Minnesota Public Facilities Authority

Minnesota Public Facilities Authority

(A Component Unit of the State of Minnesota)

Financial Report
June 30, 2014

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McGladrey

Independent Auditor's Report

Minnesota Public Facilities Authority
St. Paul, Minnesota

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and major funds of Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major funds of the Authority as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matter
As explained in Note 8 to the financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which resulted in the Authority's restating net position for debt issuance costs incurred prior to July 1, 2012.

Other Matters

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

McGladrey LLP

Minneapolis, Minnesota
October 30, 2014

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, 2014 and 2013. Please read it in conjunction with the financial statements and notes following this section.

Introduction and Discussion of the Authority's Operations:

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

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

Financial Statement Presentation:

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

- *Statement of Net Position* - This is presented in the format of assets (financial and capital resources) plus deferred outflows of resources, 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, 2014 are followed by statements for the fiscal year ended June 30, 2013 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, 2014, 2013, and 2012.

Minnesota Public Facilities Authority - Condensed Financial Statement Information

Condensed Statements of Net Position June 30, 2014, 2013, and 2012	2014	2013	2012
Assets:			
Cash and investments	$ 414,557,589.63	$ 485,626,590.34	$ 329,555,888.68
Loans receivable	1,812,274,528.62	1,800,706,194.65	1,991,814,282.24
Other	15,999,796.84	16,352,553.23	23,234,930.68
Total assets	2,242,831,915.09	2,302,685,338.22	2,344,605,101.60
Deferred Outflows of Resources:			
Deferred charge on debt refunding	18,012,155.00	21,662,451.00	25,760,350.00
Liabilities:			
Interest payable on bonds	15,764,194.84	16,979,604.16	18,102,783.00
Bonds payable	1,025,045,790.40	1,110,250,096.34	1,193,318,112.44
Other	4,530,583.12	4,926,771.50	9,678,002.30
Total liabilities	1,045,340,568.36	1,132,156,472.00	1,221,098,897.74
Net Position:			
Restricted	1,210,341,662.22	1,187,558,907.04	1,144,486,744.11
Unrestricted	5,161,839.51	4,632,410.18	4,779,809.75
Total net position	$ 1,215,503,501.73	$ 1,192,191,317.22	$ 1,149,266,553.86

Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position Years ended June 30, 2014, 2013, 2012	2014	2013	2012
Operating Revenues:			
Interest on loans	$ 39,216,438.79	$ 43,636,333.41	$ 45,411,518.18
Investment earnings	3,472,503.63	5,014,987.58	4,851,933.13
Grants, appropriations, and fees	32,592,875.30	40,046,157.10	50,627,611.67
Net incr (decr) in investment fair valu	(146,704.00)	(2,002,058.64)	(1,343,843.39)
Total operating revenues	75,135,113.72	86,695,419.45	99,547,219.59
Operating Expenses:			
Interest on bonds	41,994,391.26	44,765,052.08	48,107,737.47
Other	37,896,260.63	40,577,435.50	52,732,263.05
Total operating expenses	79,890,651.89	85,342,487.58	100,840,000.52
Operating income (loss)	(4,755,538.17)	1,352,931.87	(1,292,780.93)
Capital Contributions	28,067,722.68	44,581,257.48	29,483,613.26
Change in Net Position	23,312,184.51	45,934,189.35	28,190,832.33
Net Position at Beginning of Year *	1,192,191,317.22	1,146,257,127.87	1,121,075,721.53
Net Position at End of Year	$ 1,215,503,501.73	$ 1,192,191,317.22	$ 1,149,266,553.86

* 2013 beginning net position restated for GASB 65. See Note 8 to the financial statements.

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

The table below summarizes certain financial activities during the fiscal years 2014, 2013, and 2012:

	2014	2013	2012
Operating revenues and capital contributions from federal grants and state appropriations:			
Clean Water Bond Fund (CWBF):			
Federal capitalization grants	$ 18,893,680.00	$ 29,245,285.00	$ 25,851,249.53
Federal *Build America Bonds* revenue	1,311,523.33	1,432,681.51	1,424,794.50
State appropriations	5,173,800.00	5,487,600.00	
Drinking Water Bond Fund (DWBF):			
Federal capitalization grants	1,174,042.68	6,835,972.48	3,632,363.73
Federal *Build America Bonds* revenue	608,215.76	665,271.98	660,744.98
State appropriations	2,826,200.00	3,012,400.00	
Other Fund:			
Clean water federal grants	2,566,590.31	3,482,472.70	4,797,020.76
Drinking water federal grants	11,623,939.05	7,326,077.60	11,010,056.76
State appropriations and fees	16,482,606.85	27,139,653.31	32,734,994.67
	$ 60,660,597.98	$ 84,627,414.58	$ 80,111,224.93

Bonds Payable (par):	issued			
	defeased			
	redeemed	(73,825,000.00)	(70,550,000.00)	(70,060,000.00)
	net change	$ (73,825,000.00)	$ (70,550,000.00)	$ (70,060,000.00)
Loans Receivable:	disbursed	130,653,065.06	141,270,224.76	177,724,182.77
	repaid	(115,532,613.09)	(332,378,312.35)	(129,891,990.55)
	net change	$ 15,120,451.97	$ (191,108,087.59)	$ 47,832,192.22

During the fiscal years ended June 30, 2014, 2013, and 2012, net position changed by: $23.3, $45.9, and $28.2 million, respectively. Volatility in this change is due largely to the timing of federal and state capital contributions: $28.1, $44.6, and $29.5 million, respectively.

The weighted average interest rate on outstanding loan balances at June 30, 2014, 2013, and 2012 was 2.18%, 2.24%, and 2.43%, respectively.

The weighted average investment earnings rate (earnings ÷ average daily cash and investments balance) during fiscal years 2014, 2013, and 2012 was 0.66%, 0.84%, and 1.39%.

Loan and grant approvals for the last three fiscal years were $148.7 million (70 contracts) in fiscal year 2014, $104.5 million (52 contracts) in fiscal year 2013, and $239 million (98 contracts) in fiscal year 2012.

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, 2014 was $971,060,000.

During fiscal years 2012 through 2014, 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, 2014 were approximately $824 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 2014, 2013, and 2012, the Authority transferred out $0.9 million, $-0-, and $1.818 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 481 loan commitments to 274 borrowers for approximately $2.66 billion. The largest borrower, at approximately $512.1 million in outstanding loans as of June 30, 2014, 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, 2014 were approximately $281 million, net of nonpledged set-asides and principal forgiveness. The fund has made 338 loan commitments to 236 borrowers for approximately $666 million. The largest borrower, at approximately $84.1 million in outstanding loans as of June 30, 2014, is the City of Minneapolis.

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

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

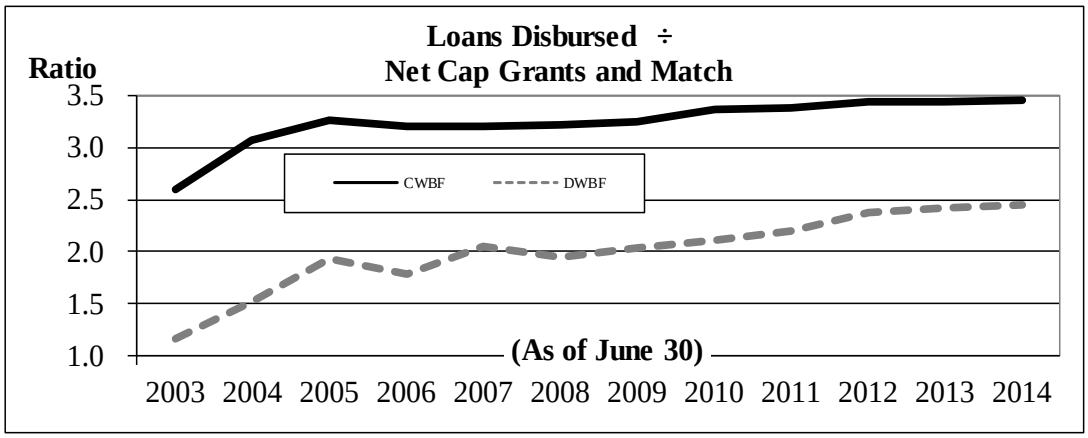
Criteria used in evaluating the financial results and conditions of the bond funds include:

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

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

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

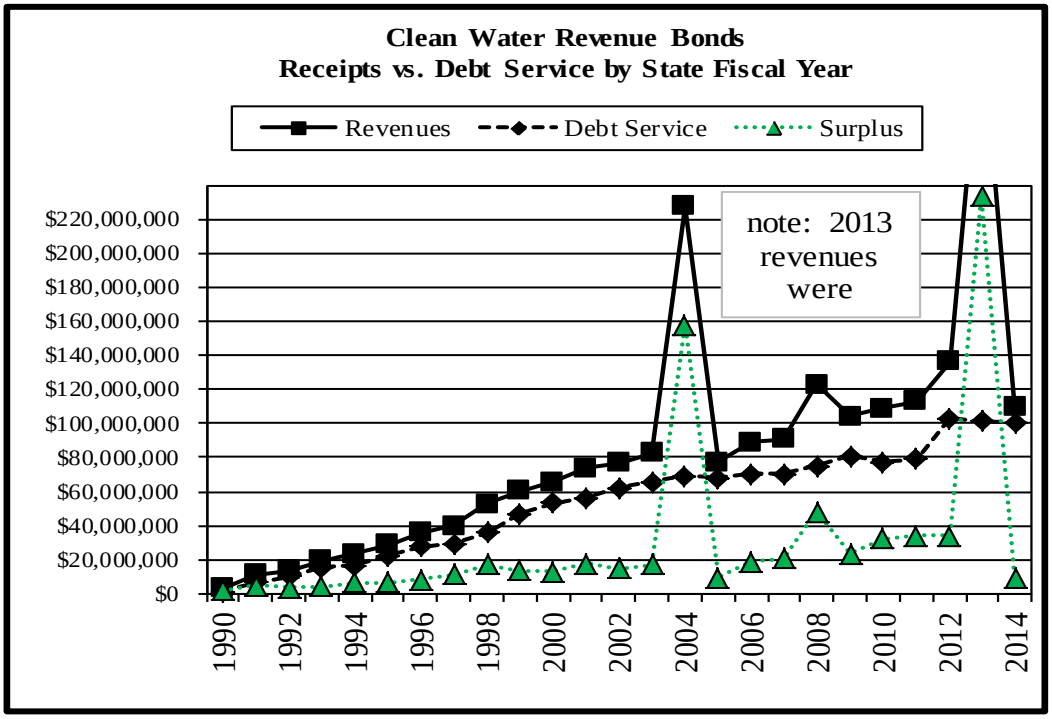
Clean Water and Drinking Water Bond Fund Programs
Leveraging of Federal Capitalization Grants and State Match

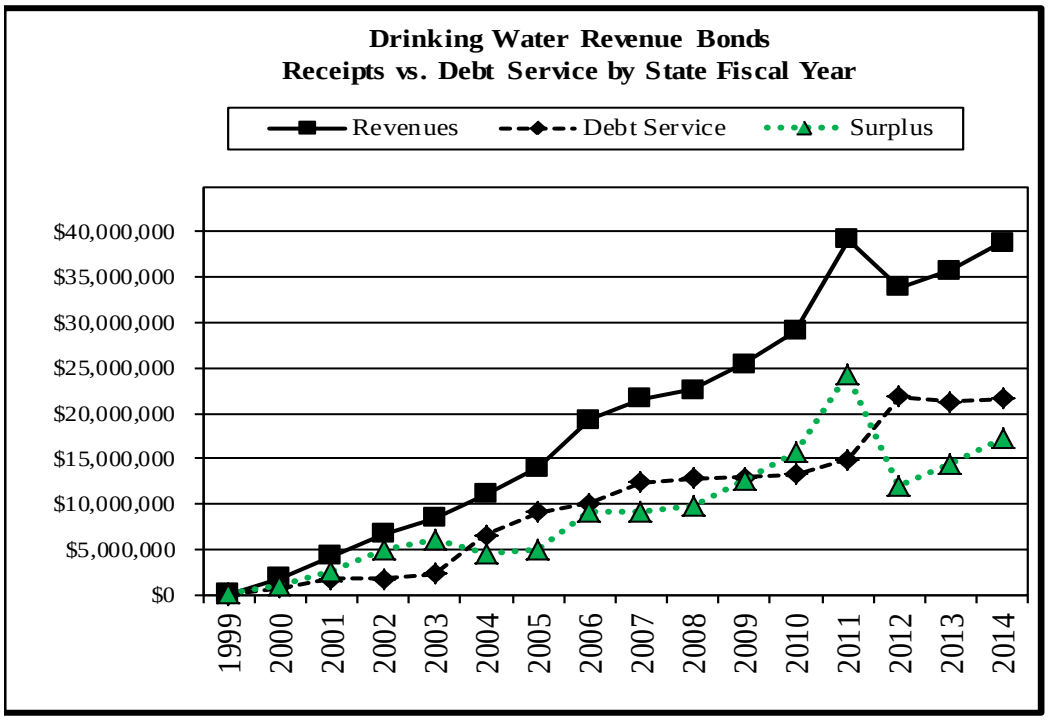


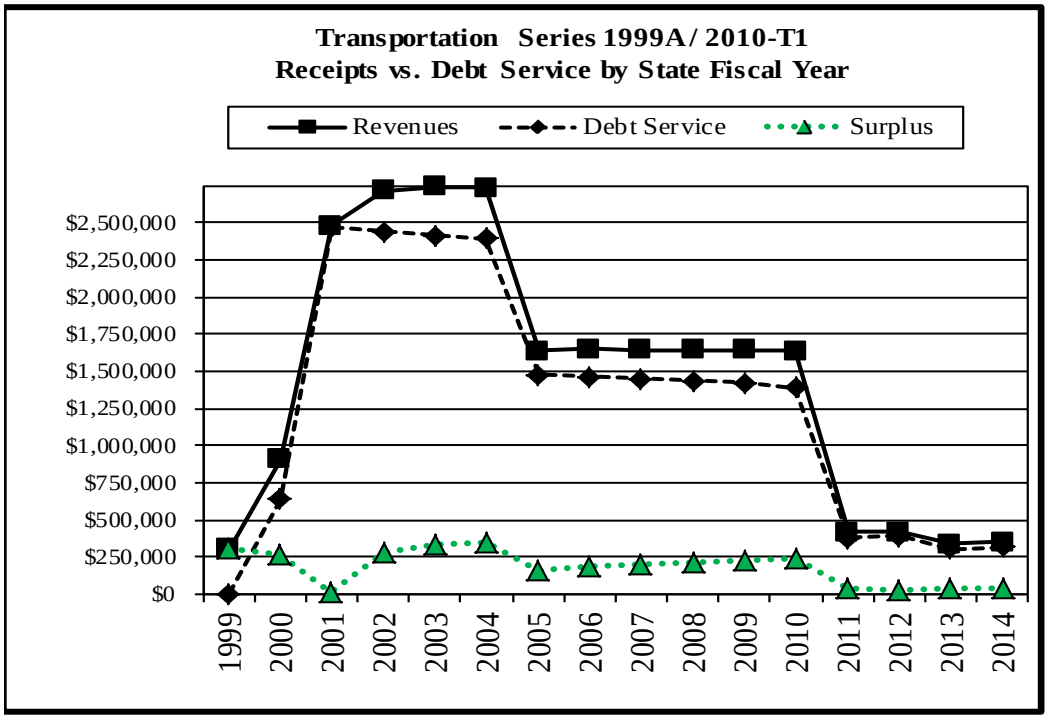
Analysis of historical cash flow sufficiency to make debt service payments:

The following charts show each bond fund's cash flow history to date in meeting debt service payments. Annual total bond fund 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 1999A / 2010-T1
Receipts vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,500,000
$2,250,000
$2,000,000
$1,750,000
$1,500,000
$1,250,000
$1,000,000
$750,000
$500,000
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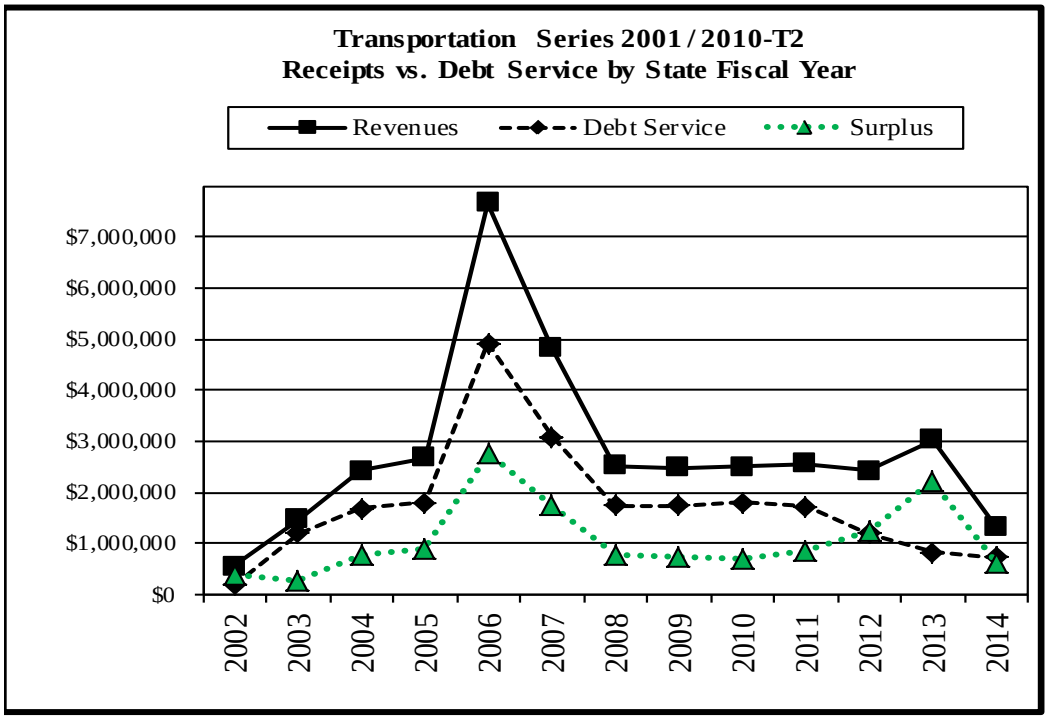
Transportation Series 2001 / 2010-T2
Receipts vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
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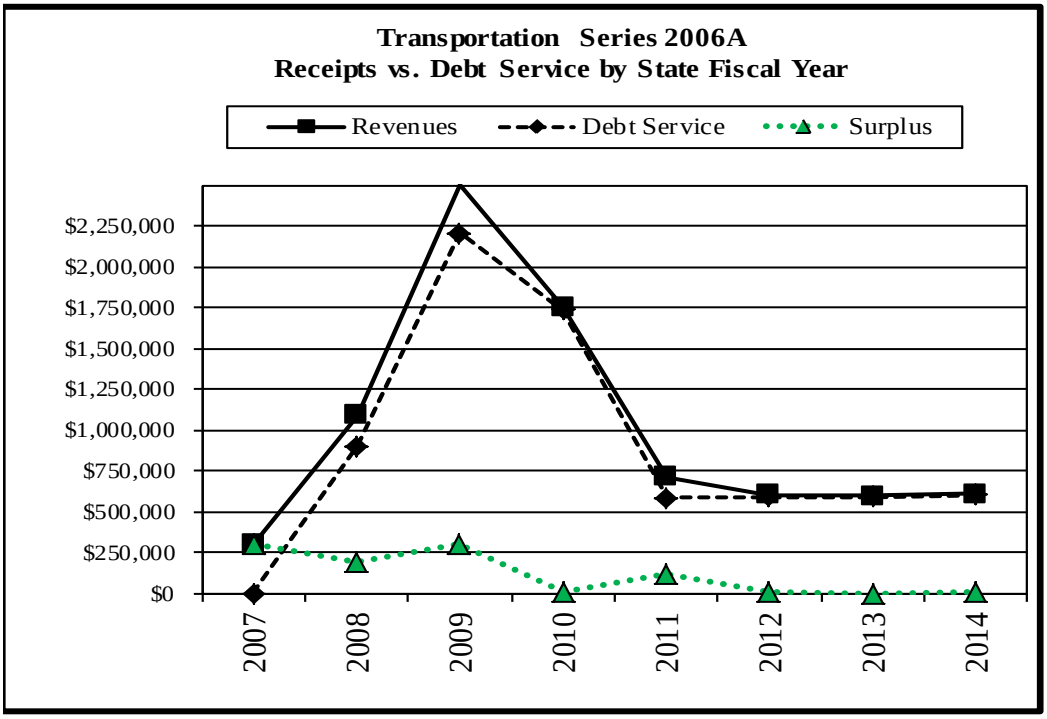
Transportation Series 2006A
Receipts vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,250,000
$2,000,000
$1,750,000
$1,500,000
$1,250,000
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$750,000
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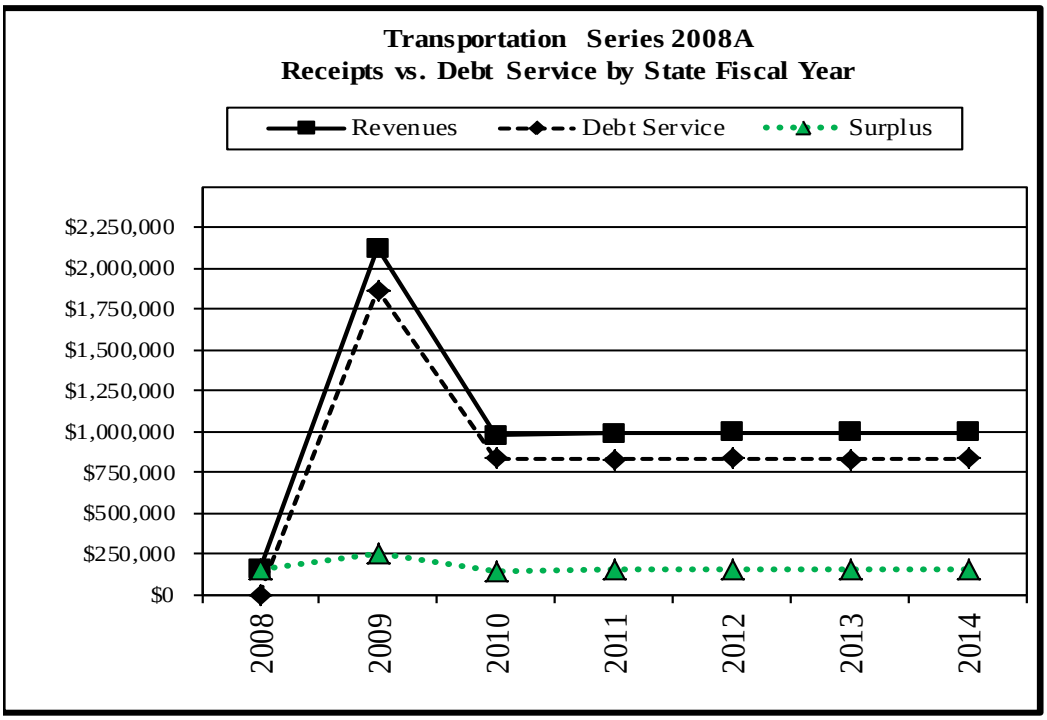
2014


Transportation Series 2008A
Receipts vs. Debt Service by State Fiscal Year
Revenues
Debt Service
Surplus
$2,250,000
$2,000,000
$1,750,000
$1,500,000
$1,250,000
$1,000,000
$750,000
$500,000
$250,000
$0
2008
2009
2010
2011
2012
2013
2014

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

	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund			
			Series 1999A / 2010-T1	Series 2001 / 2010-T2	Series 2006A	Series 2008A
Current ratios						
June 30, 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
June 30, 2012	7.13	5.96	1.36	3.85	3.10	1.30
Debt ratios						
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
June 30, 2012	0.54	0.44	0.77	0.37	0.74	0.79
Operating Income ratios						
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
FY 2012	0.92	1.15	1.32	3.57	0.65	0.62
Debt Service Coverage						
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
FY 2012	1.33	1.55	1.06	2.03	1.01	1.19

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

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

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

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

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

Sub-Grants	MPCA Clean Water Partnership	Agriculture Best Mgmt Practices	Health Drinking Water Set-Asides
New allocations	$ 858,865	$ -	$ 6,590,760
Grant expense	858,865	-	4,895,866

State Appropriations – The Authority received multiple appropriations during the 2014 and 2013 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, 2014

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
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
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	368,337,562.13	84,623,239.28	3,922,011.05	46,987,213.01	503,870,025.47
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	1,263,174,532.23	414,147,787.90	14,893,070.29	46,746,499.20	1,738,961,889.62
Total assets	1,631,512,094.36	498,771,027.18	18,815,081.34	93,733,712.21	2,242,831,915.09
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on debt refunding	17,545,588.00	436,742.00	29,825.00		18,012,155.00
LIABILITIES					
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	75,771,268.00	15,514,406.00	2,218,428.17	3,437,981.90	96,942,084.07
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	830,121,283.38	200,082,090.10	11,414,293.98	3,722,900.90	1,045,340,568.36
NET POSITION					
Restricted by bond resolutions	818,936,398.98	299,125,679.08	7,430,612.36		1,125,492,690.42
Restricted by legislation				84,848,971.80	84,848,971.80
Unrestricted				5,161,839.51	5,161,839.51
Total net position	$ 818,936,398.98	$ 299,125,679.08	$ 7,430,612.36	$ 90,010,811.31	$ 1,215,503,501.73

see accompanying notes to the financial statements

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

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	$ 357,811,490.18	$ 49,665,648.18	$ 973,025.72	$ 37,892,758.26	$ 446,342,922.34
Loans receivable	76,481,979.00	29,210,468.00	2,753,000.00	3,881,544.00	112,326,991.00
Federal grants receivable				1,350,634.23	1,350,634.23
Accrued interest receivable:					
Investments	476,555.00		5,929.00		482,484.00
Loans	10,403,714.00	3,600,766.00	169,400.00	345,555.00	14,519,435.00
Total current assets	445,173,738.18	82,476,882.18	3,901,354.72	43,470,491.49	575,022,466.57
Noncurrent assets:					
Investments	38,746,668.00		537,000.00		39,283,668.00
Loans receivable	1,194,196,707.07	423,866,698.82	17,200,663.53	53,115,134.23	1,688,379,203.65
Total noncurrent assets	1,232,943,375.07	423,866,698.82	17,737,663.53	53,115,134.23	1,727,662,871.65
Total assets	1,678,117,113.25	506,343,581.00	21,639,018.25	96,585,625.72	2,302,685,338.22
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on debt refunding	21,066,872.00	556,465.00	39,114.00		21,662,451.00
LIABILITIES					
Current liabilities:					
Accounts payable & other				4,315,569.59	4,315,569.59
Interest payable on bonds	13,645,435.00	3,184,990.00	149,179.16		16,979,604.16
Arbitrage rebate liability					-
Compensated absences payable				38,237.00	38,237.00
Bonds payable	59,750,000.00	12,050,000.00	2,025,000.00		73,825,000.00
Total current liabilities	73,395,435.00	15,234,990.00	2,174,179.16	4,353,806.59	95,158,410.75
Noncurrent liabilities:					
Bonds payable	826,786,241.16	198,299,152.56	11,339,702.62		1,036,425,096.34
Arbitrage rebate liability	238,621.66	36,457.52	5,623.73		280,702.91
Compensated absences payable				292,262.00	292,262.00
Total liabilities	900,420,297.82	213,570,600.08	13,519,505.51	4,646,068.59	1,132,156,472.00
NET POSITION					
Restricted by bond resolutions	798,763,687.43	293,329,445.92	8,158,626.74		1,100,251,760.09
Restricted by legislation				87,307,146.95	87,307,146.95
Unrestricted				4,632,410.18	4,632,410.18
Total net position	$ 798,763,687.43	$ 293,329,445.92	$ 8,158,626.74	$ 91,939,557.13	$ 1,192,191,317.22

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				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
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 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	30,423,922.28	9,906,630.04	441,649.53	34,362,911.87	75,135,113.72
Operating expenses:					
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	33,517,420.33	8,110,639.56	366,331.37	37,896,260.63	79,890,651.89
Operating income (loss)	(3,093,498.05)	1,795,990.48	75,318.16	(3,533,348.76)	(4,755,538.17)
Capital Contributions:					
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	24,067,480.00	4,000,242.68	-	-	28,067,722.68
Transfers in (out)	(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
Total net position:					
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	$ 818,936,398.98	$ 299,125,679.08	$ 7,430,612.36	$ 90,010,811.31	$1,215,503,501.73

see accompanying notes to the financial statements

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

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
Interest on loans	$ 30,572,682.03	$ 9,481,762.60	$ 456,431.86	$ 3,125,456.92	$ 43,636,333.41
Investment earnings	4,449,156.67	532,111.69	12,429.39	21,289.83	5,014,987.58
Net increase (decrease) , fair value of investments	(1,899,959.00)	(102,099.64)			(2,002,058.64)
Federal grants-operating	1,432,681.51	665,271.98		10,808,550.30	12,906,503.79
State appropriations and fees				27,139,653.31	27,139,653.31
Total operating revenues	34,554,561.21	10,577,046.63	468,861.25	41,094,950.36	86,695,419.45
Operating expenses:					
Interest on bonds	35,860,078.49	8,491,525.42	413,448.17		44,765,052.08
Salaries and employee benefits				2,093,156.47	2,093,156.47
Other general operating				938,585.28	938,585.28
Grants				37,545,693.75	37,545,693.75
Total operating expenses	35,860,078.49	8,491,525.42	413,448.17	40,577,435.50	85,342,487.58
Operating income (loss)	(1,305,517.28)	2,085,521.21	55,413.08	517,514.86	1,352,931.87
Capital Contributions:					
Federal Grants	29,245,285.00	6,835,972.48			36,081,257.48
State Match	5,487,600.00	3,012,400.00		-	8,500,000.00
Total capital contributions	34,732,885.00	9,848,372.48	-	-	44,581,257.48
Transfers in (out)	57,138.90		(2,419,169.86)	2,362,030.96	-
Change in net position	33,484,506.62	11,933,893.69	(2,363,756.78)	2,879,545.82	45,934,189.35
Total net position:					
Beginning of year, as restated (see Note 8)	765,279,180.81	281,395,552.23	10,522,383.52	89,060,011.31	1,146,257,127.87
End of year	$ 798,763,687.43	$ 293,329,445.92	$ 8,158,626.74	$ 91,939,557.13	$1,192,191,317.22

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

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
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
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	107,456,290.87	39,082,821.14	3,245,034.11	2,659,774.13	152,443,920.25
Non capital financing activities:					
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)
Payments to make loans	(111,929,976.67)	(17,899,516.68)		(823,571.71)	(130,653,065.06)
Cash transfers	(801,270.40)		(803,332.54)	1,604,602.94	-
Net cash provided (used) in non capital financing activities:	(189,350,071.07)	(35,504,243.02)	(3,275,870.04)	781,031.23	(227,349,152.90)
Investing activities:					
Investment interest	3,477,112.15	323,445.98	26,911.26	155,466.55	3,982,935.94
Net cash provided in investing activities	3,477,112.15	323,445.98	26,911.26	155,466.55	3,982,935.94
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	$ 279,394,822.13	$ 53,567,672.28	$ 969,101.05	$ 41,489,030.17	$ 375,420,625.63
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
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
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 revenues	339,151.00	163,627.00	21,713.00	(171,734.61)	352,756.39
Accrued expenses	(607,013.77)	(70,041.52)	(11,374.72)	(923,167.69)	(1,611,597.70)
Net cash provided in operating activities	$ 107,456,290.87	$ 39,082,821.14	$ 3,245,034.11	$ 2,659,774.13	$ 152,443,920.25

see accompanying notes to the financial statements

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

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	$ 33,927,687.03	$ 9,502,792.60	$ 522,622.86	$ 3,192,603.92	$ 47,145,706.41
Principal received on loans	295,689,628.24	25,608,183.39	4,414,491.48	6,666,009.24	332,378,312.35
Federal grants - operating	1,432,681.51	665,271.98		10,836,698.76	12,934,652.25
State appropriations, and fees				27,139,653.31	27,139,653.31
Payments to employees				(2,138,522.61)	(2,138,522.61)
Payments to vendors				(1,082,806.02)	(1,082,806.02)
Payments to grantees				(36,752,562.91)	(36,752,562.91)
Payments to sub-recipients				(4,352,338.85)	(4,352,338.85)
Net cash provided in operating activities	331,049,996.78	35,776,247.97	4,937,114.34	3,508,734.84	375,272,093.93
Non capital financing activities:					
Capital contributions - federal	29,245,285.00	6,835,972.48			36,081,257.48
Capital contributions - state	5,487,600.00	3,012,400.00			8,500,000.00
Interest paid on bonds	(43,726,704.00)	(10,068,869.02)	(512,775.00)		(54,308,348.02)
Principal paid on bonds	(57,290,000.00)	(11,220,000.00)	(2,040,000.00)		(70,550,000.00)
Payments to make loans	(103,322,362.87)	(32,612,959.46)		(5,334,902.43)	(141,270,224.76)
Cash transfers	57,138.90		(2,419,169.86)	2,362,030.96	-
Net cash provided (used) in non capital financing activities:	(169,549,042.97)	(44,053,456.00)	(4,971,944.86)	(2,972,871.47)	(221,547,315.30)
Investing activities:					
Investment interest	4,415,869.31	481,814.94	18,053.12	21,289.83	4,937,027.20
Arbitrage payments to the IRS	(568,396.45)	(20,649.08)			(589,045.53)
Purchases of investments	(13,692,542.00)				(13,692,542.00)
Proceeds from sale & maturities	21,715,446.00	4,021,030.36			25,736,476.36
Net cash provided in investing activities	11,870,376.86	4,482,196.22	18,053.12	21,289.83	16,391,916.03
Net increase (decrease) in cash and cash equivalents	173,371,330.67	(3,795,011.81)	(16,777.40)	557,153.20	170,116,694.66
Cash and cash equivalents:					
Beginning of year	184,440,159.51	53,460,659.99	989,803.12	37,335,605.06	276,226,227.68
End of year	$ 357,811,490.18	$ 49,665,648.18	$ 973,025.72	$ 37,892,758.26	$ 446,342,922.34
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(1,305,517.28)	2,085,521.21	55,413.08	517,514.86	1,352,931.87
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Principal received on loans	295,689,628.24	25,608,183.39	4,414,491.48	6,666,009.24	332,378,312.35
Interest paid on bonds	43,726,704.00	10,068,869.02	512,775.00		54,308,348.02
Investment earnings	(4,415,869.31)	(481,814.94)	(18,053.12)	(21,289.83)	(4,937,027.20)
Arbitrage payments to the IRS	568,396.45	20,649.08			589,045.53
Net change, investment fair value	1,899,959.00	102,099.64			2,002,058.64
Net amortizations	(6,936,492.51)	(1,406,043.60)	(77,580.99)		(8,420,117.10)
Changes in assets and liabilities:					
Accrued revenues	3,642,291.00	69,174.00	66,191.00	95,295.46	3,872,951.46
Accrued expenses	(1,819,102.81)	(290,389.83)	(16,122.11)	(3,748,794.89)	(5,874,409.64)
Net cash provided in operating activities	$ 331,049,996.78	$ 35,776,247.97	$ 4,937,114.34	$ 3,508,734.84	$ 375,272,093.93

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013

1. *Summary of Significant Accounting Policies*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bond Discounts, Premiums, and Issuance Costs - Bond discounts 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 discreetly presented component unit of the State of Minnesota and is exempt from federal and state income taxes.

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

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

Use of Estimates - The presentation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

2. *Deposits and Investments*

Deposits – The Authority's investment policy requires it to follow Minnesota state statutes. Cash deposits are invested in a state pool and the balances are insured or collateralized in accordance with statutes. At June 30, 2014 and 2013, $373,817,245 and $443,419,042, respectively, of cash deposits were interest-bearing and $1,603,381 and $2,923,880, respectively, were non-interest-bearing.

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

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

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

Credit Risk - Excluding U.S. Government-backed securities, the Authority's investments at June 30, 2014 and 2013 carried the following ratings by the three nationally recognized statistical rating organizations shown:

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

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

Concentration of Credit Risk: For the investments held by the Authority at June 30, 2014 and 2013, state law and Authority investment policy places no limits on the amount that may be invested in any one issuer. Excluding U.S. Government-backed securities, more than 5% of the Authority's investments are in the following issuers:

	June 30, 2014		June 30, 2013	
Issuer	Fair Value	% of Investments	Fair Value	% of Investments
Federal Home Loan Mortgage Corporation	$ 6,088,280	16%	$ 6,261,585	16%
Texas, State of	5,867,131	15%	5,875,317	15%
Minneapolis MN	5,615,545	14%	5,446,932	14%
Dallas, TX S.D.	5,030,550	13%	5,268,150	13%
Guaranteed Investment Contracts:AIGMFC	3,265,500	8%	3,265,500	8%
Federal Farm Credit Banks	2,932,305	7%	3,009,420	8%
Brown County WI	3,055,180	8%	2,981,516	8%

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

		Investment Maturities (in Years)				
Investment type	Fair Value	less than 1	1 to 5	6 to 10	more than 10	WAM [1]
U.S. Treasury SLGS	$ 537,000	$ -	$ -	$ 537,000	$ -	6.29
Federal Farm Credit Banks	2,932,305		2,932,305			2.54
Federal Home Loan Mortgage Corporation	6,088,280		6,088,280			2.63
Guaranteed Investment 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
totals	$ 39,136,964	$ -	$ 15,408,363	$ 5,886,679	$ 17,841,921	9.03

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

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

3. Loans Receivable

Loans receivable at June 30, 2014 and 2013 consisted of the following:

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	Outstanding Principal at June 30, 2013
Clean Water Bond Fund:						
Aitkin - cw01	10/15/97	02/20/18	2.240%	$ 525,000	$ 124,491	$ 153,919
Aitkin - cw02	07/15/03	08/20/23	1.000%	1,009,719	566,000	620,000
Albany - cw01	04/21/03	02/20/22	3.490%	1,296,061	656,000	726,000
Albertville - cw01	10/19/93	08/20/14	3.320%	1,454,514	35,698	144,736
Alborn Township - cw01	07/07/08	08/20/20	1.000%	280,571	143,000	163,000
Alexandria LASR - cw01	08/13/07	08/20/27	1.240%	4,968,093	3,635,784	3,871,784
Alexandria LASR - cw02	03/12/12	08/20/31	1.413%	228,823	220,000	228,823
Alvarado - cw01	10/16/98	02/20/20	1.000%	677,980	217,702	252,748
Annandale - cw01	08/17/07	08/20/26	2.220%	16,036,613	12,464,000	13,283,000
Appleton - cw01	07/13/06	08/20/25	1.070%	1,331,574	927,000	999,000
Arlington - cw01	06/23/11	08/20/31	1.000%	4,141,932	3,846,386	3,997,211
Atwater - cw01	06/15/11	08/20/30	1.776%	496,770	463,770	487,770
Aurora - cw01	06/24/08	08/20/27	1.277%	2,700,000	2,028,000	2,160,000
Avon - cw01	11/18/02	08/20/32	1.000%	7,943,904	4,937,789	4,997,789
Bagley - cw01	07/01/98	08/20/19	1.000%	1,654,075	481,236	566,186
Barnesville - cw01	07/31/06	08/20/25	1.560%	4,137,640	2,895,000	3,113,000
Barnesville - cw02	09/13/11	08/20/31	1.000%	512,203	474,000	498,245
Battle Lake - cw01	06/18/03	08/20/22	1.000%	1,698,073	900,000	995,000
Beaver Bay - cw01	10/13/10	08/20/40	1.000%	440,099	351,281	364,281
Beaver Creek - cw01	09/23/94	08/20/15	3.600%	103,102	10,424	17,107
Belle Plaine - cw01	01/27/03	08/20/22	1.990%	10,565,764	5,480,000	6,031,000
Benson - cw01	07/26/04	08/20/24	1.980%	4,296,201	2,679,000	2,895,000
Big Lake - cw01	09/24/09	08/20/29	2.414%	13,470,120	12,520,000	12,795,000
Bird Island - cw01	11/13/06	08/20/26	1.000%	4,194,000	3,257,000	3,491,000
Blooming Prairie - cw01	10/12/10	08/20/30	1.000%	2,173,590	1,869,000	1,969,811
Blue Earth - cw01	03/30/00	08/20/20	1.290%	3,290,170	1,307,000	1,484,000
Blue Earth - cw02	07/03/07	08/20/26	1.400%	716,592	544,000	582,000
Blue Earth - cw03	07/20/09	08/20/29	2.603%	699,230	583,000	612,000
Blue Earth - cw04	07/06/10	08/20/25	1.448%	1,791,176	1,428,176	1,518,491
Blue Earth - cw05	04/16/12	08/20/26	1.407%	529,757	499,757	521,431
Blue Earth - cw06	07/01/13	08/20/28	1.202%	413,753	394,873	-
Brainerd - cw01	03/12/08	08/20/17	2.230%	1,965,098	839,000	1,037,000
Brainerd - cw02	06/24/09	08/20/28	3.233%	25,966,788	21,819,000	22,936,000
Breckenridge - cw01	07/22/08	08/20/27	2.802%	1,461,216	1,144,000	1,210,000
Brooten - cw01	08/27/07	08/20/27	1.000%	1,892,040	1,427,000	1,522,000
Browerville - cw03	11/19/04	08/20/24	1.000%	493,048	292,000	317,000
Brownton - cw01	01/06/10	08/20/30	1.000%	813,910	691,000	728,000
Butterfield - cw01	08/02/10	08/20/30	1.536%	2,210,104	1,995,000	2,097,000
Caledonia - cw01	02/07/94	02/20/15	3.440%	606,675	40,885	80,399
Caledonia - cw02	07/09/12	08/20/31	1.519%	1,905,770	1,800,918	1,475,800
Cambridge - cw03	09/17/13	08/20/32	1.000%	15,062,300	7,030,847	-
Canby - cw01	07/20/10	08/20/39	1.349%	4,860,517	4,529,000	4,674,000
Cannon Falls - cw01	06/27/01	08/20/21	3.070%	4,529,000	2,266,000	2,513,000
Cannon Falls - cw02	11/20/01	08/20/22	2.860%	8,021,909	4,239,909	4,647,909
Canosia Township - cw01	09/10/99	08/20/20	1.290%	2,517,810	946,624	1,079,783
Carver - cw01	02/16/00	08/20/19	2.860%	1,188,000	440,000	507,000
Cass County - cw01	06/23/97	02/20/19	1.130%	1,366,190	404,022	482,131

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Cass Lake - cw01	02/14/94	02/20/15	1.940%	276,364	-	32,480
Cedar Lake Area WSSDB - cw01	07/26/01	08/20/21	1.570%	3,225,000	1,014,820	1,195,800
Central Iron Range SSD - cw01	08/31/11	08/20/30	1.508%	759,034	577,709	426,978
Central Iron Range SSD - cw02	08/31/11	08/20/41	2.279%	7,361,329	7,150,000	6,880,785
Chandler - cw01	09/24/02	08/20/23	1.000%	1,348,589	713,490	781,490
Chisago Lakes JSTC - cw01	11/01/04	08/20/24	2.230%	13,019,689	6,944,960	7,496,960
Chisago Lakes JSTC - cw02	07/20/06	08/20/25	1.000%	3,917,643	2,610,000	2,814,000
Chisholm - cw01	05/17/94	02/20/15	3.820%	2,150,644	150,442	295,297
Clara City - cw01	08/19/97	08/20/18	2.740%	2,138,045	419,817	571,620
Clear Lake - cw01	07/30/97	02/20/19	3.080%	223,506	69,196	81,822
Clear Lake - cw02	01/12/09	08/20/28	1.153%	1,889,177	1,691,000	1,759,000
Clear Lake - cw03	08/03/09	08/20/39	1.000%	95,301	84,000	87,000
Clearwater - cw01	07/23/97	02/20/19	2.080%	1,654,550	479,678	569,804
Clearwater - cw02	11/18/08	08/20/27	1.697%	7,700,145	6,124,000	6,509,000
Cokato - cw01	10/26/94	02/20/16	3.320%	2,760,000	364,644	538,157
Cold Spring - cw01	02/24/04	08/20/23	2.490%	7,802,416	3,916,000	4,257,000
Cologne - cw01	01/03/97	02/20/18	3.320%	1,538,699	374,547	465,352
Comfrey - cw01	06/23/10	08/20/39	1.000%	622,459	561,329	582,329
Cottonwood - cw01	05/03/04	08/20/24	2.230%	895,920	563,000	608,000
Cottonwood Township - cw01	03/12/99	08/20/20	1.290%	391,546	147,707	167,707
Cottonwood Township - cw02	09/22/99	08/20/20	1.290%	140,296	55,000	62,000
Cross Lake Area WSSD - cw01	07/09/97	02/20/19	2.880%	2,035,802	622,704	736,913
Dassel - cw01	07/30/02	08/20/22	1.380%	1,610,153	821,000	906,000
Dassel - cw02	08/19/13	08/20/33	1.000%	788,030	734,640	-
Dawson - cw01	08/10/04	08/20/24	1.730%	1,788,670	1,106,000	1,197,000
Dayton - cw01	08/16/00	08/20/21	3.250%	986,395	306,000	339,000
Delano - cw01	05/24/95	08/20/16	4.620%	2,480,000	445,810	610,793
Delano - cw02	10/16/98	02/20/20	2.980%	1,150,000	418,569	481,429
Delano - cw03	07/22/03	08/20/22	2.090%	11,054,217	6,099,000	6,709,000
Detroit Lakes - cw01	09/10/93	08/20/14	2.820%	2,552,820	80,104	236,986
Detroit Lakes - cw02	12/19/95	02/20/17	2.930%	3,754,889	710,749	934,213
Dilworth - cw01	03/22/00	08/20/20	3.070%	1,849,510	794,000	894,000
Dover-Eyota-Saint Charles SD - cv	05/30/02	08/20/21	3.293%	1,573,871	792,000	877,000
Dover-Eyota-Saint Charles SD - cv	08/16/11	08/20/31	1.869%	1,567,234	1,463,000	1,531,921
Duluth - cw01	07/24/02	08/20/18	1.000%	364,195	130,000	155,000
Duluth - cw02	10/17/03	08/20/18	1.340%	1,179,115	453,000	540,000
Duluth - cw03	06/11/07	08/20/22	1.150%	1,973,033	1,348,000	1,489,000
Duluth - cw04	06/17/09	08/20/24	1.969%	796,835	619,000	669,000
Duluth - cw05	12/10/09	08/20/24	2.017%	2,414,150	1,932,000	2,087,000
Duluth - cw06	08/31/10	08/20/25	1.258%	8,504,224	6,825,839	7,383,334
Duluth - cw07	08/31/10	08/20/25	1.258%	3,753,059	3,060,000	3,295,000
Duluth - cw08	11/18/11	08/20/21	1.000%	278,149	238,000	193,593
Duluth - cw09	11/18/11	08/20/21	1.000%	354,551	142,307	102,449
Duluth - cw10	11/30/11	08/20/21	1.000%	282,620	160,829	189,829
Duluth - cw11	09/10/12	08/20/22	1.000%	600,175	407,978	72,331
Duluth/North Shore SD - cw03	07/01/02	08/20/23	1.630%	7,952,500	4,254,058	4,643,058
Dundas - cw01	03/21/97	02/20/18	2.880%	927,469	230,093	283,636
East Grand Forks - cw01	09/17/08	08/20/28	2.687%	4,012,598	3,276,000	3,452,000
East Gull Lake - cw02	08/03/04	08/20/24	1.000%	6,416,500	3,941,000	4,278,000
Eden Valley - cw01	10/13/09	08/20/29	1.744%	652,228	540,000	569,000
Eden Valley - cw02	10/09/13	08/20/33	1.463%	470,625	339,813	-

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Elbow Lake - cw01	07/07/09	08/20/39	1.993%	164,274	145,000	149,000
Elbow Lake - cw02	08/05/13	08/20/33	1.000%	325,016	268,857	-
Ely - cw01	01/02/01	08/20/21	1.070%	4,699,982	1,152,000	1,289,000
Elysian - cw01	07/31/97	08/20/18	2.130%	1,163,536	306,333	370,531
Evansville - cw01	12/11/97	02/20/19	1.250%	673,073	184,169	219,652
Evansville - cw02	11/15/11	08/20/31	1.000%	54,630	40,329	43,959
Eveleth - cw02	09/14/04	08/20/24	1.340%	3,522,034	2,146,000	2,326,000
Eveleth - cw03	11/10/05	08/20/24	1.340%	34,182	17,000	18,000
Fairfax - cw01	08/18/95	08/20/16	2.950%	1,506,773	239,448	330,425
Fairmont - cw01	05/25/04	08/20/24	1.730%	13,248,347	8,174,000	8,843,000
Faribault - cw01	07/28/09	08/20/29	2.550%	23,332,461	19,470,000	20,446,461
Farmington - cw01	04/04/95	08/20/16	4.630%	764,377	136,861	187,429
Fayal Township - cw01	09/22/99	08/20/20	2.110%	4,851,756	1,919,000	2,171,000
Fayal Township - cw02	06/22/01	08/20/21	1.570%	341,468	130,000	145,000
Fayal Township - cw03	10/04/01	08/20/20	2.110%	855,267	293,000	331,000
Fergus Falls - cw02	10/07/96	02/20/17	3.740%	450,000	90,408	118,394
Foley - cw01	07/21/94	08/20/15	3.320%	1,080,000	107,820	176,845
Forest Prairie Township - cw01	04/12/01	08/20/21	1.800%	711,095	322,000	359,000
Fosston - cw01	11/15/11	08/20/41	1.000%	3,219,053	2,992,302	2,882,338
Fosston - cw02	04/08/14	08/20/41	1.000%	579,178	476,545	-
Fountain - cw01	08/06/09	08/20/29	1.303%	1,034,122	857,340	910,116
Garfield - cw01	05/09/97	02/20/18	3.080%	100,000	25,134	30,959
Garfield - cw02	06/29/98	08/20/19	1.040%	450,489	131,081	154,125
Garrison-Kathio-WMLL SSD - cw	01/09/01	08/20/21	1.620%	500,000	220,000	246,000
Garrison-Kathio-WMLL SSD - cw	06/04/07	08/20/26	1.000%	6,066,964	4,517,960	4,842,064
Gilbert - cw01	07/14/10	08/20/30	1.000%	1,337,076	1,154,000	1,216,000
Glyndon - cw02	08/09/10	08/20/30	1.089%	1,073,735	918,000	967,297
Good Thunder - cw01	10/15/99	08/20/19	1.290%	1,010,545	362,000	420,000
Goodhue County - cw01	04/29/97	02/20/18	1.580%	141,175	31,872	39,532
Grand Lake Township - cw01	09/02/99	08/20/20	1.290%	1,131,190	426,164	487,000
Grand Lake Township - cw02	05/29/01	08/20/20	1.290%	93,000	2,930	6,930
Grand Rapids - cw01	11/10/09	08/20/29	2.900%	26,370,231	22,299,000	23,382,210
Grey Eagle - cw01	02/03/97	02/20/18	1.220%	410,000	67,670	84,102
Hackensack - cw01	11/21/97	02/20/18	1.250%	287,844	62,906	78,157
Hamburg - cw01	08/09/11	08/20/30	1.256%	290,242	235,521	249,521
Hanover - cw01	08/18/99	08/20/20	2.290%	1,909,275	674,000	763,000
Harmony - cw01	02/25/93	02/20/14	3.340%	1,216,700	-	72,186
Harmony - cw02	05/13/04	08/20/23	1.000%	625,465	346,000	379,000
Harris - cw01	12/11/06	08/20/37	1.000%	4,995,642	4,790,239	4,795,239
Hawley - cw01	07/12/06	08/20/25	1.060%	1,010,111	695,000	749,000
Hawley - cw02	06/17/08	08/20/27	2.293%	132,955	104,000	110,000
Hector - cw01	12/14/94	02/20/16	3.920%	1,914,260	262,840	387,564
Henderson - cw01	08/27/07	08/20/27	1.490%	3,713,099	2,898,000	3,083,000
Hendrum - cw01	11/15/07	08/20/27	2.279%	220,661	168,000	178,000
Hendrum - cw02	07/31/08	08/20/27	1.530%	253,458	185,000	197,000
Henning - cw01	09/15/92	02/20/14	0.460%	606,500	-	31,501
Henning - cw02	08/08/13	08/20/43	1.000%	2,596,463	1,065,074	-
Hibbing - cw01	12/16/02	08/20/22	1.740%	9,847,450	5,122,000	5,644,000
Hibbing - cw02	12/11/10	08/20/25	1.340%	1,726,575	1,267,173	1,378,173
Hibbing - cw03	10/29/12	08/20/31	1.000%	4,912,830	4,046,278	1,461,023
Hinckley - cw01	09/25/92	02/20/14	2.090%	1,850,839	-	48,689

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Hinckley - cw02	07/28/99	08/20/20	2.110%	2,435,641	962,000	1,088,000
Hoffman - cw01	10/02/97	02/20/19	1.990%	263,440	75,939	90,245
Howard Lake - cw01	06/09/09	08/20/28	1.076%	3,730,249	2,976,000	3,157,773
Howard Lake - cw02	06/17/11	08/20/40	1.000%	2,508,122	2,394,000	2,471,000
Hudson Township - cw01	05/02/07	08/20/27	1.000%	3,025,426	2,215,453	2,374,227
Hutchinson - cw01	06/26/07	08/20/26	2.150%	13,696,602	10,605,000	11,306,000
Ida Township - cw01	03/28/01	08/20/21	1.980%	7,536,190	2,028,235	2,735,990
Isanti - cw01	09/18/96	08/20/17	2.630%	4,682,145	888,706	1,128,201
Jackson - cw01	10/02/12	08/20/32	1.000%	3,176,800	2,129,745	831,610
Jasper - cw01	08/25/95	08/20/16	2.440%	778,200	119,118	164,780
Jordan - cw01	05/30/00	08/20/21	2.290%	6,850,120	3,169,901	3,532,000
Kandiyohi - cw01	07/20/09	08/20/29	1.000%	538,495	440,000	465,000
Kandiyohi County - cw01	09/22/99	08/20/20	2.250%	7,188,360	2,982,000	3,371,000
Kandiyohi County - cw02	11/30/00	08/20/21	2.250%	3,648,450	1,688,000	1,879,000
Kandiyohi County - cw03	10/10/01	08/20/21	2.140%	651,000	299,000	333,000
Kandiyohi County - cw04	10/17/06	08/20/26	1.000%	3,761,876	2,652,000	2,842,000
Kasson - cw01	08/17/01	08/20/21	3.070%	7,632,919	3,745,000	4,153,000
Kasson - cw02	08/31/11	08/20/31	1.861%	994,038	930,000	973,134
Kenyon - cw01	07/09/13	08/20/33	1.000%	1,908,286	1,628,039	-
Knife River-Larsmont SSD - cw01	10/25/05	08/20/25	1.310%	882,212	578,212	622,212
Koochiching County - cw01	08/09/05	08/20/25	1.000%	4,430,839	2,834,000	3,055,000
Lake City - cw01	08/25/93	08/20/14	3.740%	1,442,000	50,554	148,923
Lake City - cw02	11/24/96	02/20/17	3.320%	1,500,000	292,477	383,722
Lake City - cw03	08/18/99	08/20/20	2.860%	1,226,667	498,000	562,000
Lake City - cw04	09/30/02	08/20/23	2.990%	4,800,000	2,780,000	3,016,000
Lake Crystal - cw01	10/30/03	08/20/23	2.340%	1,571,616	919,000	1,000,000
Lake Lillian - cw01	02/13/07	08/20/26	1.000%	226,216	161,000	172,000
Lake Mary Township - cw01	05/05/98	08/20/19	1.540%	2,120,212	209,335	302,679
Lake Mary Township - cw02	09/11/00	08/20/20	1.360%	377,951	94,150	108,150
Lake Park - cw01	11/14/03	08/20/23	1.590%	424,520	232,520	253,520
Lake Park - cw02	07/26/11	08/20/31	1.000%	1,000,000	927,000	974,000
Lake Washington SD - cw01	06/23/04	08/20/24	1.480%	6,490,000	3,098,321	3,463,512
Lakefield - cw01	05/03/96	08/20/17	2.630%	1,143,940	245,472	311,627
Laketown Township - cw01	08/12/98	08/20/19	1.790%	1,020,000	168,509	200,509
Landfall - cw01	01/26/94	02/20/15	1.940%	1,088,007	64,869	128,573
Lanesboro - cw01	08/15/96	08/20/17	2.680%	492,733	105,995	134,553
Lansing Township - cw01	08/24/12	08/20/27	1.000%	64,151	36,000	36,658
Le Center - cw01	07/01/94	08/20/15	2.960%	2,315,710	224,092	368,495
Le Center - cw02	08/10/04	08/20/24	1.980%	2,595,136	1,616,286	1,746,286
Le Sueur - cw01	08/27/07	08/20/27	1.000%	16,353,395	12,572,000	13,405,000
Leota SD - cw01	08/10/99	08/20/19	1.000%	256,598	85,000	99,000
Lester Prairie - cw01	07/10/06	08/20/25	1.560%	4,387,680	3,104,000	3,338,000
Lewiston - cw01	07/17/01	08/20/21	2.320%	1,630,000	785,000	873,000
Lismore - cw01	08/07/95	02/20/16	2.070%	550,000	65,739	97,606
Litchfield - cw01	12/27/01	08/20/22	2.680%	10,963,561	5,755,000	6,314,000
Litchfield - cw02	09/01/09	08/20/29	2.652%	7,086,048	6,560,048	6,886,048
Little Falls - cw01	02/03/03	08/20/22	1.240%	4,248,645	2,161,000	2,387,000
Little Falls - cw02	07/11/05	08/20/22	1.240%	1,998,468	1,110,000	1,226,000
Little Falls - cw03	07/11/05	08/20/22	1.240%	631,555	333,000	368,000
Long Prairie - cw02	08/22/11	08/20/31	2.190%	4,821,000	4,516,000	4,699,852
Lonsdale - cw01	11/03/03	08/20/23	2.340%	6,644,792	3,882,792	4,223,792

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Mabel - cw01	08/13/03	08/20/23	1.090%	1,562,875	865,000	946,000
Madelia - cw01	01/25/93	02/20/14	2.010%	2,415,000	-	144,924
Madelia - cw02	11/14/06	08/20/26	1.000%	4,732,813	3,430,000	3,676,000
Madison Lake - cw01	11/01/95	02/20/17	0.000%	301,512	45,227	60,302
Madison Lake - cw02	06/01/09	08/20/29	1.883%	320,500	265,000	279,000
Mahnomen - cw01	08/07/08	08/20/27	1.786%	718,929	552,000	587,000
Mankato - cw01	05/21/98	08/20/19	3.070%	24,682,000	8,345,487	9,718,249
Mankato - cw02	11/09/00	08/20/19	3.070%	678,000	258,000	297,000
Mankato - cw03	06/13/09	08/20/29	1.882%	1,070,750	880,000	927,000
Mankato - cw04	10/01/10	08/20/30	1.656%	5,006,168	4,281,168	4,464,921
Mantorville - cw01	08/18/10	08/20/30	1.802%	250,542	223,000	234,000
Maple Lake - cw01	07/16/13	08/20/33	1.000%	1,511,800	1,158,603	-
Mapleton - cw01	02/20/14	08/20/33	1.231%	1,950,000	716,370	-
Martin County - cw01	08/11/09	08/20/29	1.000%	628,307	488,000	516,000
Mayer - cw01	01/14/00	08/20/20	2.570%	689,274	287,000	324,000
McIntosh - cw01	07/10/12	08/20/41	1.000%	1,123,684	984,557	954,098
Medford - cw01	08/02/07	08/20/26	2.240%	1,355,197	1,048,000	1,117,000
Metropolitan Council - cw14	11/26/03	08/20/23	3.090%	100,000,000	75,500,000	75,750,000
Metropolitan Council - cw15	10/31/03	02/20/16	0.000%	0	117,601	261,857
Metropolitan Council - cw16	10/20/04	02/20/25	2.536%	50,000,000	28,700,000	30,900,000
Metropolitan Council - cw17	11/10/05	02/20/25	2.840%	40,000,000	30,600,000	32,700,000
Metropolitan Council - cw18	09/13/06	08/20/26	2.730%	50,000,000	41,300,000	41,550,000
Metropolitan Council - cw19	10/11/07	08/20/27	3.181%	80,000,000	75,200,000	75,700,000
Metropolitan Council - cw20	08/31/09	08/20/29	2.449%	30,588,750	25,140,000	26,480,000
Metropolitan Council - cw21	09/22/09	08/20/29	2.830%	49,411,250	40,610,000	42,770,000
Metropolitan Council - cw22	01/12/11	08/20/30	1.767%	70,000,000	62,769,000	65,912,000
Metropolitan Council - cw23	02/15/12	08/20/31	1.603%	60,000,000	57,283,000	59,980,000
Metropolitan Council - cw24	05/23/13	08/20/32	1.000%	40,000,000	40,000,000	3,789,376
Metropolitan Council - cw25	12/30/13	08/20/33	1.839%	60,000,000	34,921,035	-
Middle River - cw01	08/11/10	08/20/30	1.000%	176,092	148,423	156,423
Midway Township - cw01	09/28/10	08/20/30	1.000%	630,041	467,657	449,455
Minneapolis - cw01	04/30/12	08/20/13	1.000%	552,660	-	262,796
Minneota - cw01	07/26/10	08/20/30	1.329%	864,500	750,000	789,000
Minnesota City - cw01	08/11/11	08/20/31	1.095%	717,320	589,608	427,446
Montevideo - cw01	06/17/09	08/20/29	2.890%	8,913,742	7,389,000	7,748,276
Montevideo - cw02	05/08/12	08/20/31	1.517%	161,967	154,122	161,967
Montgomery - cw01	02/05/03	08/20/22	1.000%	8,507,628	4,219,998	4,665,998
Montrose - cw02	08/27/02	08/20/22	2.740%	4,209,000	2,302,000	2,525,000
Montrose - cw03	02/21/03	08/20/22	2.740%	1,566,000	845,000	927,000
Moorhead - cw01	09/23/94	02/20/15	4.100%	2,478,112	175,804	344,617
Moorhead - cw02	05/23/95	08/20/16	4.100%	1,601,443	276,921	380,058
Moorhead - cw03	09/29/97	02/20/18	3.290%	426,290	108,361	133,313
Moorhead - cw04	05/06/02	08/20/22	3.130%	3,389,288	1,809,000	1,981,000
Moorhead - cw05	06/21/04	08/20/23	1.980%	6,598,073	3,824,099	4,167,099
Moorhead - cw06	07/18/07	08/20/26	1.990%	12,407,226	9,606,000	10,248,000
Moose Lake - cw03	01/14/09	08/20/28	1.139%	2,962,416	2,496,000	2,648,000
Moose Lake - cw04	04/14/10	08/20/29	1.000%	752,171	490,000	536,923
Morgan - cw01	09/23/93	08/20/14	2.570%	131,280	4,159	12,325
Morgan - cw02	09/30/94	02/20/16	2.570%	640,309	79,673	118,009
Morristown - cw01	11/19/98	02/20/20	1.810%	1,229,797	416,406	481,549
Motley - cw01	01/18/11	08/20/30	1.000%	2,630,293	2,314,000	2,438,293

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Mountain Iron - cw01	10/20/09	08/20/29	2.248%	599,250	499,000	525,000
Mountain Lake - cw01	08/20/12	08/20/32	1.000%	7,754,480	5,406,498	2,234,186
Murray County - cw01	08/25/06	08/20/26	1.010%	10,568,836	7,068,115	7,640,600
New London - cw01	06/15/11	08/20/30	1.000%	1,668,210	1,524,771	1,583,699
New Munich - cw01	12/10/10	08/20/30	1.027%	562,173	474,700	507,700
New Prague - cw01	12/01/08	08/20/28	3.127%	32,280,687	29,561,000	30,064,000
New Richland - cw01	08/29/11	08/20/31	1.000%	2,142,895	1,967,895	2,015,646
New Ulm - cw02	06/19/07	08/20/26	2.650%	3,943,632	3,082,000	3,278,000
New York Mills - cw01	11/15/06	08/20/26	1.000%	3,563,645	2,563,000	2,747,000
New York Mills - cw02	06/22/09	08/20/29	1.000%	130,134	106,000	112,000
New York Mills - cw03	12/14/10	08/20/30	1.000%	99,331	85,000	90,000
Nicollet - cw01	08/03/95	02/20/17	3.200%	1,260,000	243,316	319,479
North Branch - cw01	08/05/03	08/20/33	2.601%	11,500,000	8,320,000	8,370,000
North Koochiching ASD - cw01	04/16/12	08/20/41	2.135%	9,688,290	7,690,631	3,407,229
North Mankato - cw01	11/25/97	02/20/19	3.405%	1,032,679	327,766	386,593
North Mankato - cw02	09/30/99	08/20/19	3.140%	442,988	166,000	191,000
Northfield - cw01	05/02/00	08/20/21	3.040%	18,390,072	-	9,785,000
Oak Grove - cw01	04/01/10	08/20/29	1.694%	490,429	388,000	409,000
Olivia - cw01	09/26/97	02/20/19	3.490%	1,122,092	355,538	419,713
Olivia - cw02	11/21/11	08/20/40	1.000%	5,845,636	4,423,899	3,948,353
Ortonville - cw01	05/05/08	08/20/27	2.290%	471,836	355,429	376,429
Owatonna - cw01	07/06/10	08/20/25	1.423%	7,929,333	6,471,928	6,962,928
Paynesville - cw01	02/12/13	08/20/32	1.000%	3,069,736	2,924,332	2,121,652
Pelican Rapids - cw02	10/13/08	08/20/27	1.257%	5,517,884	4,297,000	4,576,000
Pelican Rapids - cw03	07/10/12	08/20/31	1.000%	208,899	198,661	185,366
Pelican Rapids - cw04	09/16/13	08/20/33	1.900%	7,413,385	2,516,688	-
Pemberton - cw01	02/03/97	02/20/18	1.580%	372,136	84,053	104,255
Perham - cw01	08/08/11	08/20/26	1.400%	337,745	306,000	327,000
Perham - cw02	11/16/12	08/20/42	1.000%	3,247,633	2,667,827	1,385,948
Pipestone - cw02	04/04/11	08/20/30	2.063%	2,438,093	2,210,765	2,319,765
Plato - cw01	04/20/99	08/20/19	1.290%	107,025	36,000	42,000
Plato - cw02	03/27/00	08/20/21	1.860%	857,047	380,000	424,000
Proctor - cw01	07/26/07	08/20/22	1.240%	104,119	65,000	72,000
Ramsey-Washington MWD - cw01	06/13/97	08/20/17	3.824%	540,835	126,574	159,761
Ramsey-Washington MWD - cw02	09/24/98	08/20/18	3.340%	711,431	206,958	248,908
Ramsey-Washington MWD - cw03	07/11/12	08/20/27	1.695%	1,177,217	1,112,507	1,148,724
Red Wing - cw01	12/20/96	08/20/17	3.824%	750,000	172,747	218,807
Red Wing - cw02	12/02/97	02/20/18	3.405%	700,000	179,854	221,217
Red Wing - cw03	05/22/98	08/20/18	3.340%	2,500,000	622,437	770,301
Red Wing - cw04	10/11/02	08/20/22	3.740%	1,494,594	819,000	895,000
Red Wing - cw05	08/24/04	08/20/24	2.340%	5,283,360	3,339,000	3,602,000
Redwood Falls - cw01	12/11/96	08/20/17	2.490%	133,900	28,416	36,105
Renville - cw01	08/22/96	02/20/17	2.470%	794,818	145,174	191,264
Renville - cw02	04/12/10	08/20/17	1.000%	712,479	517,000	616,517
Rice - cw01	10/13/04	08/20/24	1.980%	1,153,293	711,000	711,000
Rice County - cw01	12/31/13	08/20/43	1.224%	2,538,907	1,042,525	-
Richmond - cw01	11/01/06	08/20/26	1.000%	7,264,863	5,609,000	5,925,000
Rockford - cw01	08/14/97	02/20/19	3.990%	1,694,279	232,614	274,088
Rockville - cw01	12/19/95	02/20/17	0.000%	869,580	130,437	173,916
Rockville - cw02	04/22/04	08/20/24	1.340%	9,182,090	5,016,000	5,437,000
Rogers - cw01	08/03/92	08/20/13	3.200%	1,023,299	-	34,040

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Rogers - cw02	12/23/94	02/20/16	4.170%	2,710,873	381,068	560,433
Rollingstone - cw01	04/12/00	08/20/20	2.790%	532,035	229,000	258,000
Roseau - cw01	05/09/94	08/20/14	2.990%	237,000	5,087	20,230
Roseau - cw02	11/01/95	02/20/17	2.950%	950,000	180,169	236,820
Rush City - cw01	03/05/99	08/20/19	1.040%	4,097,542	1,321,000	1,533,000
Rush City - cw02	06/25/12	08/20/31	1.522%	990,727	888,601	901,330
Rushford - cw01	06/04/96	08/20/17	3.430%	1,101,488	250,388	316,652
Rushford - cw02	03/28/11	08/20/30	1.077%	1,414,400	1,317,874	1,367,010
Rushford Village - cw01	05/30/96	02/20/17	3.180%	168,403	31,278	41,429
Rushmore - cw01	10/03/05	08/20/24	1.210%	424,101	254,000	276,000
Sacred Heart - cw01	07/17/97	08/20/18	1.580%	1,441,093	364,795	442,430
Saint Augusta - cw01	09/02/03	08/20/23	2.090%	4,389,732	2,436,000	2,653,000
Saint Augusta - cw02	10/06/10	08/20/40	1.000%	1,839,044	1,678,000	1,732,000
Saint Clair - cw01	09/28/98	08/20/19	1.480%	2,653,226	808,416	948,495
Saint Cloud - cw01	07/23/97	08/20/18	3.630%	4,812,000	1,401,965	1,683,874
Saint Cloud - cw02	04/06/10	08/20/30	1.771%	40,115,015	35,917,000	38,020,115
Saint Hilaire - cw01	03/27/98	02/20/19	2.250%	15,641	4,086	4,855
Saint Hilaire - cw02	09/29/08	08/20/28	1.058%	807,912	625,000	663,000
Saint Hilaire - cw03	06/22/09	08/20/29	1.000%	25,589	22,000	23,000
Saint James - cw02	06/03/10	08/20/29	1.799%	7,084,225	6,280,000	6,552,271
Saint Paul - cw01	08/23/93	08/20/14	2.570%	1,072,837	33,962	100,718
Saint Paul - cw02	11/10/94	08/20/15	3.600%	600,000	61,233	100,313
Saint Paul - cw03	12/20/95	08/20/16	3.200%	600,000	97,347	134,194
Saint Paul - cw04	06/21/96	02/20/17	2.880%	4,269,844	805,919	1,059,557
Saint Paul - cw05	01/17/97	02/20/18	3.820%	1,500,000	396,908	487,097
Saint Paul - cw06	01/13/98	02/20/19	3.250%	3,100,000	971,143	1,147,283
Saint Paul - cw07	02/18/99	08/20/19	2.790%	4,600,000	1,655,000	1,905,000
Saint Paul - cw08	09/12/00	08/20/20	3.870%	8,965,000	4,141,000	4,648,000
Saint Peter - cw01	12/29/00	08/20/21	2.040%	11,733,250	5,375,000	5,988,000
Saint Peter - cw02	09/17/02	08/20/22	2.040%	7,260,850	2,783,000	3,062,000
Saint Peter - cw03	12/15/03	08/20/22	3.480%	2,240,000	1,301,000	1,422,000
Sauk Centre - cw01	10/30/95	08/20/16	3.200%	1,407,000	228,395	314,797
Sauk Centre - cw02	07/07/10	08/20/30	1.911%	6,596,236	6,009,269	6,212,186
Shafer - cw01	03/17/95	08/20/16	2.240%	174,000	26,160	36,246
Shafer - cw02	09/24/02	08/20/23	1.630%	1,167,000	635,000	693,000
Sherburn - cw01	11/18/10	08/20/30	1.000%	1,296,848	1,113,000	1,173,348
Shingobee Township - cw01	01/24/00	08/20/20	1.000%	60,240	21,000	24,000
Shorewood Park SD/Rush Lake SI	12/19/95	02/20/17	0.000%	625,000	93,750	125,000
Silver Bay - cw01	09/23/94	02/20/16	2.820%	1,490,796	189,351	280,123
Silver Creek Township - cw01	03/23/99	08/20/20	2.290%	1,700,000	683,000	772,000
Skyline - cw01	07/12/04	08/20/24	1.000%	1,179,511	549,195	646,425
Spring Lake Township - cw01	06/11/01	08/20/21	1.290%	1,263,000	398,000	445,000
Spring Lake Township - cw02	11/22/04	08/20/24	1.000%	1,100,000	664,000	721,000
Springsteel Island SD - cw01	09/04/07	08/20/27	1.000%	811,946	607,948	648,148
Starbuck - cw01	09/20/11	08/20/31	1.000%	439,225	366,218	328,452
Stewart - cw01	10/02/98	02/20/19	1.000%	150,000	40,348	48,179
Stewart - cw02	11/06/12	08/20/32	1.000%	819,578	809,000	457,045
Stewart - cw03	12/09/13	08/20/33	1.000%	317,250	84,270	-
Sturgeon Lake - cw01	02/21/07	08/20/26	1.188%	4,495,958	4,043,000	4,068,000
Sturgeon Lake - cw02	11/07/08	02/20/26	1.634%	669,849	528,000	546,000
Thief River Falls - cw01	07/16/98	08/20/19	2.790%	925,525	307,077	358,069

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Clean Water Bond Fund (continued):						
Tracy - cw01	06/30/00	08/20/20	2.110%	1,434,769	583,000	658,791
Trimont - cw01	11/17/04	08/20/24	1.000%	1,699,869	1,024,000	1,112,000
Truman - cw01	12/21/10	08/20/30	1.317%	393,771	346,000	364,271
Two Harbors - cw01	03/11/94	02/20/15	2.440%	2,200,000	136,246	270,137
Ulen - cw01	07/12/11	08/20/41	1.000%	1,538,613	1,468,000	1,513,613
Verndale - cw01	07/10/97	02/20/18	1.130%	155,809	33,919	42,170
Verndale - cw02	06/18/09	08/20/29	1.393%	48,111	40,000	42,000
Verndale - cw03	05/31/11	08/20/30	1.000%	336,932	315,000	331,632
Virginia - cw01	11/10/11	08/20/31	1.458%	16,526,481	14,952,294	15,129,207
Wabasha - cw01	07/22/03	08/20/22	1.590%	5,866,644	3,138,000	3,460,000
Wadena - cw01	09/13/11	08/20/31	1.529%	4,139,999	3,554,010	2,912,317
Walker - cw01	04/03/95	08/20/16	2.600%	2,182,510	337,869	467,024
Walnut Grove - cw01	04/15/93	02/20/14	0.600%	767,041	-	35,585
Warren - cw01	06/24/11	08/20/30	1.223%	362,774	338,000	356,000
Waseca - cw01	07/10/09	08/20/29	2.627%	9,335,004	7,815,000	8,204,000
Watertown - cw01	05/11/93	08/20/14	3.490%	3,300,000	111,099	332,010
Watkins - cw01	01/03/07	08/20/25	1.270%	1,631,700	1,127,000	1,213,000
Welcome - cw01	08/10/11	08/20/31	1.000%	753,307	700,000	734,918
Wells - cw01	10/29/04	08/20/24	1.960%	1,560,000	973,000	1,052,000
West Concord - cw01	09/20/96	02/20/18	3.990%	281,777	75,270	92,338
West Concord - cw02	06/10/04	08/20/24	1.000%	2,231,649	1,348,000	1,463,000
Western Lake Superior SD - cw04	09/02/99	08/20/14	3.560%	835,800	73,000	144,000
Western Lake Superior SD - cw08	07/17/06	08/20/21	2.820%	3,847,077	2,357,000	2,617,000
Western Lake Superior SD - cw09	04/08/08	08/20/23	2.611%	2,367,407	1,664,000	1,808,000
Western Lake Superior SD - cw10	06/16/09	08/20/24	2.700%	1,889,541	1,535,000	1,653,000
Western Lake Superior SD - cw11	08/31/10	08/20/25	1.586%	151,866	124,866	134,866
Western Lake Superior SD - cw12	08/31/10	08/20/25	1.591%	342,262	277,000	298,190
Western Lake Superior SD - cw13	08/31/10	08/20/25	1.590%	622,488	498,740	540,740
Western Lake Superior SD - cw14	08/31/10	08/20/25	1.589%	3,258,795	2,649,255	2,841,122
Western Lake Superior SD - cw15	09/26/11	08/20/26	1.520%	3,488,093	3,153,763	3,327,763
Western Lake Superior SD - cw16	09/26/11	08/20/26	1.520%	307,272	277,141	296,143
Western Lake Superior SD - cw17	09/26/11	08/20/26	1.520%	1,544,360	1,396,401	1,486,062
Western Lake Superior SD - cw18	07/03/12	08/20/27	1.693%	5,195,750	5,015,577	5,084,951
Western Lake Superior SD - cw19	11/16/12	08/20/28	1.000%	2,947,518	2,676,451	2,418,991
Western Lake Superior SD - cw20	06/27/13	08/20/28	1.000%	2,125,969	1,699,342	-
Wheaton - cw01	06/26/03	08/20/22	2.240%	2,505,000	1,328,000	1,460,000
Wheaton - cw02	07/15/09	08/20/29	1.331%	1,623,390	1,331,000	1,405,000
Wheaton - cw03	10/01/09	08/20/29	1.067%	878,761	717,000	758,000
Wheaton - cw04	03/22/12	08/20/41	1.000%	740,360	591,885	306,373
Willmar - cw01	06/28/96	08/20/17	3.130%	4,300,000	955,819	1,210,796
Willmar - cw02	09/09/08	08/20/28	3.275%	42,001,362	37,848,000	39,293,000
Willmar - cw03	09/21/09	08/20/29	2.457%	1,711,867	1,431,151	1,503,151
Willmar - cw04	11/18/09	08/20/38	3.440%	27,663,530	25,739,000	26,339,892
Willmar - cw05	07/25/13	08/20/42	1.124%	1,886,812	1,451,040	-
Windom - cw01	01/26/94	02/20/14	2.440%	352,380	-	19,242
Windom - cw02	05/17/94	08/20/15	2.710%	3,886,970	369,459	607,607
Winnebago - cw02	06/27/11	08/20/30	1.247%	3,454,722	3,199,581	3,180,420
Woodland - cw01	06/12/97	08/20/18	2.580%	698,775	162,302	196,256
Zimmerman - cw03	04/09/99	08/20/20	2.040%	4,173,493	1,725,000	1,952,000
Zimmerman - cw04	10/05/09	08/20/29	2.368%	2,221,070	2,001,000	2,103,000
Clean Water Bond Fund				1,868,305,368	1,302,976,190	1,270,678,686

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund:						
Ada - dw01	06/25/04	08/20/23	1.090%	2,380,000	1,316,000	1,440,000
Ada - dw02	12/06/05	08/20/23	1.090%	264,245	159,000	174,000
Adrian - dw01	10/30/98	08/20/18	3.320%	259,660	84,000	99,000
Albany - dw01	05/17/06	08/20/25	1.960%	4,697,058	3,228,874	3,465,874
Alexandria - dw01	07/30/02	08/20/22	3.380%	1,050,117	567,000	620,000
Alexandria - dw02	09/01/09	08/20/29	2.445%	3,623,606	3,021,000	3,174,000
Alvarado - dw01	05/24/10	08/20/29	1.000%	584,901	491,000	519,768
Annandale - dw01	01/13/04	08/20/23	2.819%	3,273,194	1,862,000	2,021,000
Annandale - dw02	05/31/11	08/20/31	1.959%	1,217,500	1,118,000	1,169,000
Argyle - dw01	09/30/98	08/20/19	2.570%	229,655	83,000	96,000
Arlington - dw01	02/21/03	08/20/17	2.990%	110,000	35,000	43,000
Askov - dw01	09/30/98	08/20/19	1.000%	479,781	152,000	176,000
Atwater - dw01	06/15/11	08/20/30	1.777%	897,318	838,318	883,318
Avon - dw01	10/08/03	08/20/23	2.840%	666,554	301,061	327,061
Babbitt - dw01	08/29/01	08/20/21	2.820%	1,316,806	626,000	695,000
Backus - dw01	07/14/08	08/20/27	2.270%	164,195	128,000	136,000
Bagley - dw01	08/10/04	08/20/23	1.730%	1,074,120	608,120	663,120
Barnesville - dw01	09/13/11	08/20/31	1.143%	537,082	496,000	521,427
Barnum - dw01	10/28/09	08/20/29	1.325%	804,807	663,000	699,672
Barnum - dw02	06/10/13	08/20/18	1.000%	9,550	9,550	-
Battle Lake - dw01	06/18/03	08/20/22	1.490%	1,377,006	711,000	784,000
Baudette - dw01	11/09/04	08/20/24	2.460%	337,729	208,000	224,000
Baudette - dw02	09/17/09	08/20/29	1.925%	681,502	553,742	522,626
Beardsley - dw01	07/14/10	08/20/29	1.261%	111,100	96,000	101,000
Beaver Bay - dw01	07/29/08	08/20/27	1.061%	869,658	653,000	696,000
Becker County - dw01	09/22/03	08/20/22	1.680%	135,430	70,000	77,000
Belgrade - dw01	07/26/10	08/20/39	1.095%	699,000	487,562	447,277
Benson - dw01	07/05/11	08/20/30	1.739%	3,341,460	3,000,943	3,121,769
Big Lake - dw01	11/04/04	08/20/24	2.530%	9,111,996	5,506,000	5,935,000
Bird Island - dw01	11/09/09	08/20/29	1.000%	149,537	122,000	129,000
Blue Earth - dw01	09/05/06	08/20/26	2.570%	305,456	217,000	231,000
Blue Earth - dw02	03/19/07	08/20/26	2.400%	1,174,600	874,000	931,000
Braham - dw01	03/25/04	08/20/23	1.590%	1,468,370	827,000	903,000
Braham - dw02	04/06/10	08/20/29	1.000%	1,015,970	751,148	800,148
Breitung Township - dw01	11/01/01	08/20/21	2.070%	94,177	42,000	47,000
Breitung Township - dw02	12/16/02	08/20/22	2.490%	117,500	60,000	66,000
Brooten - dw01	12/05/00	08/20/20	3.410%	373,401	159,000	179,000
Browerville - dw01	10/21/98	08/20/18	2.040%	213,876	64,000	76,000
Browerville - dw02	06/10/10	08/20/29	1.000%	385,244	328,000	347,000
Brownton - dw01	11/03/99	08/20/19	2.980%	188,100	71,000	82,000
Butterfield - dw01	02/11/02	08/20/21	2.070%	246,972	112,000	125,000
Callaway - dw01	07/11/06	08/20/25	1.310%	375,811	247,000	266,000
Cambridge - dw01	09/17/01	08/20/21	4.050%	2,080,000	1,049,000	1,158,000
Canby - dw01	11/10/98	08/20/18	1.790%	2,020,499	597,000	710,000
Canby - dw02	07/20/10	08/20/39	1.088%	3,970,711	3,688,000	3,810,000
Carlton - dw01	05/01/07	08/20/26	1.490%	1,567,709	1,138,000	1,217,000
Carver - dw01	12/15/03	08/20/23	2.819%	2,522,966	1,424,000	1,546,000
Cass Lake - dw01	05/20/03	08/20/22	1.990%	626,693	334,000	368,000
Chokio - dw01	01/26/06	08/20/25	1.310%	704,658	456,000	491,000
Clara City - dw01	11/13/01	08/20/21	2.320%	2,472,224	1,137,000	1,265,000
Claremont - dw01	08/10/10	08/20/39	1.000%	137,893	126,000	130,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Clearwater - dw01	11/23/02	08/20/22	2.130%	667,320	336,000	370,000
Clearwater - dw02	07/22/03	08/20/22	2.680%	183,957	99,000	109,000
Cleveland - dw01	08/29/11	08/20/31	1.367%	530,370	492,711	516,711
Cloquet - dw01	10/08/02	08/20/22	3.380%	1,913,773	1,024,768	1,120,768
Cokato - dw01	06/14/00	08/20/15	3.910%	613,137	114,000	168,000
Cokato - dw02	01/13/04	08/20/23	3.180%	4,410,593	2,562,000	2,777,000
Coleraine - dw01	12/12/02	08/20/22	2.380%	1,572,375	811,000	891,000
Comfrey - dw01	10/16/98	08/20/18	2.040%	149,107	45,000	53,000
Cosmos - dw01	06/15/05	08/20/24	1.720%	912,706	561,706	607,706
Cosmos - dw02	05/09/08	08/20/27	1.092%	515,815	388,000	413,000
Cosmos - dw03	10/15/09	08/20/29	1.000%	242,741	200,000	212,541
Cosmos - dw04	07/11/13	08/20/42	1.000%	204,032	86,285	-
Cromwell - dw01	04/12/99	08/20/19	1.000%	62,361	23,000	26,000
Crosby - dw01	07/12/10	08/20/39	1.107%	4,810,811	4,382,079	4,527,079
Dalton - dw01	04/14/03	08/20/22	2.680%	118,819	61,000	67,000
Dalton - dw02	08/27/08	08/20/27	1.112%	115,950	87,000	93,000
Darwin - dw01	10/03/13	08/20/43	1.150%	376,675	195,716	-
Dassel - dw01	07/02/99	08/20/19	2.040%	1,768,142	630,000	728,000
Dassel - dw02	10/06/08	08/20/28	1.016%	1,203,724	930,000	987,000
Dassel - dw03	07/09/09	08/20/29	1.283%	352,662	295,000	311,000
Dassel - dw04	08/19/13	08/20/33	1.000%	302,900	257,331	-
Dawson - dw01	09/20/02	08/20/22	3.320%	914,497	491,000	537,000
Dayton - dw02	04/19/10	08/20/29	1.654%	750,449	645,000	680,000
Deer River - dw01	10/29/02	08/20/22	1.630%	303,062	150,000	165,000
Deer River - dw02	08/10/09	08/20/29	1.000%	50,193	42,000	44,000
Deerwood - dw01	08/29/11	08/20/41	1.000%	450,883	430,000	443,000
Detroit Lakes - dw01	01/13/10	08/20/29	2.186%	2,100,745	1,810,000	1,904,000
Dover - dw01	12/11/00	08/20/20	3.410%	464,776	201,000	226,000
Duluth - dw01	07/31/03	08/20/18	2.819%	970,000	375,000	444,000
Duluth - dw02	07/02/04	08/20/18	2.530%	1,971,532	752,000	891,000
Duluth - dw03	10/28/09	08/20/19	1.077%	1,668,813	1,016,000	1,179,363
Duluth - dw04	08/31/10	08/20/25	1.258%	1,293,200	1,039,547	1,019,914
Duluth - dw05	12/07/10	08/20/25	1.076%	3,344,131	2,793,000	3,010,866
Duluth - dw06	11/18/11	08/20/26	1.221%	1,605,655	922,120	687,754
Duluth - dw07	02/25/14	08/20/29	1.000%	5,108,910	2,000,657	-
Dumont - dw01	05/05/10	08/20/39	1.000%	227,751	202,000	209,000
Eagle Bend - dw01	08/17/09	08/20/28	1.850%	296,036	242,000	256,000
Eagle Lake - dw01	10/07/10	08/20/30	1.643%	543,454	469,000	492,198
East Bethel - dw01	02/17/10	08/20/29	1.000%	69,190	59,589	62,589
Eden Valley - dw01	08/21/00	08/20/20	3.160%	1,881,057	805,000	906,000
Eden Valley - dw02	06/27/01	08/20/21	2.320%	644,890	297,000	331,000
Eden Valley - dw03	10/13/09	08/20/29	1.000%	286,461	235,000	248,000
Eden Valley - dw04	10/09/13	08/20/33	1.000%	174,329	9,000	-
Edgerton - dw01	07/11/02	08/20/22	3.380%	395,035	211,000	231,000
Elbow Lake - dw01	07/07/09	08/20/39	1.567%	95,897	78,000	80,000
Elbow Lake - dw02	08/05/13	08/20/43	1.000%	98,340	52,037	-
Elgin - dw01	05/16/11	08/20/30	1.538%	816,607	771,000	810,912
Elizabeth - dw01	07/17/07	08/20/26	1.000%	627,450	451,000	483,000
Ellendale - dw01	08/28/06	08/20/26	1.570%	1,628,000	1,150,000	1,229,000
Ellendale - dw02	06/26/08	08/20/27	1.000%	1,113,204	838,696	894,696
Ely - dw01	12/13/00	08/20/20	3.410%	1,177,302	510,000	574,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Elysian - dw01	09/18/03	08/20/23	1.990%	478,520	265,000	289,000
Erskine - dw01	04/08/13	08/20/42	1.000%	255,450	241,005	-
Evansville - dw01	10/03/06	08/20/26	1.760%	131,203	92,000	98,000
Evansville - dw02	11/15/11	08/20/41	1.000%	94,776	82,722	85,722
Eveleth - dw01	09/26/07	08/20/27	2.400%	2,086,370	1,557,000	1,650,000
Eveleth - dw02	10/16/13	08/20/28	1.462%	219,656	-	-
Excelsior - dw01	06/02/14	08/20/34	1.000%	920,313	-	-
Fairfax - dw01	08/06/99	08/20/19	2.040%	1,265,806	448,000	518,000
Fairfax - dw02	08/15/11	08/20/41	1.244%	1,103,648	969,977	955,046
Fairmont - dw01	10/11/11	08/20/41	2.234%	28,902,811	26,567,562	24,024,469
Fertile - dw01	01/27/03	08/20/22	1.130%	1,087,739	521,000	576,000
Finlayson - dw01	11/28/00	08/20/20	1.910%	211,828	84,000	95,000
Fisher - dw01	09/07/04	08/20/24	1.000%	2,077,920	1,193,000	1,295,000
Fosston - dw01	07/11/05	08/20/24	1.470%	1,454,455	888,231	962,231
Frost - dw01	01/09/06	08/20/25	1.310%	378,126	244,000	263,000
Fulda - dw01	07/30/98	08/20/18	2.320%	503,117	147,000	175,000
Gibbon - dw01	09/09/13	08/20/43	1.365%	2,231,590	630,790	-
Gilbert - dw01	04/30/03	08/20/23	2.880%	157,764	90,000	98,000
Glenwood - dw01	05/30/00	08/20/19	1.980%	1,081,126	398,000	460,000
Glenwood - dw02	11/09/04	08/20/24	2.210%	675,000	410,000	443,000
Glenwood - dw03	08/14/13	08/20/33	1.667%	768,145	207,023	-
Glyndon - dw01	10/29/02	08/20/22	2.380%	867,071	440,071	483,071
Goodview - dw01	09/22/08	08/20/28	2.627%	4,277,500	3,458,932	3,644,932
Grand Marais - dw01	04/27/99	08/20/19	2.560%	484,112	179,000	206,000
Grand Marais - dw02	08/11/04	02/20/24	2.530%	812,229	466,000	506,000
Grand Rapids - dw01	01/03/00	08/20/19	3.040%	1,079,657	405,000	466,000
Greenbush - dw01	11/19/09	08/20/39	1.005%	1,459,111	1,284,476	1,327,476
Greenbush - dw02	07/09/10	08/20/39	1.146%	776,456	707,000	730,000
Greenbush - dw03	06/26/13	08/20/32	1.000%	166,364	166,364	-
Grove City - dw01	07/08/08	08/20/27	1.258%	1,387,042	1,053,000	1,121,000
Hamburg - dw01	07/22/03	08/20/22	2.490%	225,640	120,000	132,000
Hamburg - dw02	07/27/04	08/20/24	2.340%	950,709	576,000	621,000
Hanska - dw01	05/20/14	08/20/44	1.000%	923,533	112,445	-
Harris - dw01	10/26/99	08/20/19	3.290%	142,000	-	62,000
Harris - dw02	08/29/06	08/20/36	1.535%	1,333,450	1,033,000	1,067,000
Hawley - dw01	06/27/01	08/20/21	3.320%	660,000	319,000	353,000
Hawley - dw02	07/10/06	08/20/25	1.560%	2,565,987	1,711,000	1,840,000
Hawley - dw03	06/17/08	08/20/27	1.290%	150,011	114,000	121,000
Hendrum - dw01	10/12/10	08/20/30	1.000%	229,684	199,000	210,000
Henning - dw01	12/06/05	08/20/25	1.000%	539,404	344,000	371,000
Henning - dw02	08/08/13	08/20/43	1.241%	381,558	-	-
Hibbing - dw01	07/19/01	08/20/20	3.050%	1,434,777	634,000	714,000
Hibbing - dw02	08/16/10	08/20/20	1.000%	876,873	617,000	702,000
Hinckley - dw01	11/17/00	08/20/20	4.160%	542,777	244,000	273,000
Hinckley - dw02	10/05/01	08/20/21	2.820%	1,367,480	645,000	716,000
Hitterdal - dw01	03/13/06	08/20/25	1.810%	157,957	105,000	113,000
Hoffman - dw01	08/14/04	08/20/24	1.480%	833,461	487,000	527,000
Hoffman - dw02	07/06/09	08/20/29	1.384%	87,461	70,000	74,000
Howard Lake - dw01	10/13/99	08/20/19	3.060%	287,662	109,000	125,000
Howard Lake - dw02	06/17/11	08/20/40	1.217%	2,059,069	1,973,000	2,034,000
Hutchinson - dw01	08/01/05	08/20/24	2.530%	5,696,371	3,030,371	3,030,371

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Hutchinson - dw02	08/07/06	08/20/25	2.629%	12,216,000	8,569,000	9,170,000
Ironton - dw01	07/27/04	08/20/23	1.090%	405,300	224,300	245,300
Isanti - dw01	07/10/07	08/20/26	2.630%	965,000	715,000	761,000
Isanti - dw02	10/07/08	08/20/28	3.042%	5,064,256	4,125,056	4,340,056
Isanti - dw03	09/21/11	08/20/31	1.533%	676,045	628,000	658,125
Isle - dw01	05/18/11	08/20/30	1.482%	215,506	198,006	210,006
Jordan - dw01	11/05/98	08/20/18	3.540%	307,917	102,000	120,000
Jordan - dw02	06/30/03	08/20/23	2.819%	1,052,939	602,000	653,000
Kandiyohi County - dw01	08/18/99	08/20/19	3.540%	4,446,000	-	1,978,000
Kandiyohi County - dw02	12/29/99	08/20/19	3.540%	2,262,450	873,450	1,002,450
Kandiyohi County - dw03	11/30/00	08/20/20	3.540%	1,012,260	443,000	498,000
Kandiyohi County - dw04	10/10/01	08/20/21	3.540%	233,000	-	125,000
Karlstad - dw01	06/03/13	08/20/33	1.000%	1,983,639	1,862,083	-
Keewatin - dw01	08/28/02	08/20/22	2.880%	500,000	265,000	291,000
Kenyon - dw01	12/16/02	08/20/22	3.240%	224,000	35,000	46,000
Kiester - dw01	10/15/01	08/20/21	3.070%	228,636	107,000	119,000
Lake Lillian - dw01	09/13/06	08/20/26	1.000%	610,355	417,000	447,000
Lake Park - dw01	09/08/03	08/20/23	2.090%	397,006	220,000	239,000
Lakefield - dw01	09/26/02	08/20/22	2.880%	2,272,080	1,192,000	1,306,000
Lamberton - dw01	08/06/99	08/20/19	1.860%	262,182	61,000	71,000
Le Center - dw01	08/11/06	08/20/26	1.820%	3,470,601	2,464,000	2,631,000
Le Center - dw02	08/14/07	08/20/27	1.650%	511,861	411,000	437,000
Lester Prairie - dw01	06/14/11	08/20/30	1.780%	1,788,806	1,691,000	1,775,989
Lewiston - dw01	12/20/99	08/20/19	3.790%	312,934	121,000	139,000
Lewiston - dw02	05/29/01	08/20/20	3.820%	270,000	124,000	139,000
Litchfield-PUC - dw01	05/24/99	08/20/19	3.540%	4,092,166	1,589,000	1,823,000
Littlefork - dw01	07/28/99	08/20/19	1.810%	181,277	63,000	73,000
Long Prairie - dw01	04/06/01	08/20/20	3.910%	1,098,586	501,000	562,000
Lonsdale - dw01	06/09/11	08/20/30	1.756%	1,210,591	1,148,000	1,205,211
Loretto - dw01	05/09/06	08/20/25	2.310%	761,704	532,000	570,000
Lyle - dw01	06/27/00	08/20/20	3.000%	311,040	131,000	148,000
Madison Lake - dw01	05/17/10	08/20/29	1.858%	596,692	512,000	539,000
Madison Lake - dw02	08/08/11	08/20/31	1.912%	820,008	766,782	788,950
Mahnomen - dw01	07/30/08	08/20/27	1.518%	390,054	302,000	321,000
Mankato - dw01	12/12/05	08/20/25	2.310%	2,309,300	1,542,300	1,652,300
Mankato - dw02	04/09/07	08/20/26	2.630%	37,729,870	26,853,443	27,891,951
Maple Plain - dw01	07/09/07	08/20/26	2.150%	3,468,767	2,555,000	2,724,000
Marble - dw01	10/08/01	08/20/21	2.570%	128,210	59,000	66,000
Mayer - dw01	12/21/00	08/20/20	3.910%	347,000	155,000	174,000
Mayer - dw02	08/28/06	08/20/26	2.070%	2,560,768	1,805,000	1,925,000
McIntosh - dw01	05/31/07	08/20/26	1.900%	222,736	162,000	173,000
McIntosh - dw02	10/24/07	08/20/27	1.341%	858,730	638,000	679,000
McIntosh - dw03	07/10/12	08/20/31	1.000%	96,432	73,154	59,410
Medford - dw01	10/04/10	08/20/30	1.000%	2,802,176	2,412,176	2,489,663
Melrose - dw02	04/13/99	08/20/19	3.480%	2,500,000	578,700	734,700
Milaca - dw01	07/19/06	08/20/26	1.070%	3,060,114	2,110,000	2,261,000
Minneapolis - dw01	12/16/02	08/20/22	2.819%	27,400,000	20,000,000	21,000,000
Minneapolis - dw02	02/26/04	08/20/23	2.800%	25,000,000	21,300,000	21,900,000
Minneapolis - dw03	03/21/05	08/20/19	2.530%	12,500,000	7,725,000	8,950,000
Minneapolis - dw04	12/07/06	08/20/26	2.600%	13,500,000	10,835,000	11,405,000
Minneapolis - dw05	12/10/09	08/20/27	2.688%	19,557,660	18,745,000	19,095,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Minneapolis - dw06	03/02/10	08/20/21	1.000%	6,229,554	5,470,000	5,506,000
Minnetrista - dw01	04/05/10	08/20/24	1.189%	692,603	535,364	580,364
Montevideo - dw01	03/27/00	08/20/20	4.250%	1,658,080	-	836,000
Montgomery - dw01	09/18/03	08/20/23	3.180%	642,162	375,000	406,000
Montgomery - dw02	05/24/04	08/20/23	2.840%	358,044	213,044	231,044
Montrose - dw01	01/11/10	08/20/29	1.619%	415,043	351,000	370,000
Mora - dw01	07/27/10	08/20/30	1.862%	1,565,220	1,361,000	1,429,920
Morgan - dw01	06/21/99	08/20/19	2.480%	481,289	178,000	205,000
Morris - dw01	10/26/99	08/20/19	2.540%	1,251,423	456,000	526,000
Motley - dw01	06/17/14	08/20/34	1.000%	3,921,500	-	-
Mountain Lake - dw01	09/16/03	08/20/23	1.430%	2,985,751	1,607,000	1,756,000
Mountain Lake - dw02	08/20/12	08/20/32	1.000%	38,440	33,338	-
Nashwauk - dw01	06/08/99	08/20/19	1.980%	966,092	344,000	398,000
New Auburn - dw01	08/03/06	08/20/25	1.000%	1,069,002	508,000	548,000
New Hope - dw01	03/22/10	08/20/29	1.703%	418,644	354,000	373,000
New Hope - dw02	05/13/13	08/20/32	1.000%	1,035,000	1,035,000	-
New London - dw01	06/15/11	08/20/30	1.000%	850,825	741,605	771,717
New Prague - dw01	10/15/02	08/20/22	3.630%	2,885,942	1,555,000	1,699,000
New Richland - dw01	07/15/03	08/20/22	2.740%	1,327,522	703,522	774,522
New York Mills - dw01	06/09/09	08/20/28	1.296%	695,668	560,000	594,000
New York Mills - dw02	09/23/10	08/20/30	1.000%	206,096	178,000	188,000
Newfolden - dw01	07/02/12	08/20/31	1.000%	533,066	506,289	533,066
Nielsville - dw01	12/06/04	08/20/24	1.210%	30,563	14,000	16,000
Northome - dw01	03/04/04	08/20/23	1.730%	241,826	138,000	150,000
Norwood Young America - dw01	07/21/10	08/20/39	2.461%	1,966,604	1,816,000	1,865,229
Olivia - dw01	11/21/11	08/20/40	1.000%	3,519,100	2,857,372	2,127,103
Onamia - dw01	10/19/00	08/20/20	3.000%	420,000	178,000	201,000
Oronoco - dw01	10/07/09	08/20/29	1.000%	1,269,281	1,016,359	1,074,359
Osakis - dw01	01/14/03	08/20/22	2.920%	666,377	347,000	380,000
Ottertail - dw01	01/14/03	08/20/22	1.170%	1,488,000	718,000	793,000
Park Rapids - dw01	06/15/06	08/20/25	2.570%	859,259	591,000	633,000
Park Rapids - dw02	08/20/13	08/20/33	1.597%	1,174,617	445,208	-
Paynesville - dw01	11/14/13	08/20/33	1.000%	3,615,135	1,322,916	-
Pelican Rapids - dw01	10/13/08	08/20/28	2.351%	280,648	222,000	234,000
Pelican Rapids - dw02	07/10/12	08/20/31	1.009%	645,575	611,838	572,545
Perham - dw01	11/19/99	08/20/19	2.790%	606,790	225,000	259,000
Perham - dw02	01/22/09	08/20/28	2.743%	2,422,209	1,992,000	2,098,000
Perham - dw03	08/08/11	08/20/26	1.391%	148,475	135,000	144,000
Pine River - dw01	09/20/02	08/20/22	1.630%	167,260	83,000	91,000
Plainview - dw01	06/15/06	08/20/21	2.630%	807,893	476,000	529,000
Plainview - dw02	08/09/11	08/20/31	1.929%	275,304	257,422	269,422
Plummer - dw01	12/13/11	08/20/41	1.000%	248,533	238,000	245,244
Princeton-PUC - dw01	09/08/99	08/20/19	3.290%	670,000	256,000	294,000
Princeton-PUC - dw02	06/10/04	08/20/23	2.530%	847,422	508,000	552,000
Red Lake Falls - dw01	09/30/09	08/20/39	1.000%	360,901	319,000	330,000
Red Wing - dw01	04/12/04	08/20/23	2.819%	15,283,450	9,029,000	9,801,000
Redwood Falls - dw01	10/22/09	08/20/39	2.936%	6,083,071	5,527,000	5,667,000
Remer - dw01	06/25/09	08/20/39	1.982%	79,748	72,000	74,000
Renville - dw01	08/23/04	08/20/24	1.980%	266,453	160,000	173,000
Richmond - dw01	08/07/13	08/20/33	1.000%	875,104	789,471	-
Rock County - dw01	09/30/99	08/20/19	1.790%	1,460,000	510,000	590,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Rock County - dw02	04/03/07	08/20/26	1.020%	533,000	383,000	410,000
Rothsay - dw01	11/04/03	08/20/23	1.990%	378,740	210,000	229,000
Royalton - dw01	09/27/99	08/20/19	1.000%	458,452	148,000	172,000
Rush City - dw01	03/05/99	08/20/18	1.540%	3,889,693	1,135,000	1,352,000
Rushford - dw01	09/10/99	08/20/19	3.040%	765,000	286,000	329,000
Rushford - dw02	05/15/08	08/20/27	1.352%	1,212,760	1,015,000	1,080,000
Rushford - dw03	06/29/10	08/20/29	1.000%	1,171,855	974,000	1,029,855
Rushford Village - dw01	08/10/12	08/20/32	1.469%	305,167	295,608	289,960
Sabin - dw01	07/19/05	08/20/24	2.720%	871,267	553,267	596,267
Saint Augusta - dw01	07/14/03	08/20/22	2.819%	1,849,591	1,021,000	1,120,000
Saint Bonifacius - dw01	02/17/10	08/20/29	1.709%	664,864	571,000	602,000
Saint Clair - dw01	08/20/07	08/20/26	1.900%	1,246,721	910,000	971,000
Saint Cloud - dw01	03/01/04	08/20/23	2.590%	1,381,672	811,672	881,672
Saint Cloud - dw02	01/05/05	08/20/24	2.530%	2,527,278	1,568,350	1,690,350
Saint Cloud - dw03	05/08/09	08/20/28	2.481%	6,167,901	5,065,000	5,341,000
Saint Cloud - dw04	08/24/10	08/20/30	1.656%	7,736,790	6,720,000	7,060,000
Saint Francis - dw01	12/18/07	08/20/27	2.563%	9,013,468	7,561,000	7,864,000
Saint James - dw01	01/08/02	08/20/21	3.570%	2,230,000	1,096,000	1,213,000
Saint James - dw02	05/19/10	08/20/29	2.104%	1,088,699	1,026,000	1,051,000
Saint Paul - dw02	07/13/10	12/01/30	1.963%	5,960,000	5,384,000	5,604,000
Saint Paul - dw03	07/13/10	12/01/30	1.962%	23,107,000	20,901,000	21,751,000
Saint Paul - dw04	06/19/14	12/01/34	1.048%	2,200,000	-	-
Saint Paul Park - dw01	08/06/13	08/20/33	1.608%	1,030,485	926,917	-
Saint Peter - dw01	03/12/09	08/20/28	2.482%	1,321,419	1,122,000	1,183,936
Saint Peter - dw02	08/28/09	08/20/29	2.745%	15,713,534	15,118,000	15,400,000
Saint Peter - dw03	03/29/10	08/20/29	1.710%	840,479	719,000	758,729
Sandstone - dw01	07/28/99	08/20/19	2.110%	401,331	144,000	166,000
Sauk Centre - dw01	11/05/98	08/20/18	3.540%	2,121,231	699,000	825,000
Savage - dw01	08/06/99	08/20/19	3.620%	8,984,395	3,493,395	4,006,395
Sebeka - dw01	10/15/02	08/20/22	1.130%	262,242	128,942	141,942
Silver Bay - dw01	11/19/98	08/20/18	2.560%	642,000	200,000	237,000
Silver Bay - dw02	06/04/07	08/20/26	1.650%	726,450	531,000	567,000
Sleepy Eye - dw01	08/11/09	08/20/29	2.550%	3,592,533	3,003,000	3,154,000
South Saint Paul - dw01	02/16/10	08/20/29	1.709%	2,568,810	2,206,000	2,325,000
Spring Lake Park - dw01	07/08/03	08/20/23	2.819%	3,846,216	2,165,000	2,350,000
Staples - dw01	03/24/03	08/20/22	1.490%	1,400,000	717,000	790,000
Stewart - dw01	08/08/05	08/20/24	2.220%	719,342	453,000	489,000
Stewart - dw02	09/15/12	08/20/41	1.000%	108,172	106,000	108,172
Stewart - dw03	12/09/13	08/20/43	1.763%	42,750	15,600	-
Sturgeon Lake - dw01	03/10/05	08/20/24	1.761%	2,476,541	1,712,000	1,737,000
Sturgeon Lake - dw02	03/02/06	08/20/24	1.754%	248,165	170,000	176,000
Swanville - dw01	07/07/09	08/20/29	1.544%	647,312	534,000	563,000
Swanville - dw02	08/06/13	08/20/43	1.880%	953,866	942,699	-
Taylors Falls - dw01	08/28/07	08/20/26	1.150%	1,015,254	811,000	869,000
Thomson - dw01	09/08/03	08/20/23	2.680%	105,104	37,000	40,000
Tower - dw01	01/20/00	08/20/19	1.860%	892,659	310,000	359,000
Trosky - dw01	11/03/99	08/20/19	3.290%	131,670	50,000	57,000
Two Harbors - dw01	06/30/99	08/20/19	3.040%	835,000	316,000	363,000
Two Harbors - dw02	12/21/09	08/20/29	2.528%	2,175,783	1,836,000	1,929,287
Two Harbors - dw03	05/11/10	08/20/29	1.665%	2,262,255	1,933,000	2,038,000
Tyler - dw01	06/15/11	08/20/40	1.000%	4,957,924	4,790,527	4,859,126

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Drinking Water Bond Fund (continued):						
Underwood - dw01	11/13/01	08/20/21	2.570%	$ 660,878	$ 300,000	$ 333,000
Utica - dw01	09/19/01	08/20/21	2.070%	173,000	79,000	88,000
Verndale - dw01	12/18/98	08/20/18	1.310%	75,572	20,000	24,000
Verndale - dw02	06/18/09	08/20/29	2.056%	190,933	158,000	166,000
Virginia - dw01	11/08/99	08/20/19	3.040%	6,127,973	2,311,000	2,657,000
Wadena - dw01	07/30/02	08/20/22	2.670%	2,617,891	1,370,000	1,503,000
Walker - dw01	08/18/99	08/20/19	1.810%	1,877,758	654,980	758,000
Wanamingo - dw01	08/29/01	08/20/21	1.810%	1,660,000	751,000	837,000
Warren - dw01	06/24/11	08/20/30	1.000%	394,424	369,000	389,000
Warren - dw02	05/21/13	08/20/32	1.000%	1,035,460	571,595	-
Watertown - dw01	12/27/01	08/20/21	3.570%	2,456,978	1,210,000	1,338,000
Waverly - dw01	05/31/12	08/20/31	1.524%	371,059	326,554	309,969
West Concord - dw01	10/09/03	08/20/23	2.819%	234,105	134,000	146,000
Wilmont - dw01	07/20/10	08/20/39	1.052%	714,321	648,945	670,945
Windom - dw01	03/12/99	08/20/18	2.570%	3,151,838	504,440	686,440
Windom - dw02	06/28/99	08/20/19	2.290%	1,319,714	477,000	550,000
Winnebago - dw01	09/19/00	08/20/20	2.160%	1,910,364	774,000	876,000
Winsted - dw01	03/06/06	08/20/25	2.560%	573,926	394,000	422,000
Wrenshall - dw01	01/21/10	08/20/29	1.000%	390,617	328,000	347,000
Wykoff - dw01	05/10/04	08/20/23	2.340%	278,806	163,000	177,000
Wykoff - dw02	05/14/07	08/20/26	1.400%	470,195	339,000	363,000
Zimmerman - dw01	01/08/07	08/20/26	2.520%	2,009,068	1,430,000	1,522,000
Drinking Water Bond Fund				640,134,926	441,766,216	453,077,167
Transportation Bond Fund:						
Transportation Bond Fund Series 1999A / 2010-T1:						
Metropolitan Council - t101	03/12/99	02/15/20	2.710%	$ 21,025,000	$ 2,290,000	$ 2,635,000
Transportation Bond Fund Series 2001 / 2010-T2:						
Mazeppa - t201	10/26/99	08/20/14	2.480%	$ 535,000	$ 44,000	$ 86,000
Newport - t201	11/28/01	08/20/15	1.390%	1,625,600	244,000	363,000
Ramsey County - t201	05/04/01	08/20/30	3.590%	6,872,000	4,912,000	5,122,000
Waite Park - t201	06/27/01	08/20/21	3.190%	2,100,000	1,001,000	1,109,000
Woodbury - t201	06/28/01	08/20/17	2.700%	13,049,400	1,309,364	1,868,664
Transportation Bond Fund Series 2001 / 2010-T2				24,182,000	7,510,364	8,548,664
Transportation Bond Fund Series 2006A:						
Stearns County - t301	12/12/06	02/20/20	2.346%	$ 10,240,155	$ 3,740,000	$ 4,245,000
Transportation Bond Fund Series 2008A:						
Metropolitan Council - t401	01/24/08	02/15/18	1.794%	$ 10,000,000	$ 3,615,000	$ 4,525,000
Transportation Bond Fund				65,447,155	17,155,364	19,953,664

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Other Fund:						
Transportation Revolving Loan Fund Direct Loans:						
Albertville - t001	03/23/12	08/20/32	1.277%	$ 4,113,700	$ 3,187,851	$ 3,278,551
Big Lake - t001	03/10/10	08/20/29	1.726%	2,465,000	2,119,000	2,233,000
Browerville - t001	06/11/14	08/20/34	1.000%	1,239,330	-	
East Grand Forks - t001	11/06/08	08/20/38	3.645%	3,466,577	3,239,000	3,318,000
Elk River - t001	07/07/08	08/20/13	1.311%	2,431,500	-	499,000
Hubbard County - t001	09/25/07	08/20/18	2.477%	1,780,163	789,000	964,000
Jeffers - t001	04/12/10	08/20/29	1.660%	329,687	273,000	288,000
Minn Dept of Transportation - t002	01/02/02	12/01/16	2.980%	24,200,000	5,495,726	7,306,007
Minn Dept of Transportation - t004	11/19/06	12/01/21	2.210%	3,030,150	1,564,746	1,742,242
Minn Dept of Transportation - t005	01/29/09	12/01/28	2.600%	3,100,837	2,434,887	2,566,167
Minn Dept of Transportation - t006	12/04/08	12/01/28	3.229%	2,325,000	1,871,633	1,968,374
Minn Dept of Transportation - t008	12/12/11	12/01/21	1.000%	1,597,175	1,423,929	1,597,175
Nisswa - t001	02/15/12	08/20/32	1.000%	1,500,000	1,019,757	279,431
Pennington County - t001	08/29/01	08/20/21	3.140%	1,731,285	813,000	901,000
Pine County - t001	05/29/01	08/20/16	3.000%	1,434,459	288,000	378,000
Woodbury - t002	06/28/01	08/20/15	2.690%	4,589,700	480,000	705,000
Transportation Revolving Loan Fund Direct Loans				59,334,562	24,999,528	28,023,947
Wastewater Infrastructure (WIF) Loans:						
Alborn Township - wi01	07/07/08	02/20/40	0.000%	480,000	-	480,000
Alexandria LASR - wi01	08/13/07	08/20/30	0.000%	842,770	-	842,770
Brooten - wi01	08/27/07	08/20/31	0.000%	419,503	-	419,503
Chisago Lakes JSTC - wi01	07/20/06	02/20/27	0.000%	236,319	236,319	236,319
Hudson Township - wi01	05/02/07	08/20/30	0.000%	513,315	-	513,315
Kandiyohi County - wi01	10/17/06	08/20/32	0.000%	1,208,124	1,208,124	1,208,124
Litchfield - wi01	09/01/09	08/20/42	0.000%	6,000,000	6,000,000	6,000,000
Madelia - wi01	11/14/06	02/20/27	0.000%	89,587	-	89,587
Moose Lake - wi01	04/14/10	08/20/31	0.000%	422,641	422,641	422,641
Murray County - wi01	08/25/06	02/20/32	0.000%	3,589,451	3,589,451	3,589,451
Renville - wi01	04/12/10	08/20/37	0.000%	3,158,442	3,158,442	3,158,442
Richmond - wi01	12/21/06	02/20/29	0.000%	1,051,299	-	1,051,299
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%	437,948	126,660	282,304
Sturgeon Lake - wi01	02/21/07	08/20/35	0.000%	2,447,828	2,447,828	2,447,828
Willmar - wi01	09/09/08	02/20/30	0.000%	7,000,000	7,000,000	7,000,000
Wastewater Infrastructure (WIF) Loans				28,188,104	24,480,342	28,032,460
Small Community Wastewater Loans:						
Doran - sc01	02/22/11	08/20/22	1.000%	35,000	28,759	32,001
Forest City Township - sc01	08/20/10	08/20/20	1.000%	43,268	27,534	34,010
Oronoco Township - sc01	11/04/13	08/20/33	1.000%	101,007	72,245	-
Red Rock Township - sc01	07/07/10	08/20/26	1.000%	147,318	113,646	134,537
Steele County - sc01	08/26/12	08/20/23	1.000%	175,989	158,968	175,989
Taopi - sc01	06/28/07	08/20/18	1.000%	135,411	45,735	59,735
Small Community Wastewater Loans:				637,993	446,888	436,272

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30, 2014	2013
Other Fund (continued):						
Special Appropriation Direct Loans:						
Stewart, City of	04/22/02	08/20/21	1.000%	1,000,000	450,000	504,000
Other fund:				89,160,659	50,376,758	56,996,678
MPFA Totals				$ 2,663,048,107	$ 1,812,274,529	$ 1,800,706,195

Notes:

(1) This list exludes those 103 loans, for approximately $854 million, that were paid-in-full prior to July 1, 2013.

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

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

(4) Metropolitan Council-15th Clean Water loan: this was created by a "prepayment agreement"; initially at 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.

Borrower concentration in the open pool bond funds:

Borrower concentration, Clean Water Bond Fund: only two borrowers' loan balances exceed five percent of the Clean Water loan portfolio. At June 30, 2014 and 2013, the Metropolitan Council made up 39.3% and 35.9%, respectively, of the outstanding Clean Water loan balances, and the city of Willmar made up 5.2% and 5.4%.

Borrower concentration, Drinking Water Bond Fund: only four borrowers' loan balances exceed five percent of the Drinking Water loan portfolio. At June 30, 2014 and 2013, the city of Minneapolis made up 19.0% and 19.4%, respectively, of the outstanding Drinking Water loan balances, the city of Mankato 6.4% and 6.5%, the city of Saint Paul 5.9% and 6.0%, and the city of Fairmont 6.0% and 5.3%.

Projected loan repayments:

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

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

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

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Schedules of Future Loan Repayments – At June 30, 2014, scheduled loan repayments on outstanding loans are payable as follows:

Fiscal Year(s)	Clean Water Bond Fund		Drinking Water Bond Fund	
Ending	Interest	Principal	Interest	Principal
2015	25,754,397	78,401,622	8,891,725	27,618,428
2016	24,680,869	85,464,058	8,435,289	29,520,709
2017	22,682,640	90,646,743	7,770,071	29,608,440
2018	20,658,783	91,342,123	7,021,132	32,384,000
2019	18,475,749	95,829,351	6,223,478	34,584,000
2020 - 2024	61,925,369	460,528,235	20,043,274	161,386,325
2025 - 2029	22,448,276	308,959,014	6,906,224	98,596,146
2030 - 2034	5,682,558	111,232,516	2,237,095	28,840,081
2035 - 2039	1,734,997	28,374,000	950,208	14,496,000
2040 - 2044	38,993	6,502,802	45,522	6,719,936
	$ 204,082,631	$ 1,357,280,463	$ 68,524,018	$ 463,790,066
Less: undisbursed commitments:		54,304,273		22,023,850
Outstanding principal:		$ 1,302,976,190		$ 441,766,216

Fiscal Year(s)	TBF Series 1999A / 2010-T1		TBF Series 2001/ 2010-T2	
Ending	Interest	Principal	Interest	Principal
2015	2,175	355,000	234,295	994,294
2016	399	365,000	207,382	935,000
2017	3,773	375,000	184,881	599,000
2018	2,198	385,000	168,061	448,070
2019	4,864	395,000	154,129	377,000
2020 - 2024	4,842	415,000	572,494	1,785,000
2025 - 2029	-	-	283,161	1,635,000
2030 - 2034	-	-	26,584	737,000
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
	$ 18,251	$ 2,290,000	$ 1,830,988	$ 7,510,364
Less: undisbursed commitments:				
Outstanding principal:		$ 2,290,000		$ 7,510,364

Scheduled future loan repayments (continued):

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A	
Ending	Interest	Principal	Interest	Principal
2015	87,330	515,000	64,001	935,000
2016	75,307	530,000	47,317	950,000
2017	62,931	675,000	30,319	965,000
2018	47,155	690,000	13,320	765,000
2019	31,026	715,000	-	-
2020 - 2024	14,311	615,000	-	-
2025 - 2029	-	-	-	-
2030 - 2034	-	-	-	-
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
	$ 318,059	$ 3,740,000	$ 154,957	$ 3,615,000
Less: undisbursed commitments:				
Outstanding principal:		$ 3,740,000		$ 3,615,000

Fiscal Year(s)	Other - Nonpledged		MPFA Totals	
Ending	Interest	Principal	Interest	Principal
2015	532,517	3,630,259	35,566,440	112,479,694
2016	456,779	3,761,973	33,903,341	121,496,649
2017	372,634	3,365,741	31,107,249	126,234,924
2018	326,286	1,655,235	28,236,935	127,669,428
2019	299,316	1,606,463	25,188,563	133,506,813
2020 - 2024	1,109,454	7,053,452	83,669,745	631,783,012
2025 - 2029	590,891	12,049,053	30,228,552	421,239,212
2030 - 2034	222,319	13,985,571	8,168,556	154,795,168
2035 - 2039	63,927	4,306,496	2,749,131	47,176,496
2040 - 2044	-	1,535,000	84,516	14,757,738
	$ 3,974,122	$ 52,949,242	$ 278,903,026	$ 1,891,175,135
Less: undisbursed commitments:		2,572,484		78,900,607
Outstanding principal:		$ 50,376,758		$ 1,812,274,529

4 Bonds Payable

Bonds payable at June 30, 2014 and 2013 consist of:

Series	Interest Rates	Date Issued	Final Maturity [1]	Original Principal	Outstanding Principal, June 30: 2014	2013
Clean Water						
Thirteen series of bonds no longer outstanding:				$ 1,002,962,117	$ -	$ -
2002A	3.00 - 5.25	12/19/02	03/01/21	100,000,000	-	6,000,000
2004BC	3.00 - 5.25	10/21/04	03/01/24	218,000,000	40,600,000	51,600,000
2004D	3.25 - 5.00	12/02/04	03/01/16	101,000,000	33,560,000	53,320,000
2005B	3.00 - 5.00	10/20/05	03/01/21	148,375,000	141,550,000	141,550,000
2005C	5.00	12/07/05	03/01/25	134,000,000	7,500,000	7,500,000
2007A	4.00 - 5.00	07/11/07	03/01/27	90,000,000	19,000,000	19,500,000
2007B	4.00 - 5.00	10/25/07	03/01/28	80,000,000	50,700,000	51,000,000
2010A	2.00 - 5.00	04/01/10	03/01/27	310,065,000	273,785,000	288,035,000
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	116,645,000	124,585,000
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	768,030,000	827,780,000
Plus: Remaining unamortized net premium					48,814,240	58,756,241
Net bonds payable reflected on the statement of net position					816,844,240	886,536,241
Drinking Water						
1999B	4.60 - 5.125	07/14/99	03/01/19	21,500,000		
2002B	2.00 - 5.25	12/19/02	03/01/21	50,000,000	-	2,500,000
2004A	2.00 - 5.00	03/04/04	03/01/24	53,000,000	40,100,000	42,300,000
2005A	2.00 - 5.00	10/20/05	03/01/25	83,365,000	62,450,000	66,400,000
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	49,995,000	53,395,000
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	191,895,000	203,945,000
Plus: Remaining unamortized net premium					5,035,684	6,404,153
Net bonds payable reflected on the statement of net position					196,930,684	210,349,153

Bonds payable (continued):

Series	Interest Rates	Date Issued	Final Maturity [1]	Original Principal	Outstanding Principal, June 30: 2014	2013
Transportation Series 2006A						
2006A	3.75 - 4.00	12/20/06	03/01/20	8,900,000	3,375,000	3,825,000
Plus: Remaining unamortized net premium					5,780	10,675
Net bonds payable reflected on the statement of net position					3,380,780	3,835,675
Transportation Series 2008A						
2008A	3.50 - 4.00	01/24/08	03/01/18	7,700,000	2,920,000	3,620,000
Plus: Remaining unamortized net premium					30,715	45,264
Net bonds payable reflected on the statement of net position					2,950,715	3,665,264
Transportation Series 2010-T1						
2010-T1	2.00 - 3.00	11/18/10	03/01/20	2,945,000	1,805,000	2,070,000
Plus: Remaining unamortized net premium					28,358	38,602
Net bonds payable reflected on the statement of net position					1,833,358	2,108,602
Transportation Series 2010-T2						
2010-T2	3.00	11/18/10	03/01/21	5,370,000	3,035,000	3,645,000
Plus: Remaining unamortized net premium					71,013	110,162
Net bonds payable reflected on the statement of net position					3,106,013	3,755,162
Transportation Bond Fund				24,915,000	11,135,000	13,160,000
Plus: Remaining unamortized net premium					135,866	204,703
					11,270,866	13,364,703
MPFA Totals						
Original and outstanding principal				2,741,222,117	971,060,000	1,044,885,000
Plus: Remaining unamortized net premium					53,985,790	65,365,096
Net bonds payable reflected on the statement of net position					1,025,045,790	1,110,250,096

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

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

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

Bonding Authority - The Authority bonds do not constitute a debt of the State of Minnesota or any agency or political subdivision thereof (other than the Authority). The Authority's outstanding debt limit is $1,500,000,000. The principal amount of bonds outstanding at June 30, 2014 was $971,060,000.

Advanced and Current Refunding of Debt - The Authority has, on eleven occasions to date, issued bonds the partial proceeds of which were used to defease or call certain prior debt issuances. In each case of defeasance, the Authority established an irrevocable escrow fund pursuant to an escrow agreement between the Authority, the Minnesota State Board of Investment, and an escrow agent. The escrow funds are pledged solely to the repayment of principal, premium, and interest on the refunded bonds. Under the agreements, the refunded bonds will be called for redemption at each series' applicable optional redemption dates. As these bonds have, in effect, been redeemed under the defeasance, they are no longer outstanding under the Authority's applicable bond resolutions and therefore, they are not entitled to the pledge of the applicable resolution. Accordingly, these bonds and the related escrow funds are not reflected in these basic financial statements as of June 30, 2014.

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

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

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

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

The amount deferred on refunding is reflected in the 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, 2014:

CUSIP #	Series	Maturity	Call Date	Refunded Date	Par Refunded Unredeemed
604114RC4	2005C	03/01/18	03/01/15	04/01/10	$ 8,000,000
604114RD2	2005C	03/01/19	03/01/15	04/01/10	9,000,000
604114RE0	2005C	03/01/20	03/01/15	04/01/10	8,000,000
604114RF7	2005C	03/01/21	03/01/15	04/01/10	8,000,000
604114RG5	2005C	03/01/22	03/01/15	04/01/10	6,000,000
604114RH3	2005C	03/01/23	03/01/15	04/01/10	5,000,000
604114RJ9	2005C	03/01/24	03/01/15	04/01/10	5,000,000
604114RK6	2005C	03/01/25	03/01/15	04/01/10	7,000,000
60411KAN2	2007A	03/01/20	03/01/17	04/01/10	5,000,000
60411KAP7	2007A	03/01/21	03/01/17	04/01/10	5,000,000
60411KAQ5	2007A	03/01/22	03/01/17	04/01/10	6,000,000
60411KAR3	2007A	03/01/23	03/01/17	04/01/10	7,000,000
60411KAS1	2007A	03/01/24	03/01/17	04/01/10	8,000,000
60411KAT9	2007A	03/01/25	03/01/17	04/01/10	12,000,000
60411KAU6	2007A	03/01/26	03/01/17	04/01/10	13,000,000
60411KAV4	2007A	03/01/27	03/01/17	04/01/10	12,000,000
60411KBH4	2007B	03/01/20	03/01/17	04/01/10	7,500,000
60411KBJ0	2007B	03/01/21	03/01/17	04/01/10	7,500,000
60411KBK7	2007B	03/01/22	03/01/17	04/01/10	6,500,000
60411KBN1	2007B	03/01/25	03/01/17	04/01/10	5,000,000
					$ 150,500,000

Schedule of Maturities - At June 30, 2014 debt service on outstanding bonds is payable as follows:

Fiscal Year(s)	Clean Water		Drinking Water	
Ending	Interest	Principal	Interest	Principal
2015	37,941,804	63,020,000	8,968,219	12,525,000
2016	34,746,804	68,945,000	8,363,969	12,775,000
2017	31,292,929	63,185,000	7,747,219	13,135,000
2018	28,133,679	66,695,000	7,090,469	15,025,000
2019	24,798,929	72,000,000	6,368,219	16,195,000
2020 - 2024	73,258,883	281,325,000	20,586,833	76,970,000
2025 - 2029	22,687,686	132,710,000	7,264,604	38,350,000
2030 - 2034	1,255,396	20,150,000	475,456	6,920,000
	254,116,110	768,030,000	66,864,988	191,895,000
Plus remaining premium		48,814,240		5,035,684
Net bonds payable		816,844,240		196,930,684

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A	
Ending	Interest	Principal	Interest	Principal
2015	135,000	460,000	113,150	730,000
2016	116,600	485,000	87,600	760,000
2017	97,200	640,000	57,200	790,000
2018	71,600	660,000	25,600	640,000
2019	45,200	700,000	-	-
2020 - 2024	17,200	430,000	-	-
2025 - 2029	-	-	-	-
2030 - 2034	-	-	-	-
	482,800	3,375,000	283,550	2,920,000
Plus remaining premium		5,780		30,715
Net bonds payable		3,380,780		2,950,715

Fiscal Year(s)	TBF Series 20010-T1		TBF Series 20010-T2	
Ending	Interest	Principal	Interest	Principal
2015	43,363	275,000	91,050	610,000
2016	37,863	280,000	72,750	590,000
2017	32,263	295,000	55,050	430,000
2018	26,363	305,000	42,150	410,000
2019	19,500	315,000	29,850	325,000
2020 - 2024	10,050	335,000	30,150	670,000
2025 - 2029	-	-	-	-
2030 - 2034	-	-	-	-
	169,400	1,805,000	321,000	3,035,000
Plus remaining premium		28,358		71,013
Net bonds payable		1,833,358		3,106,013

Schedule of revenue bond maturities (continued):

Fiscal Year(s) Ending	MPFA Totals Interest	Principal
2015	47,292,586	77,620,000
2016	43,425,586	83,835,000
2017	39,281,861	78,475,000
2018	35,389,861	83,735,000
2019	31,261,698	89,535,000
2020 - 2024	93,903,115	359,730,000
2025 - 2029	29,952,290	171,060,000
2030 - 2034	1,730,852	27,070,000
	322,237,847	971,060,000
Plus remaining premium		53,985,790
Net bonds payable		1,025,045,790

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 Balance (par)	New Issues (par)	Redemptions	Defeased	Ending 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					53,985,790
Net bonds payable reflected in the statement of net position					$ 1,025,045,790

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

Bond Fund	Beginning Balance (par)	New Issues (par)	Redemptions	Defeased	Ending Balance (par)
CWBF	$ 885,070,000	$ -	$ (57,290,000)	$ -	$ 827,780,000
DWBF	215,165,000	-	(11,220,000)		203,945,000
TR-2006A	4,250,000		(425,000)		3,825,000
TR-2008A	4,290,000		(670,000)		3,620,000
TR-2010-T1	2,320,000	-	(250,000)		2,070,000
TR-2010-T2	4,340,000	-	(695,000)		3,645,000
Totals	$ 1,115,435,000	$ -	$ (70,550,000)	$ -	$ 1,044,885,000
Plus remaining unamortized premium					65,365,096
Net bonds payable reflected in the statement of net position					$ 1,110,250,096

5. *Arbitrage Rebate Payments*

The bonds issued by the Authority are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of investment income that may be earned on certain funds to an amount not greater than the amount 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 2014 and 2013 the Authority paid $-0-.

6. *Related-Party Transactions*

Administrative Services – The Authority, DEED, MPCA, and the Department of Health provide administrative staff and services to Authority programs. During fiscal 2014 and 2013, the Authority paid approximately $3.1 million and $3.0 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 2014 and 2013 were approximately $859 thousand, and $-0-, respectively. In fiscal year 2014 and 2013, approximately $803 thousand and $2.4 million, respectively, were transferred from the TBF Funds to the Other Fund, from excess bond year pledged revenues over bond year debt service in the TBF Funds.

State Appropriations:

The Capital Improvements 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.

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

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

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

$2,000,000 for 2014 and $2,000,000 for 2015 for the Small Community Wastewater Treatment Program under Minnesota Statutes 446A.075.

7. *Commitments*

At June 30, 2014 the Authority had committed approximately $81 million for the origination or disbursement of future loans, and $14 million for grants.

8. *Accounting Standards –Adoption of GASB Statement 65*

This Statement establishes accounting and financial reporting standards that reclassified, as deferred outflows of resources or deferred inflow of resources, certain items previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items previously reported as assets and liabilities. Implementation of Statement No. 65 also required the restatement of the financial statements to expense bond issuance costs in the year incurred. Beginning net position for the year ended June 30, 2013 was decreased $3,009,426. The change in net position for the year ended June 30, 2013 was increased $383,661 from the amount previously reported.

McGladrey

Independent Auditor's Report on the Supplementary Information

Minnesota Public Facilities Authority
St. Paul, Minnesota

We have audited the financial statements of Minnesota Public Facilities Authority as of and for the years ended June 30, 2014 and 2013, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See pages 4 and 5. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Minneapolis, Minnesota
October 30, 2014

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

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Net Position
June 30, 2014

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 961,786.46	$ 164.22	$ 52.37	$ 7,098.00	$ 969,101.05
Loans receivable	515,000.00	935,000.00	355,000.00	994,294.00	2,799,294.00
Accrued interest receivable:					
Investments				5,929.00	5,929.00
Loans	31,928.00	24,500.00	975.00	90,284.00	147,687.00
Total current assets	1,508,714.46	959,664.22	356,027.37	1,097,605.00	3,922,011.05
Noncurrent assets:					
Investments				537,000.00	537,000.00
Loans receivable	3,225,000.00	2,680,000.00	1,935,000.00	6,516,070.29	14,356,070.29
Total noncurrent assets	3,225,000.00	2,680,000.00	1,935,000.00	7,053,070.29	14,893,070.29
Total assets	4,733,714.46	3,639,664.22	2,291,027.37	8,150,675.29	18,815,081.34
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on debt refunding			18,618.00	11,207.00	29,825.00
LIABILITIES					
Current liabilities:					
Interest payable on bonds	45,000.00	37,716.67	14,454.17	30,350.00	127,520.84
Arbitrage rebate liability				15,907.33	15,907.33
Bonds payable	460,000.00	730,000.00	275,000.00	610,000.00	2,075,000.00
Total current liabilities	505,000.00	767,716.67	289,454.17	656,257.33	2,218,428.17
Noncurrent liabilities:					
Bonds payable	2,920,779.74	2,220,715.11	1,558,358.09	2,496,012.87	9,195,865.81
Arbitrage rebate liability					-
Total liabilities	3,425,779.74	2,988,431.78	1,847,812.26	3,152,270.20	11,414,293.98
NET POSITION					
Restricted by bond resolutions	1,307,934.72	651,232.44	461,833.11	5,009,612.09	7,430,612.36
Total net position	$1,307,934.72	$ 651,232.44	$ 461,833.11	$5,009,612.09	$7,430,612.36

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Year Ended June 30, 2014

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
Operating revenues:					
Interest on loans	$ 94,807.50	$ 74,114.50	$ 3,462.50	$ 252,637.37	$ 425,021.87
Investment earnings	4,701.50	371.42	75.47	11,479.27	16,627.66
Total operating revenues	99,509.00	74,485.92	3,537.97	264,116.64	441,649.53
Operating expenses:					
Interest on bonds	141,355.09	114,934.66	42,000.23	68,041.39	366,331.37
Total operating expenses	141,355.09	114,934.66	42,000.23	68,041.39	366,331.37
Operating income (loss)	(41,846.09)	(40,448.74)	(38,462.26)	196,075.25	75,318.16
Transfers in (out)	(5,711.76)	(164,256.82)	(35,585.10)	(597,778.86)	(803,332.54)
Change in net position	(47,557.85)	(204,705.56)	(74,047.36)	(401,703.61)	(728,014.38)
Total net position:					
Beginning of year	1,355,492.57	855,938.00	535,880.47	5,411,315.70	8,158,626.74
End of year	$ 1,307,934.72	$ 651,232.44	$ 461,833.11	$ 5,009,612.09	$ 7,430,612.36

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Cash Flows
for the Year Ended June 30, 2014

	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
Operating activities:					
Interest rcvd on loans	$ 99,118.50	$ 80,281.50	$ 4,224.50	$ 263,110.37	$ 446,734.87
Principal rcvd on loans	505,000.00	910,000.00	345,000.00	1,038,299.24	2,798,299.24
Net cash provided in operating activities	604,118.50	990,281.50	349,224.50	1,301,409.61	3,245,034.11
Non capital financing activities:					
Interest on bonds	(151,875.00)	(137,650.00)	(48,662.50)	(109,350.00)	(447,537.50)
Principal on bonds	(450,000.00)	(700,000.00)	(265,000.00)	(610,000.00)	(2,025,000.00)
Cash transfers	(5,711.76)	(164,256.82)	(35,585.10)	(597,778.86)	(803,332.54)
Net cash used in capital and related financing activities	(607,586.76)	(1,001,906.82)	(349,247.60)	(1,317,128.86)	(3,275,870.04)
Investing activities:					
Investment interest	4,701.50	371.42	75.47	21,762.87	26,911.26
Net cash provided in investing activities	4,701.50	371.42	75.47	21,762.87	26,911.26
Net incr in cash and cash equivalents	1,233.24	(11,253.90)	52.37	6,043.62	(3,924.67)
Cash and cash equivalents:					
Beginning of year	960,553.22	11,418.12	-	1,054.38	973,025.72
End of year	$ 961,786.46	$ 164.22	$ 52.37	$ 7,098.00	$ 969,101.05
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (41,846.09)	$ (40,448.74)	$ (38,462.26)	$ 196,075.25	$ 75,318.16
Adjustments to reconcile operating income to net cash provided in operating activities:					
Principal rcvd on loans	505,000.00	910,000.00	345,000.00	1,038,299.24	2,798,299.24
Interest paid on bonds	151,875.00	137,650.00	48,662.50	109,350.00	447,537.50
Investment earnings	(4,701.50)	(371.42)	(75.47)	(21,762.87)	(26,911.26)
Net amortizations	(4,894.91)	(14,548.68)	(4,895.61)	(35,208.61)	(59,547.81)
Changes in assets and liabilities:					
Accrued revenues	4,311.00	6,167.00	762.00	10,473.00	21,713.00
Accrued expenses	(5,625.00)	(8,166.66)	(1,766.66)	4,183.60	(11,374.72)
Net cash provided in operating activities	$ 604,118.50	$ 990,281.50	$ 349,224.50	$ 1,301,409.61	$ 3,245,034.11