814                           | 369,459       |  |
| Winnebago - cw02                         | 06/27/11        | 08/20/30          | 1.247%           | 3,454,722          | 3,029,000                         | 3,199,581     |  |
| Woodland - cw01                          | 06/12/97        | 08/20/18          | 2.580%           | 698,775            | 127,466                           | 162,302       |  |
| Zimmerman - cw03                         | 04/09/99        | 08/20/20          | 2.040%           | 4,173,493          | 1,493,000                         | 1,725,000     |  |
| Zimmerman - cw04                         | 10/05/09        | 08/20/29          | 2.368%           | 2,221,070          | 1,897,000                         | 2,001,000     |  |
| Clean Water Bond Fund totals             |                 |                   |                  | 1,930,399,978      | 1,323,540,621                     | 1,302,976,190 |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                 | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |              |  |
|----------------------------------|-----------------|-------------------|------------------|--------------------|-----------------------------------|--------------|--|
|                                  |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014         |  |
| <b>Drinking Water Bond Fund:</b> |                 |                   |                  |                    |                                   |              |  |
| Ada - dw01                       | 06/25/04        | 08/20/23          | 1.090%           | \$ 2,380,000       | \$ 1,191,000                      | \$ 1,316,000 |  |
| Ada - dw02                       | 12/06/05        | 08/20/23          | 1.090%           | 264,245            | 144,000                           | 159,000      |  |
| Adrian - dw01                    | 10/30/98        | 08/20/18          | 3.320%           | 259,660            | -                                 | 84,000       |  |
| Albany - dw01                    | 05/17/06        | 08/20/25          | 1.960%           | 4,697,058          | 2,987,874                         | 3,228,874    |  |
| Alexandria - dw01                | 07/30/02        | 08/20/22          | 3.380%           | 1,050,117          | 512,000                           | 567,000      |  |
| Alexandria - dw02                | 09/01/09        | 08/20/29          | 2.445%           | 3,623,606          | 2,864,000                         | 3,021,000    |  |
| Alvarado - dw01                  | 05/24/10        | 08/20/29          | 1.000%           | 584,901            | 463,000                           | 491,000      |  |
| Annandale - dw01                 | 01/13/04        | 08/20/23          | 2.819%           | 3,273,194          | 1,698,000                         | 1,862,000    |  |
| Annandale - dw02                 | 05/31/11        | 08/20/31          | 1.959%           | 1,217,500          | 1,066,000                         | 1,118,000    |  |
| Argyle - dw01                    | 09/30/98        | 08/20/19          | 2.570%           | 229,655            | 70,000                            | 83,000       |  |
| Arlington - dw01                 | 02/21/03        | 08/20/17          | 2.990%           | 110,000            | 27,000                            | 35,000       |  |
| Askov - dw01                     | 09/30/98        | 08/20/19          | 1.000%           | 479,781            | 127,000                           | 152,000      |  |
| Atwater - dw01                   | 06/15/11        | 08/20/30          | 1.777%           | 897,318            | 795,000                           | 838,318      |  |
| Audubon - dw01                   | 11/17/14        | 08/20/44          | 1.000%           | 2,063,210          | 750,557                           | -            |  |
| Avon - dw01                      | 10/08/03        | 08/20/23          | 2.840%           | 666,554            | 274,061                           | 301,061      |  |
| Babbitt - dw01                   | 08/29/01        | 08/20/21          | 2.820%           | 1,316,806          | 555,000                           | 626,000      |  |
| Backus - dw01                    | 07/14/08        | 08/20/27          | 2.270%           | 164,195            | 120,000                           | 128,000      |  |
| Bagley - dw01                    | 08/10/04        | 08/20/23          | 1.730%           | 1,074,120          | 552,120                           | 608,120      |  |
| Barnesville - dw01               | 09/13/11        | 08/20/31          | 1.143%           | 537,082            | 471,000                           | 496,000      |  |
| Barnum - dw01                    | 10/28/09        | 08/20/29          | 1.325%           | 804,807            | 626,000                           | 663,000      |  |
| Barnum - dw02                    | 06/10/13        | 08/20/18          | 1.000%           | 9,550              | 8,446                             | 9,550        |  |
| Battle Lake - dw01               | 06/18/03        | 08/20/22          | 1.490%           | 1,377,006          | 637,000                           | 711,000      |  |
| Baudette - dw01                  | 11/09/04        | 08/20/24          | 2.460%           | 337,729            | 191,000                           | 208,000      |  |
| Baudette - dw02                  | 09/17/09        | 08/20/29          | 1.925%           | 681,502            | 524,000                           | 553,742      |  |
| Beardsley - dw01                 | 07/14/10        | 08/20/29          | 1.261%           | 111,100            | 91,000                            | 96,000       |  |
| Beaver Bay - dw01                | 07/29/08        | 08/20/27          | 1.061%           | 869,658            | 609,000                           | 653,000      |  |
| Becker County - dw01             | 09/22/03        | 08/20/22          | 1.680%           | 135,430            | 63,000                            | 70,000       |  |
| Belgrade - dw01                  | 07/26/10        | 08/20/39          | 1.095%           | 549,562            | 466,562                           | 487,562      |  |
| Benson - dw01                    | 07/05/11        | 08/20/30          | 1.739%           | 3,292,380          | 2,900,920                         | 3,000,943    |  |
| Big Lake - dw01                  | 11/04/04        | 08/20/24          | 2.530%           | 9,111,996          | 5,066,000                         | 5,506,000    |  |
| Bird Island - dw01               | 11/09/09        | 08/20/29          | 1.000%           | 149,537            | 115,000                           | 122,000      |  |
| Blue Earth - dw01                | 09/05/06        | 08/20/26          | 2.570%           | 305,456            | 203,000                           | 217,000      |  |
| Blue Earth - dw02                | 03/19/07        | 08/20/26          | 2.400%           | 1,174,600          | 816,000                           | 874,000      |  |
| Braham - dw01                    | 03/25/04        | 08/20/23          | 1.590%           | 1,468,370          | 750,000                           | 827,000      |  |
| Braham - dw02                    | 04/06/10        | 08/20/29          | 1.000%           | 1,015,970          | 735,880                           | 751,148      |  |
| Breitung Township - dw01         | 11/01/01        | 08/20/21          | 2.070%           | 94,177             | 37,000                            | 42,000       |  |
| Breitung Township - dw02         | 12/16/02        | 08/20/22          | 2.490%           | 117,500            | 54,000                            | 60,000       |  |
| Brooklyn Center - dw01           | 01/20/15        | 08/20/34          | 1.000%           | 19,662,352         | 8,252,536                         | -            |  |
| Brooten - dw01                   | 12/05/00        | 08/20/20          | 3.410%           | 373,401            | 138,000                           | 159,000      |  |
| Browerville - dw01               | 10/21/98        | 08/20/18          | 2.040%           | 213,876            | 52,000                            | 64,000       |  |
| Browerville - dw02               | 06/10/10        | 08/20/29          | 1.000%           | 385,244            | 309,000                           | 328,000      |  |
| Brownnton - dw01                 | 11/03/99        | 08/20/19          | 2.980%           | 188,100            | 60,000                            | 71,000       |  |
| Butterfield - dw01               | 02/11/02        | 08/20/21          | 2.070%           | 246,972            | 99,000                            | 112,000      |  |
| Callaway - dw01                  | 07/11/06        | 08/20/25          | 1.310%           | 375,811            | 228,000                           | 247,000      |  |
| Cambridge - dw01                 | 09/17/01        | 08/20/21          | 4.050%           | 2,080,000          | 935,000                           | 1,049,000    |  |
| Canby - dw01                     | 11/10/98        | 08/20/18          | 1.790%           | 2,020,499          | 482,000                           | 597,000      |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original<br>Loan<br>Commitment | Outstanding Principal at June 30, |              |  |
|---|-----------------|-------------------|------------------|--------------------------------|-----------------------------------|--------------|--|
|   |                 |                   |                  |                                | 2015                              | 2014         |  |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                                |                                   |              |  |
| Canby - dw02                                | 07/20/10        | 08/20/39          | 1.088%           | \$ 3,970,711                   | \$ 3,565,000                      | \$ 3,688,000 |  |
| Canby - dw03                                | 08/05/14        | 08/20/44          | 1.000%           | 2,667,171                      | 298,153                           | -            |  |
| Carlton - dw01                              | 05/01/07        | 08/20/26          | 1.490%           | 1,567,709                      | 1,058,000                         | 1,138,000    |  |
| Carver - dw01                               | 12/15/03        | 08/20/23          | 2.819%           | 2,522,966                      | 1,299,000                         | 1,424,000    |  |
| Cass Lake - dw01                            | 05/20/03        | 08/20/22          | 1.990%           | 626,693                        | 300,000                           | 334,000      |  |
| Chokio - dw01                               | 01/26/06        | 08/20/25          | 1.310%           | 704,658                        | 421,000                           | 456,000      |  |
| Clara City - dw01                           | 11/13/01        | 08/20/21          | 2.320%           | 2,472,224                      | 1,006,000                         | 1,137,000    |  |
| Claremont - dw01                            | 08/10/10        | 08/20/39          | 1.000%           | 137,893                        | 122,000                           | 126,000      |  |
| Clearwater - dw01                           | 11/23/02        | 08/20/22          | 2.130%           | 667,320                        | 302,000                           | 336,000      |  |
| Clearwater - dw02                           | 07/22/03        | 08/20/22          | 2.680%           | 183,957                        | 89,000                            | 99,000       |  |
| Cleveland - dw01                            | 08/29/11        | 08/20/31          | 1.367%           | 530,370                        | 468,711                           | 492,711      |  |
| Cloquet - dw01                              | 10/08/02        | 08/20/22          | 3.380%           | 1,913,773                      | 925,768                           | 1,024,768    |  |
| Cokato - dw01                               | 06/14/00        | 08/20/15          | 3.910%           | 613,137                        | 58,000                            | 114,000      |  |
| Cokato - dw02                               | 01/13/04        | 08/20/23          | 3.180%           | 4,410,593                      | 2,340,000                         | 2,562,000    |  |
| Coleraine - dw01                            | 12/12/02        | 08/20/22          | 2.380%           | 1,572,375                      | 729,000                           | 811,000      |  |
| Cologne - dw01                              | 09/02/14        | 08/20/34          | 1.000%           | 839,216                        | 761,888                           | -            |  |
| Comfrey - dw01                              | 10/16/98        | 08/20/18          | 2.040%           | 149,107                        | 36,000                            | 45,000       |  |
| Cosmos - dw01                               | 06/15/05        | 08/20/24          | 1.720%           | 912,706                        | 514,706                           | 561,706      |  |
| Cosmos - dw02                               | 05/09/08        | 08/20/27          | 1.092%           | 515,815                        | 362,000                           | 388,000      |  |
| Cosmos - dw03                               | 10/15/09        | 08/20/29          | 1.000%           | 242,741                        | 188,000                           | 200,000      |  |
| Cosmos - dw04                               | 07/11/13        | 08/20/42          | 1.000%           | 204,032                        | 97,397                            | 86,285       |  |
| Cromwell - dw01                             | 04/12/99        | 08/20/19          | 1.000%           | 62,361                         | 20,000                            | 23,000       |  |
| Crosby - dw01                               | 07/12/10        | 08/20/39          | 1.107%           | 4,810,811                      | 4,236,079                         | 4,382,079    |  |
| Dalton - dw01                               | 04/14/03        | 08/20/22          | 2.680%           | 118,819                        | 55,000                            | 61,000       |  |
| Dalton - dw02                               | 08/27/08        | 08/20/27          | 1.112%           | 115,950                        | 81,000                            | 87,000       |  |
| Darwin - dw01                               | 10/03/13        | 08/20/43          | 1.150%           | 376,675                        | 285,669                           | 195,716      |  |
| Dassel - dw01                               | 07/02/99        | 08/20/19          | 2.040%           | 1,768,142                      | 530,000                           | 630,000      |  |
| Dassel - dw02                               | 10/06/08        | 08/20/28          | 1.016%           | 1,203,724                      | 872,000                           | 930,000      |  |
| Dassel - dw03                               | 07/09/09        | 08/20/29          | 1.283%           | 352,662                        | 278,000                           | 295,000      |  |
| Dassel - dw04                               | 08/19/13        | 08/20/33          | 1.000%           | 302,900                        | 248,431                           | 257,331      |  |
| Dawson - dw01                               | 09/20/02        | 08/20/22          | 3.320%           | 914,497                        | 443,000                           | 491,000      |  |
| Dayton - dw02                               | 04/19/10        | 08/20/29          | 1.654%           | 750,449                        | 609,000                           | 645,000      |  |
| Deer River - dw01                           | 10/29/02        | 08/20/22          | 1.630%           | 303,062                        | 134,000                           | 150,000      |  |
| Deer River - dw02                           | 08/10/09        | 08/20/29          | 1.000%           | 50,193                         | 40,000                            | 42,000       |  |
| Deerwood - dw01                             | 08/29/11        | 08/20/41          | 1.000%           | 450,883                        | 417,000                           | 430,000      |  |
| Detroit Lakes - dw01                        | 01/13/10        | 08/20/29          | 2.186%           | 2,100,745                      | 1,714,000                         | 1,810,000    |  |
| Dover - dw01                                | 12/11/00        | 08/20/20          | 3.410%           | 464,776                        | 175,000                           | 201,000      |  |
| Duluth - dw01                               | 07/31/03        | 08/20/18          | 2.819%           | 970,000                        | 304,000                           | 375,000      |  |
| Duluth - dw02                               | 07/02/04        | 08/20/18          | 2.530%           | 1,971,532                      | 609,000                           | 752,000      |  |
| Duluth - dw03                               | 10/28/09        | 08/20/19          | 1.077%           | 1,668,813                      | 851,000                           | 1,016,000    |  |
| Duluth - dw04                               | 08/31/10        | 08/20/25          | 1.258%           | 1,293,200                      | 958,000                           | 1,039,547    |  |
| Duluth - dw05                               | 12/07/10        | 08/20/25          | 1.076%           | 3,344,131                      | 2,574,000                         | 2,793,000    |  |
| Duluth - dw06                               | 11/18/11        | 08/20/26          | 1.221%           | 1,605,655                      | 816,120                           | 922,120      |  |
| Duluth - dw07                               | 02/25/14        | 08/20/29          | 1.000%           | 5,108,910                      | 4,474,162                         | 2,000,657    |  |
| Dumont - dw01                               | 05/05/10        | 08/20/39          | 1.000%           | 227,751                        | 195,000                           | 202,000      |  |
| Eagle Bend - dw01                           | 08/17/09        | 08/20/28          | 1.850%           | 296,036                        | 228,000                           | 242,000      |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           |            | Outstanding Principal at June 30, |      |
|---|-----------------|-------------------|------------------|--------------------|------------|-----------------------------------|------|
|   |                 |                   |                  | Loan<br>Commitment |            | 2015                              | 2014 |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                    |            |                                   |      |
| Eagle Lake - dw01                           | 10/07/10        | 08/20/30          | 1.643%           | \$ 543,454         | \$ 445,000 | \$ 469,000                        |      |
| East Bethel - dw01                          | 02/17/10        | 08/20/29          | 1.000%           | 69,190             | 56,589     | 59,589                            |      |
| Eden Valley - dw01                          | 08/21/00        | 08/20/20          | 3.160%           | 1,881,057          | 700,000    | 805,000                           |      |
| Eden Valley - dw02                          | 06/27/01        | 08/20/21          | 2.320%           | 644,890            | 263,000    | 297,000                           |      |
| Eden Valley - dw03                          | 10/13/09        | 08/20/29          | 1.000%           | 286,461            | 221,000    | 235,000                           |      |
| Eden Valley - dw04                          | 10/09/13        | 08/20/33          | 1.000%           | 174,329            | 167,000    | 9,000                             |      |
| Edgerton - dw01                             | 07/11/02        | 08/20/22          | 3.380%           | 395,035            | 191,000    | 211,000                           |      |
| Elbow Lake - dw01                           | 07/07/09        | 08/20/39          | 1.567%           | 95,897             | 76,000     | 78,000                            |      |
| Elbow Lake - dw02                           | 08/05/13        | 08/20/43          | 1.000%           | 98,340             | 78,370     | 52,037                            |      |
| Elbow Lake - dw03                           | 08/11/14        | 08/20/44          | 1.000%           | 451,261            | 140,330    | -                                 |      |
| Elgin - dw01                                | 05/16/11        | 08/20/30          | 1.538%           | 816,607            | 731,000    | 771,000                           |      |
| Elizabeth - dw01                            | 07/17/07        | 08/20/26          | 1.000%           | 627,450            | 418,000    | 451,000                           |      |
| Elko New Market - dw01                      | 09/11/14        | 08/20/34          | 1.000%           | 10,357,038         | 4,723,264  | -                                 |      |
| Ellendale - dw01                            | 08/28/06        | 08/20/26          | 1.570%           | 1,628,000          | 1,070,000  | 1,150,000                         |      |
| Ellendale - dw02                            | 06/26/08        | 08/20/27          | 1.000%           | 1,113,204          | 782,696    | 838,696                           |      |
| Ely - dw01                                  | 12/13/00        | 08/20/20          | 3.410%           | 1,177,302          | 444,000    | 510,000                           |      |
| Elysian - dw01                              | 09/18/03        | 08/20/23          | 1.990%           | 478,520            | 241,000    | 265,000                           |      |
| Erskine - dw01                              | 04/08/13        | 08/20/42          | 1.000%           | 255,450            | 225,564    | 241,005                           |      |
| Evansville - dw01                           | 10/03/06        | 08/20/26          | 1.760%           | 131,203            | 86,000     | 92,000                            |      |
| Evansville - dw02                           | 11/15/11        | 08/20/41          | 1.000%           | 87,498             | 79,722     | 82,722                            |      |
| Evansville - dw03                           | 07/08/14        | 08/20/44          | 1.000%           | 373,816            | 55,758     | -                                 |      |
| Eveleth - dw01                              | 09/26/07        | 08/20/27          | 2.400%           | 2,086,370          | 1,462,000  | 1,557,000                         |      |
| Eveleth - dw02                              | 10/16/13        | 08/20/28          | 1.462%           | 219,656            | 45,010     | -                                 |      |
| Excelsior - dw01                            | 06/02/14        | 08/20/34          | 1.000%           | 920,313            | 587,944    | -                                 |      |
| Fairfax - dw01                              | 08/06/99        | 08/20/19          | 2.040%           | 1,265,806          | 377,000    | 448,000                           |      |
| Fairfax - dw02                              | 08/15/11        | 08/20/41          | 1.244%           | 1,103,648          | 954,612    | 969,977                           |      |
| Fairmont - dw01                             | 10/11/11        | 08/20/41          | 2.234%           | 28,902,811         | 26,422,495 | 26,567,562                        |      |
| Fertile - dw01                              | 01/27/03        | 08/20/22          | 1.130%           | 1,087,739          | 466,000    | 521,000                           |      |
| Finlayson - dw01                            | 11/28/00        | 08/20/20          | 1.910%           | 211,828            | 73,000     | 84,000                            |      |
| Fisher - dw01                               | 09/07/04        | 08/20/24          | 1.000%           | 2,077,920          | 1,090,000  | 1,193,000                         |      |
| Fosston - dw01                              | 07/11/05        | 08/20/24          | 1.470%           | 1,454,455          | 813,231    | 888,231                           |      |
| Fosston - dw02                              | 07/28/14        | 08/20/34          | 1.000%           | 513,813            | 421,699    | -                                 |      |
| Fosston - dw03                              | 07/28/14        | 08/20/34          | 1.000%           | 572,308            | 511,475    | -                                 |      |
| Frost - dw01                                | 01/09/06        | 08/20/25          | 1.310%           | 378,126            | 225,000    | 244,000                           |      |
| Fulda - dw01                                | 07/30/98        | 08/20/18          | 2.320%           | 503,117            | 119,000    | 147,000                           |      |
| Gibbon - dw01                               | 09/09/13        | 08/20/43          | 1.365%           | 2,231,590          | 1,914,346  | 630,790                           |      |
| Gilbert - dw01                              | 04/30/03        | 08/20/23          | 2.880%           | 157,764            | 82,000     | 90,000                            |      |
| Glenwood - dw01                             | 05/30/00        | 08/20/19          | 1.980%           | 1,081,126          | 335,000    | 398,000                           |      |
| Glenwood - dw02                             | 11/09/04        | 08/20/24          | 2.210%           | 675,000            | 377,000    | 410,000                           |      |
| Glenwood - dw03                             | 08/14/13        | 08/20/33          | 1.667%           | 768,145            | 745,000    | 207,023                           |      |
| Glyndon - dw01                              | 10/29/02        | 08/20/22          | 2.380%           | 867,071            | 390,834    | 440,071                           |      |
| Goodview - dw01                             | 09/22/08        | 08/20/28          | 2.627%           | 4,277,500          | 3,267,932  | 3,458,932                         |      |
| Grand Marais - dw01                         | 04/27/99        | 08/20/19          | 2.560%           | 484,112            | 151,000    | 179,000                           |      |
| Grand Marais - dw02                         | 08/11/04        | 02/20/24          | 2.530%           | 812,229            | 425,000    | 466,000                           |      |
| Grand Rapids - dw01                         | 01/03/00        | 08/20/19          | 3.040%           | 1,079,657          | 342,000    | 405,000                           |      |
| Greenbush - dw01                            | 11/19/09        | 08/20/39          | 1.005%           | 1,459,111          | 1,241,476  | 1,284,476                         |      |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|---|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|   |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| Greenbush - dw02                            | 07/09/10        | 08/20/39          | 1.146%           | \$ 776,456         | \$ 684,000                        | \$ 707,000 |  |
| Greenbush - dw03                            | 06/26/13        | 08/20/32          | 1.000%           | 166,364            | 159,000                           | 166,364    |  |
| Grove City - dw01                           | 07/08/08        | 08/20/27          | 1.258%           | 1,387,042          | 984,000                           | 1,053,000  |  |
| Hamburg - dw01                              | 07/22/03        | 08/20/22          | 2.490%           | 225,640            | 108,000                           | 120,000    |  |
| Hamburg - dw02                              | 07/27/04        | 08/20/24          | 2.340%           | 950,709            | 530,000                           | 576,000    |  |
| Hanska - dw01                               | 05/20/14        | 08/20/44          | 1.000%           | 923,146            | 923,146                           | 112,445    |  |
| Harris - dw02                               | 08/29/06        | 08/20/36          | 1.535%           | 1,333,450          | 998,000                           | 1,033,000  |  |
| Hawley - dw01                               | 06/27/01        | 08/20/21          | 3.320%           | 660,000            | 284,000                           | 319,000    |  |
| Hawley - dw02                               | 07/10/06        | 08/20/25          | 1.560%           | 2,565,987          | 1,580,000                         | 1,711,000  |  |
| Hawley - dw03                               | 06/17/08        | 08/20/27          | 1.290%           | 150,011            | 107,000                           | 114,000    |  |
| Hendrum - dw01                              | 10/12/10        | 08/20/30          | 1.000%           | 229,684            | 188,000                           | 199,000    |  |
| Henning - dw01                              | 12/06/05        | 08/20/25          | 1.000%           | 539,404            | 317,000                           | 344,000    |  |
| Henning - dw02                              | 08/08/13        | 08/20/43          | 1.241%           | 381,558            | 320,400                           | -          |  |
| Herman - dw01                               | 08/11/14        | 08/20/44          | 1.000%           | 564,260            | 351,694                           | -          |  |
| Hibbing - dw01                              | 07/19/01        | 08/20/20          | 3.050%           | 1,434,777          | 551,000                           | 634,000    |  |
| Hibbing - dw02                              | 08/16/10        | 08/20/20          | 1.000%           | 876,873            | 531,000                           | 617,000    |  |
| Hinckley - dw01                             | 11/17/00        | 08/20/20          | 4.160%           | 542,777            | 213,000                           | 244,000    |  |
| Hinckley - dw02                             | 10/05/01        | 08/20/21          | 2.820%           | 1,367,480          | 572,000                           | 645,000    |  |
| Hitterdal - dw01                            | 03/13/06        | 08/20/25          | 1.810%           | 157,957            | 97,000                            | 105,000    |  |
| Hoffman - dw01                              | 08/14/04        | 08/20/24          | 1.480%           | 833,461            | 446,000                           | 487,000    |  |
| Hoffman - dw02                              | 07/06/09        | 08/20/29          | 1.384%           | 87,461             | 66,000                            | 70,000     |  |
| Howard Lake - dw01                          | 10/13/99        | 08/20/19          | 3.060%           | 287,662            | 92,000                            | 109,000    |  |
| Howard Lake - dw02                          | 06/17/11        | 08/20/40          | 1.217%           | 2,059,069          | 1,911,000                         | 1,973,000  |  |
| 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         | 7,952,000                         | 8,569,000  |  |
| Ironton - dw01                              | 07/27/04        | 08/20/23          | 1.090%           | 405,300            | 203,300                           | 224,300    |  |
| Isanti - dw01                               | 07/10/07        | 08/20/26          | 2.630%           | 965,000            | 668,000                           | 715,000    |  |
| Isanti - dw02                               | 10/07/08        | 08/20/28          | 3.042%           | 5,064,256          | 3,904,056                         | 4,125,056  |  |
| Isanti - dw03                               | 09/21/11        | 08/20/31          | 1.533%           | 676,045            | 597,000                           | 628,000    |  |
| Isle - dw01                                 | 05/18/11        | 08/20/30          | 1.482%           | 215,506            | 188,000                           | 198,006    |  |
| Jordan - dw01                               | 11/05/98        | 08/20/18          | 3.540%           | 307,917            | 83,000                            | 102,000    |  |
| Jordan - dw02                               | 06/30/03        | 08/20/23          | 2.819%           | 1,052,939          | 549,000                           | 602,000    |  |
| Kandiyohi - dw01                            | 11/10/14        | 08/20/44          | 1.000%           | 2,037,523          | 410,755                           | -          |  |
| Kandiyohi County - dw02                     | 12/29/99        | 08/20/19          | 3.540%           | 2,262,450          | 740,450                           | 873,450    |  |
| Kandiyohi County - dw03                     | 11/30/00        | 08/20/20          | 3.540%           | 1,012,260          | 386,000                           | 443,000    |  |
| Karlstad - dw01                             | 06/03/13        | 08/20/33          | 1.000%           | 1,862,083          | 1,789,444                         | 1,862,083  |  |
| Keewatin - dw01                             | 08/28/02        | 08/20/22          | 2.880%           | 500,000            | 239,000                           | 265,000    |  |
| Kennedy - dw01                              | 08/04/14        | 08/20/24          | 1.000%           | 25,791             | 25,791                            | -          |  |
| Kenyon - dw01                               | 12/16/02        | 08/20/22          | 3.240%           | 224,000            | 23,000                            | 35,000     |  |
| Kiester - dw01                              | 10/15/01        | 08/20/21          | 3.070%           | 228,636            | 95,000                            | 107,000    |  |
| Lake Lillian - dw01                         | 09/13/06        | 08/20/26          | 1.000%           | 610,355            | 387,000                           | 417,000    |  |
| Lake Park - dw01                            | 09/08/03        | 08/20/23          | 2.090%           | 397,006            | 200,000                           | 220,000    |  |
| Lakefield - dw01                            | 09/26/02        | 08/20/22          | 2.880%           | 2,272,080          | 1,074,000                         | 1,192,000  |  |
| Lamberton - dw01                            | 08/06/99        | 08/20/19          | 1.860%           | 262,182            | 51,000                            | 61,000     |  |
| Lanesboro - dw01                            | 10/27/14        | 08/20/44          | 1.000%           | 3,031,931          | 471,702                           | -          |  |
| Le Center - dw01                            | 08/11/06        | 08/20/26          | 1.820%           | 3,470,601          | 2,294,000                         | 2,464,000  |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|---|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|   |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| Le Center - dw02                            | 08/14/07        | 08/20/27          | 1.650%           | \$ 511,861         | \$ 385,000                        | \$ 411,000 |  |
| Lester Prairie - dw01                       | 06/14/11        | 08/20/30          | 1.780%           | 1,788,806          | 1,605,000                         | 1,691,000  |  |
| Lewiston - dw01                             | 12/20/99        | 08/20/19          | 3.790%           | 312,934            | 103,000                           | 121,000    |  |
| Lewiston - dw02                             | 05/29/01        | 08/20/20          | 3.820%           | 270,000            | 108,000                           | 124,000    |  |
| Litchfield-PUC - dw01                       | 05/24/99        | 08/20/19          | 3.540%           | 4,092,166          | 1,347,000                         | 1,589,000  |  |
| Littlefork - dw01                           | 07/28/99        | 08/20/19          | 1.810%           | 181,277            | 53,000                            | 63,000     |  |
| Long Prairie - dw01                         | 04/06/01        | 08/20/20          | 3.910%           | 1,098,586          | 437,000                           | 501,000    |  |
| Lonsdale - dw01                             | 06/09/11        | 08/20/30          | 1.756%           | 1,210,591          | 1,090,000                         | 1,148,000  |  |
| Loretto - dw01                              | 05/09/06        | 08/20/25          | 2.310%           | 761,704            | 493,000                           | 532,000    |  |
| Lyle - dw01                                 | 06/27/00        | 08/20/20          | 3.000%           | 311,040            | 114,000                           | 131,000    |  |
| Madison Lake - dw01                         | 05/17/10        | 08/20/29          | 1.858%           | 596,692            | 484,000                           | 512,000    |  |
| Madison Lake - dw02                         | 08/08/11        | 08/20/31          | 1.912%           | 820,008            | 730,000                           | 766,782    |  |
| Mahnomen - dw01                             | 07/30/08        | 08/20/27          | 1.518%           | 390,054            | 282,000                           | 302,000    |  |
| Mankato - dw01                              | 12/12/05        | 08/20/25          | 2.310%           | 2,309,300          | 1,429,300                         | 1,542,300  |  |
| Mankato - dw02                              | 04/09/07        | 08/20/26          | 2.630%           | 37,536,818         | 25,740,948                        | 26,853,443 |  |
| Maple Plain - dw01                          | 07/09/07        | 08/20/26          | 2.150%           | 3,468,767          | 2,383,000                         | 2,555,000  |  |
| Marble - dw01                               | 10/08/01        | 08/20/21          | 2.570%           | 128,210            | 52,000                            | 59,000     |  |
| Mayer - dw01                                | 12/21/00        | 08/20/20          | 3.910%           | 347,000            | 135,000                           | 155,000    |  |
| Mayer - dw02                                | 08/28/06        | 08/20/26          | 2.070%           | 2,560,768          | 1,683,000                         | 1,805,000  |  |
| McIntosh - dw01                             | 05/31/07        | 08/20/26          | 1.900%           | 222,736            | 151,000                           | 162,000    |  |
| McIntosh - dw02                             | 10/24/07        | 08/20/27          | 1.341%           | 858,730            | 596,000                           | 638,000    |  |
| McIntosh - dw03                             | 07/10/12        | 08/20/31          | 1.000%           | 85,446             | 68,154                            | 73,154     |  |
| Medford - dw01                              | 10/04/10        | 08/20/30          | 1.000%           | 2,802,176          | 2,282,000                         | 2,412,176  |  |
| Melrose - dw02                              | 04/13/99        | 08/20/19          | 3.480%           | 2,500,000          | -                                 | 578,700    |  |
| Milaca - dw01                               | 07/19/06        | 08/20/26          | 1.070%           | 3,060,114          | 1,958,000                         | 2,110,000  |  |
| Minneapolis - dw01                          | 12/16/02        | 08/20/22          | 2.819%           | 27,400,000         | 18,500,000                        | 20,000,000 |  |
| Minneapolis - dw02                          | 02/26/04        | 08/20/23          | 2.800%           | 25,000,000         | 20,700,000                        | 21,300,000 |  |
| Minneapolis - dw03                          | 03/21/05        | 08/20/19          | 2.530%           | 12,500,000         | 6,925,000                         | 7,725,000  |  |
| Minneapolis - dw04                          | 12/07/06        | 08/20/26          | 2.600%           | 13,500,000         | 10,215,000                        | 10,835,000 |  |
| Minneapolis - dw05                          | 12/10/09        | 08/20/27          | 2.688%           | 19,557,660         | 18,545,000                        | 18,745,000 |  |
| Minneapolis - dw06                          | 03/02/10        | 08/20/21          | 1.000%           | 6,229,554          | 5,345,000                         | 5,470,000  |  |
| Minnetrissa - dw01                          | 04/05/10        | 08/20/24          | 1.189%           | 692,603            | 489,364                           | 535,364    |  |
| Montevideo - dw02                           | 04/21/15        | 08/20/35          | 1.000%           | 1,172,558          | -                                 | -          |  |
| Montgomery - dw01                           | 09/18/03        | 08/20/23          | 3.180%           | 642,162            | 343,000                           | 375,000    |  |
| Montgomery - dw02                           | 05/24/04        | 08/20/23          | 2.840%           | 358,044            | 194,044                           | 213,044    |  |
| Montrose - dw01                             | 01/11/10        | 08/20/29          | 1.619%           | 415,043            | 332,000                           | 351,000    |  |
| Moorhead - dw01                             | 08/26/14        | 08/20/34          | 1.020%           | 13,212,873         | 2,435,697                         | -          |  |
| Mora - dw01                                 | 07/27/10        | 08/20/30          | 1.862%           | 1,565,220          | 1,292,000                         | 1,361,000  |  |
| Morgan - dw01                               | 06/21/99        | 08/20/19          | 2.480%           | 481,289            | 150,000                           | 178,000    |  |
| Morris - dw01                               | 10/26/99        | 08/20/19          | 2.540%           | 1,251,423          | 385,000                           | 456,000    |  |
| Motley - dw01                               | 06/17/14        | 08/20/34          | 1.000%           | 3,921,500          | 3,070,606                         | -          |  |
| Mountain Lake - dw01                        | 09/16/03        | 08/20/23          | 1.430%           | 2,985,751          | 1,456,000                         | 1,607,000  |  |
| Mountain Lake - dw02                        | 08/20/12        | 08/20/32          | 1.000%           | 38,440             | 31,338                            | 33,338     |  |
| Mountain Lake - dw03                        | 09/16/14        | 08/20/34          | 1.000%           | 47,444             | 17,580                            | -          |  |
| Nashwauk - dw01                             | 06/08/99        | 08/20/19          | 1.980%           | 966,092            | 289,000                           | 344,000    |  |
| New Auburn - dw01                           | 08/03/06        | 08/20/25          | 1.000%           | 1,069,002          | 468,000                           | 508,000    |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|---|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|   |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| New Hope - dw01                             | 03/22/10        | 08/20/29          | 1.703%           | \$ 418,644         | \$ 335,000                        | \$ 354,000 |  |
| New Hope - dw02                             | 05/13/13        | 08/20/32          | 1.000%           | 1,035,000          | 1,003,000                         | 1,035,000  |  |
| New London - dw01                           | 06/15/11        | 08/20/30          | 1.000%           | 801,430            | 701,000                           | 741,605    |  |
| New Prague - dw01                           | 10/15/02        | 08/20/22          | 3.630%           | 2,885,942          | 1,406,000                         | 1,555,000  |  |
| New Richland - dw01                         | 07/15/03        | 08/20/22          | 2.740%           | 1,327,522          | 630,522                           | 703,522    |  |
| New York Mills - dw01                       | 06/09/09        | 08/20/28          | 1.296%           | 695,668            | 526,000                           | 560,000    |  |
| New York Mills - dw02                       | 09/23/10        | 08/20/30          | 1.000%           | 206,096            | 168,000                           | 178,000    |  |
| Newfolden - dw01                            | 07/02/12        | 08/20/31          | 1.000%           | 533,066            | 480,000                           | 506,289    |  |
| Nielsville - dw01                           | 12/06/04        | 08/20/24          | 1.210%           | 30,563             | 12,000                            | 14,000     |  |
| North Mankato - dw01                        | 01/09/15        | 08/20/34          | 1.000%           | 1,631,793          | 444,522                           | -          |  |
| Northome - dw01                             | 03/04/04        | 08/20/23          | 1.730%           | 241,826            | 125,000                           | 138,000    |  |
| Norwood Young America - dw01                | 07/21/10        | 08/20/39          | 2.461%           | 1,966,604          | 1,765,000                         | 1,816,000  |  |
| Olivia - dw01                               | 11/21/11        | 08/20/40          | 1.000%           | 3,519,100          | 2,874,168                         | 2,857,372  |  |
| Onamia - dw01                               | 10/19/00        | 08/20/20          | 3.000%           | 420,000            | 155,000                           | 178,000    |  |
| Oronoco - dw01                              | 10/07/09        | 08/20/29          | 1.000%           | 1,269,281          | 957,359                           | 1,016,359  |  |
| Osakis - dw01                               | 01/14/03        | 08/20/22          | 2.920%           | 666,377            | 313,000                           | 347,000    |  |
| Ottertail - dw01                            | 01/14/03        | 08/20/22          | 1.170%           | 1,488,000          | 642,000                           | 718,000    |  |
| Park Rapids - dw01                          | 06/15/06        | 08/20/25          | 2.570%           | 859,259            | 548,000                           | 591,000    |  |
| Park Rapids - dw02                          | 08/20/13        | 08/20/33          | 1.597%           | 818,215            | 769,598                           | 445,208    |  |
| Paynesville - dw01                          | 11/14/13        | 08/20/33          | 1.000%           | 3,615,135          | 3,119,801                         | 1,322,916  |  |
| Pelican Rapids - dw01                       | 10/13/08        | 08/20/28          | 2.351%           | 280,648            | 209,000                           | 222,000    |  |
| Pelican Rapids - dw02                       | 07/10/12        | 08/20/31          | 1.009%           | 645,575            | 581,000                           | 611,838    |  |
| Perham - dw01                               | 11/19/99        | 08/20/19          | 2.790%           | 606,790            | 190,000                           | 225,000    |  |
| Perham - dw02                               | 01/22/09        | 08/20/28          | 2.743%           | 2,422,209          | 1,883,000                         | 1,992,000  |  |
| Perham - dw03                               | 08/08/11        | 08/20/26          | 1.391%           | 148,475            | 125,000                           | 135,000    |  |
| Pine River - dw01                           | 09/20/02        | 08/20/22          | 1.630%           | 167,260            | 74,000                            | 83,000     |  |
| Plainview - dw01                            | 06/15/06        | 08/20/21          | 2.630%           | 807,893            | 422,000                           | 476,000    |  |
| Plainview - dw02                            | 08/09/11        | 08/20/31          | 1.929%           | 275,304            | 245,422                           | 257,422    |  |
| Plummer - dw01                              | 12/13/11        | 08/20/41          | 1.000%           | 248,533            | 231,000                           | 238,000    |  |
| Princeton-PUC - dw01                        | 09/08/99        | 08/20/19          | 3.290%           | 670,000            | 217,000                           | 256,000    |  |
| Princeton-PUC - dw02                        | 06/10/04        | 08/20/23          | 2.530%           | 847,422            | 463,000                           | 508,000    |  |
| Red Lake Falls - dw01                       | 09/30/09        | 08/20/39          | 1.000%           | 360,901            | 308,000                           | 319,000    |  |
| Red Wing - dw01                             | 04/12/04        | 08/20/23          | 2.819%           | 15,283,450         | 8,235,000                         | 9,029,000  |  |
| Redwood Falls - dw01                        | 10/22/09        | 08/20/39          | 2.936%           | 6,083,071          | 5,382,000                         | 5,527,000  |  |
| Remer - dw01                                | 06/25/09        | 08/20/39          | 1.982%           | 79,748             | 70,000                            | 72,000     |  |
| Renville - dw01                             | 08/23/04        | 08/20/24          | 1.980%           | 266,453            | 147,000                           | 160,000    |  |
| Richmond - dw01                             | 08/07/13        | 08/20/33          | 1.000%           | 858,890            | 837,786                           | 789,471    |  |
| Rock County - dw01                          | 09/30/99        | 08/20/19          | 1.790%           | 1,460,000          | 429,000                           | 510,000    |  |
| Rock County - dw02                          | 04/03/07        | 08/20/26          | 1.020%           | 533,000            | 355,000                           | 383,000    |  |
| Rothsay - dw01                              | 11/04/03        | 08/20/23          | 1.990%           | 378,740            | 191,000                           | 210,000    |  |
| Royalton - dw01                             | 09/27/99        | 08/20/19          | 1.000%           | 458,452            | 124,000                           | 148,000    |  |
| Rush City - dw01                            | 03/05/99        | 08/20/18          | 1.540%           | 3,889,693          | 915,000                           | 1,135,000  |  |
| Rushford - dw01                             | 09/10/99        | 08/20/19          | 3.040%           | 765,000            | 242,000                           | 286,000    |  |
| Rushford - dw02                             | 05/15/08        | 08/20/27          | 1.352%           | 1,212,760          | 949,000                           | 1,015,000  |  |
| Rushford - dw03                             | 06/29/10        | 08/20/29          | 1.000%           | 1,171,855          | 918,000                           | 974,000    |  |
| Rushford - dw04                             | 07/24/14        | 08/20/34          | 1.000%           | 286,639            | 65,435                            | -          |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower                            | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |            |  |
|---|-----------------|-------------------|------------------|--------------------|-----------------------------------|------------|--|
|   |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014       |  |
| <b>Drinking Water Bond Fund, continued:</b> |                 |                   |                  |                    |                                   |            |  |
| Rushford Village - dw01                     | 08/10/12        | 08/20/32          | 1.469%           | \$ 305,167         | \$ 282,000                        | \$ 295,608 |  |
| Sabin - dw01                                | 07/19/05        | 08/20/24          | 2.720%           | 871,267            | 509,267                           | 553,267    |  |
| Saint Augusta - dw01                        | 07/14/03        | 08/20/22          | 2.819%           | 1,849,591          | 920,000                           | 1,021,000  |  |
| Saint Bonifacius - dw01                     | 02/17/10        | 08/20/29          | 1.709%           | 664,864            | 540,000                           | 571,000    |  |
| Saint Clair - dw01                          | 08/20/07        | 08/20/26          | 1.900%           | 1,246,721          | 848,000                           | 910,000    |  |
| Saint Cloud - dw01                          | 03/01/04        | 08/20/23          | 2.590%           | 1,381,672          | 739,672                           | 811,672    |  |
| Saint Cloud - dw02                          | 01/05/05        | 08/20/24          | 2.530%           | 2,527,278          | 1,443,350                         | 1,568,350  |  |
| Saint Cloud - dw03                          | 05/08/09        | 08/20/28          | 2.481%           | 6,167,901          | 4,782,000                         | 5,065,000  |  |
| Saint Cloud - dw04                          | 08/24/10        | 08/20/30          | 1.656%           | 7,736,790          | 6,375,000                         | 6,720,000  |  |
| Saint Francis - dw01                        | 12/18/07        | 08/20/27          | 2.563%           | 9,013,468          | 7,251,000                         | 7,561,000  |  |
| Saint James - dw01                          | 01/08/02        | 08/20/21          | 3.570%           | 2,230,000          | 975,000                           | 1,096,000  |  |
| Saint James - dw02                          | 05/19/10        | 08/20/29          | 2.104%           | 1,088,699          | 1,001,000                         | 1,026,000  |  |
| Saint Paul - dw02                           | 07/13/10        | 12/01/30          | 1.963%           | 5,960,000          | 5,184,000                         | 5,384,000  |  |
| Saint Paul - dw03                           | 07/13/10        | 12/01/30          | 1.962%           | 23,107,000         | 20,121,000                        | 20,901,000 |  |
| Saint Paul - dw04                           | 06/19/14        | 12/01/34          | 1.048%           | 2,200,000          | 2,101,067                         | -          |  |
| Saint Paul Park - dw01                      | 08/06/13        | 08/20/33          | 1.608%           | 960,953            | 941,468                           | 926,917    |  |
| Saint Peter - dw01                          | 03/12/09        | 08/20/28          | 2.482%           | 1,321,419          | 1,059,000                         | 1,122,000  |  |
| Saint Peter - dw02                          | 08/28/09        | 08/20/29          | 2.745%           | 15,713,534         | 14,832,000                        | 15,118,000 |  |
| Saint Peter - dw03                          | 03/29/10        | 08/20/29          | 1.710%           | 840,479            | 680,000                           | 719,000    |  |
| Sandstone - dw01                            | 07/28/99        | 08/20/19          | 2.110%           | 401,331            | 121,000                           | 144,000    |  |
| Sauk Centre - dw01                          | 11/05/98        | 08/20/18          | 3.540%           | 2,121,231          | 569,000                           | 699,000    |  |
| Savage - dw01                               | 08/06/99        | 08/20/19          | 3.620%           | 8,984,395          | 2,961,395                         | 3,493,395  |  |
| Sebeka - dw01                               | 10/15/02        | 08/20/22          | 1.130%           | 262,242            | 114,942                           | 128,942    |  |
| Silver Bay - dw01                           | 11/19/98        | 08/20/18          | 2.560%           | 642,000            | 162,000                           | 200,000    |  |
| Silver Bay - dw02                           | 06/04/07        | 08/20/26          | 1.650%           | 726,450            | 494,000                           | 531,000    |  |
| Sleepy Eye - dw01                           | 08/11/09        | 08/20/29          | 2.550%           | 3,592,533          | 2,849,000                         | 3,003,000  |  |
| South Saint Paul - dw01                     | 02/16/10        | 08/20/29          | 1.709%           | 2,568,810          | 2,085,000                         | 2,206,000  |  |
| Spring Lake Park - dw01                     | 07/08/03        | 08/20/23          | 2.819%           | 3,846,216          | 1,975,000                         | 2,165,000  |  |
| Staples - dw01                              | 03/24/03        | 08/20/22          | 1.490%           | 1,400,000          | 643,000                           | 717,000    |  |
| Stewart - dw01                              | 08/08/05        | 08/20/24          | 2.220%           | 719,342            | 416,000                           | 453,000    |  |
| Stewart - dw02                              | 09/15/12        | 08/20/41          | 1.000%           | 108,172            | 103,000                           | 106,000    |  |
| Stewart - dw03                              | 12/09/13        | 08/20/43          | 1.763%           | 42,750             | 14,850                            | 15,600     |  |
| Sturgeon Lake - dw01                        | 03/10/05        | 08/20/24          | 1.761%           | 2,476,541          | 1,647,000                         | 1,712,000  |  |
| Sturgeon Lake - dw02                        | 03/02/06        | 08/20/24          | 1.754%           | 248,165            | 164,000                           | 170,000    |  |
| Swanville - dw01                            | 07/07/09        | 08/20/29          | 1.544%           | 647,312            | 504,000                           | 534,000    |  |
| Swanville - dw02                            | 08/06/13        | 08/20/43          | 1.880%           | 953,866            | 934,000                           | 942,699    |  |
| Taylors Falls - dw01                        | 08/28/07        | 08/20/26          | 1.150%           | 1,015,254          | 753,000                           | 811,000    |  |
| Thomson - dw01                              | 09/08/03        | 08/20/23          | 2.680%           | 105,104            | -                                 | 37,000     |  |
| Tower - dw01                                | 01/20/00        | 08/20/19          | 1.860%           | 892,659            | 260,000                           | 310,000    |  |
| Trosky - dw01                               | 11/03/99        | 08/20/19          | 3.290%           | 131,670            | 42,000                            | 50,000     |  |
| Two Harbors - dw01                          | 06/30/99        | 08/20/19          | 3.040%           | 835,000            | 267,000                           | 316,000    |  |
| Two Harbors - dw02                          | 12/21/09        | 08/20/29          | 2.528%           | 2,175,783          | 1,741,000                         | 1,836,000  |  |
| Two Harbors - dw03                          | 05/11/10        | 08/20/29          | 1.665%           | 2,262,255          | 1,827,000                         | 1,933,000  |  |
| Tyler - dw01                                | 06/15/11        | 08/20/40          | 1.000%           | 4,957,924          | 4,635,000                         | 4,790,527  |  |
| Underwood - dw01                            | 11/13/01        | 08/20/21          | 2.570%           | 660,878            | 266,000                           | 300,000    |  |
| Utica - dw01                                | 09/19/01        | 08/20/21          | 2.070%           | 173,000            | 70,000                            | 79,000     |  |

**Loans Receivable by Fund:**

| Fund<br>Borrower  | Date of<br>Loan | Final<br>Maturity | Interest<br>Rate | Original           | Outstanding Principal at June 30, |             |  |
|---|-----------------|-------------------|------------------|--------------------|-----------------------------------|-------------|--|
|   |                 |                   |                  | Loan<br>Commitment | 2015                              | 2014        |  |
| <b>Drinking Water Bond Fund, continued:</b>             |                 |                   |                  |                    |                                   |             |  |
| Verndale - dw01   | 12/18/98        | 08/20/18          | 1.310%           | \$ 75,572          | \$ 16,000                         | \$ 20,000   |  |
| Verndale - dw02   | 06/18/09        | 08/20/29          | 2.056%           | 190,933            | 150,000                           | 158,000     |  |
| Virginia - dw01   | 11/08/99        | 08/20/19          | 3.040%           | 6,127,973          | 1,954,000                         | 2,311,000   |  |
| Wadena - dw01   | 07/30/02        | 08/20/22          | 2.670%           | 2,617,891          | 1,233,000                         | 1,370,000   |  |
| Walker - dw01   | 08/18/99        | 08/20/19          | 1.810%           | 1,877,758          | 550,980                           | 654,980     |  |
| Wanamingo - dw01  | 08/29/01        | 08/20/21          | 1.810%           | 1,660,000          | 663,000                           | 751,000     |  |
| Warren - dw01   | 06/24/11        | 08/20/30          | 1.000%           | 394,424            | 349,000                           | 369,000     |  |
| Warren - dw02   | 05/21/13        | 08/20/32          | 1.000%           | 972,472            | 943,012                           | 571,595     |  |
| Warren - dw03   | 09/24/14        | 08/20/34          | 1.000%           | 628,064            | 84,038                            | -           |  |
| Watertown - dw01  | 12/27/01        | 08/20/21          | 3.570%           | 2,456,978          | 1,077,000                         | 1,210,000   |  |
| Waverly - dw01  | 05/31/12        | 08/20/31          | 1.524%           | 371,059            | 308,554                           | 326,554     |  |
| West Concord - dw01                                     | 10/09/03        | 08/20/23          | 2.819%           | 234,105            | 122,000                           | 134,000     |  |
| Wilmont - dw01  | 07/20/10        | 08/20/39          | 1.052%           | 714,321            | 627,000                           | 648,945     |  |
| Windom - dw01   | 03/12/99        | 08/20/18          | 2.570%           | 3,151,838          | 317,440                           | 504,440     |  |
| Windom - dw02   | 06/28/99        | 08/20/19          | 2.290%           | 1,319,714          | 402,000                           | 477,000     |  |
| Winnebago - dw01  | 09/19/00        | 08/20/20          | 2.160%           | 1,910,364          | 670,000                           | 774,000     |  |
| Winsted - dw01  | 03/06/06        | 08/20/25          | 2.560%           | 573,926            | 366,000                           | 394,000     |  |
| Wrenshall - dw01  | 01/21/10        | 08/20/29          | 1.000%           | 390,617            | 309,000                           | 328,000     |  |
| Wykoff - dw01   | 05/10/04        | 08/20/23          | 2.340%           | 278,806            | 148,000                           | 163,000     |  |
| Wykoff - dw02   | 05/14/07        | 08/20/26          | 1.400%           | 470,195            | 315,000                           | 339,000     |  |
| Zimmerman - dw01  | 01/08/07        | 08/20/26          | 2.520%           | 2,009,068          | 1,336,000                         | 1,430,000   |  |
| Drinking Water Bond Fund totals                         |                 |                   |                  | 692,708,597        | 450,437,177                       | 441,766,216 |  |
| <b>Transportation Bond Fund:</b>                        |                 |                   |                  |                    |                                   |             |  |
| <b>Transportation Bond Fund Series 1999A / 2010-T1:</b> |                 |                   |                  |                    |                                   |             |  |
| Metropolitan Council - t101                             | 03/12/99        | 02/15/20          | 2.710%           | 21,025,000         | 1,935,000                         | 2,290,000   |  |
| <b>Transportation Bond Fund Series 2001 / 2010-T2:</b>  |                 |                   |                  |                    |                                   |             |  |
| Mazeppa - t201  | 10/26/99        | 08/20/14          | 2.480%           | 535,000            | -                                 | 44,000      |  |
| Newport - t201  | 11/28/01        | 08/20/15          | 1.390%           | 1,625,600          | 123,000                           | 244,000     |  |
| Ramsey County - t201                                    | 05/04/01        | 08/20/30          | 3.590%           | 6,872,000          | 4,697,000                         | 4,912,000   |  |
| Waite Park - t201                                       | 06/27/01        | 08/20/21          | 3.190%           | 2,100,000          | 889,000                           | 1,001,000   |  |
| Woodbury - t201   | 06/28/01        | 08/20/17          | 2.700%           | 13,049,400         | 726,670                           | 1,309,364   |  |
| Transportation Bond Fund Series 2001 / 2010-T2 totals   |                 |                   |                  | 24,182,000         | 6,435,670                         | 7,510,364   |  |
| <b>Transportation Bond Fund Series 2006A:</b>           |                 |                   |                  |                    |                                   |             |  |
| Stearns County - t301                                   | 12/12/06        | 02/20/20          | 2.346%           | 10,240,155         | 3,225,000                         | 3,740,000   |  |
| <b>Transportation Bond Fund Series 2008A:</b>           |                 |                   |                  |                    |                                   |             |  |
| Metropolitan Council - t401                             | 01/24/08        | 02/15/18          | 1.794%           | 10,000,000         | 2,680,000                         | 3,615,000   |  |
| Transportation Bond Fund totals                         |                 |                   |                  | 65,447,155         | 14,275,670                        | 17,155,364  |  |

**Loans Receivable by Fund:**

| Fund            | Date of     | Final           | Interest    | Original          | Outstanding Principal at June 30, |             |
|-----------------|-------------|-----------------|-------------|-------------------|-----------------------------------|-------------|
| <u>Borrower</u> | <u>Loan</u> | <u>Maturity</u> | <u>Rate</u> | <u>Loan</u>       | <u>2015</u>                       | <u>2014</u> |
|                 |             |                 |             | <u>Commitment</u> |                                   |             |

**Other Fund:**

**Transportation Revolving Loan Fund Direct Loans:**

|  |          |          |        |              |              |              |
|--|----------|----------|--------|--------------|--------------|--------------|
| Albertville - t001                                     | 03/23/12 | 08/20/32 | 1.277% | \$ 3,513,551 | \$ 3,234,851 | \$ 3,187,851 |
| Big Lake - t001  | 03/10/10 | 08/20/29 | 1.726% | 2,465,000    | 2,003,000    | 2,119,000    |
| Browerville - t001                                     | 06/11/14 | 08/20/34 | 1.000% | 1,239,330    | 1,239,330    | -            |
| Carver County - t001                                   | 10/17/14 | 08/20/30 | 1.000% | 18,000,000   | -            | -            |
| East Grand Forks - t001                                | 11/06/08 | 08/20/38 | 3.645% | 3,466,577    | 3,158,000    | 3,239,000    |
| Hubbard County - t001                                  | 09/25/07 | 08/20/18 | 2.477% | 1,780,163    | 610,000      | 789,000      |
| Jeffers - t001   | 04/12/10 | 08/20/29 | 1.660% | 329,687      | 258,000      | 273,000      |
| Minn Dept of Transportation - t002                     | 01/02/02 | 12/01/16 | 2.980% | 24,200,000   | 3,631,498    | 5,495,726    |
| Minn Dept of Transportation - t004                     | 11/19/06 | 12/01/21 | 2.210% | 3,030,150    | 1,383,327    | 1,564,746    |
| Minn Dept of Transportation - t005                     | 01/29/09 | 12/01/28 | 2.600% | 3,100,837    | 2,300,194    | 2,434,887    |
| Minn Dept of Transportation - t006                     | 12/04/08 | 12/01/28 | 3.229% | 2,325,000    | 1,771,768    | 1,871,633    |
| Minn Dept of Transportation - t008                     | 12/12/11 | 12/01/21 | 1.000% | 1,597,175    | 1,251,168    | 1,423,929    |
| Nisswa - t001  | 02/15/12 | 08/20/32 | 1.000% | 1,500,000    | 1,248,473    | 1,019,757    |
| Pennington County - t001                               | 08/29/01 | 08/20/21 | 3.140% | 1,731,285    | 722,000      | 813,000      |
| Pine County - t001                                     | 05/29/01 | 08/20/16 | 3.000% | 1,434,459    | 195,000      | 288,000      |
| Woodbury - t002  | 06/28/01 | 08/20/15 | 2.690% | 4,589,700    | 245,000      | 480,000      |
| Transportation Revolving Loan Fund Direct Loans totals |          |          |        | 74,302,913   | 23,251,609   | 24,999,528   |

**Wastewater Infrastructure (Wif) Loans:**

|  |          |          |        |            |            |            |
|--|----------|----------|--------|------------|------------|------------|
| Chisago Lakes JSTC - wi01                    | 07/20/06 | 02/20/27 | 0.000% | 236,319    | 236,319    | 236,319    |
| 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  |
| 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  |
| Renville - wi01                              | 04/12/10 | 08/20/37 | 0.000% | 3,158,442  | 3,158,442  | 3,158,442  |
| 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    | 126,660    | 126,660    |
| Sturgeon Lake - wi01                         | 02/21/07 | 08/20/35 | 0.000% | 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 totals |          |          |        | 24,635,986 | 18,443,063 | 24,480,342 |

**Special Appropriation Direct Loans:**

|                |          |          |        |           |         |         |
|----------------|----------|----------|--------|-----------|---------|---------|
| Stewart - sp01 | 04/22/02 | 08/20/21 | 1.000% | 1,000,000 | 396,000 | 450,000 |
|----------------|----------|----------|--------|-----------|---------|---------|

| <b>Loans Receivable by Fund:</b>         |             |                 |             |                      | Original                          |                      |  |
|--|-------------|-----------------|-------------|----------------------|-----------------------------------|----------------------|--|
| Fund                                     | Date of     | Final           | Interest    | Loan                 | Outstanding Principal at June 30, |                      |  |
| <u>Borrower</u>                          | <u>Loan</u> | <u>Maturity</u> | <u>Rate</u> | <u>Commitment</u>    | <u>2015</u>                       | <u>2014</u>          |  |
| <b>Other Fund, continued:</b>            |             |                 |             |                      |                                   |                      |  |
| <b>Small Community Wastewater Loans:</b> |             |                 |             |                      |                                   |                      |  |
| Biscay - sc01                            | 08/13/14    | 08/20/34        | 1.000%      | \$ 266,418           | \$ 82,733                         | \$ -                 |  |
| Doran - sc01                             | 02/22/11    | 08/20/22        | 1.000%      | 35,000               | 25,485                            | 28,759               |  |
| Fillmore County - sc01                   | 10/14/14    | 08/20/34        | 1.000%      | 172,353              | 74,163                            | -                    |  |
| Forest City Township - sc01              | 08/20/10    | 08/20/20        | 1.000%      | 43,268               | 20,993                            | 27,534               |  |
| Oronoco Township - sc01                  | 11/04/13    | 08/20/33        | 1.000%      | 75,752               | 53,432                            | 72,245               |  |
| Red Rock Township - sc01                 | 07/07/10    | 08/20/26        | 1.000%      | 147,318              | 94,517                            | 113,646              |  |
| Steele County - sc01                     | 08/26/12    | 08/20/23        | 1.000%      | 175,989              | 142,918                           | 158,968              |  |
| Taopi - sc01                             | 06/28/07    | 08/20/18        | 1.000%      | 135,411              | -                                 | 45,735               |  |
| Small Community Wastewater Loans:        |             |                 |             | 1,051,509            | 494,241                           | 446,888              |  |
| Other fund totals:                       |             |                 |             | 100,990,408          | 42,584,913                        | 50,376,758           |  |
| MPFA Totals                              |             |                 |             | <u>2,789,546,137</u> | <u>1,830,838,381</u>              | <u>1,812,274,529</u> |  |

Notes:

- (1) This list excludes those 124 loans, for approximately \$894 million, that were paid-in-full prior to July 1, 2014.
- (2) Henning Clean Water loan: \$500,000 of the principal amortized at -0% with the balance at 2.23%.
- (3) Walnut Grove Clean Water loan: \$500,000 of the principal amortized at -0% with the balance at 1.74%.
- (4) Metropolitan Council-15th Clean Water loan: this loan was created by a "prepayment agreement"; the original amount was 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 have been, and others may 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 been received as loan repayments would have been available for additional WIF grants in the future, primarily in fiscal years 2027 thru 2043.