



## Minnesota Public Facilities Authority

08 - 0425

Date: April 11, 2008

To: Senator Richard J. Cohen  
Chair, Senate Finance Committee  
Room 121 State Capitol

Senator David J. Tomassoni  
Chair, Economic Development Budget Division  
Room 317 State Capitol

Representative Lyndon Carlson  
Chair, House Finance Committee  
479 State Office Building

Representative Tom Rukavina  
Chair, Higher Education and Work Force Development Policy  
and Finance Division  
477 State Office Building

Subject: 2008 Fee Report of the Minnesota Public Facilities Authority

The attached report is being submitted to comply with Minnesota Statutes Section 446A.04, Subdivision 5 (b), which requires the Authority to submit an "annual report to the Chairs of the finance and appropriations committees of the Legislature on: (1) the amount of fees collected under this subdivision for cost incurred by the authority; (2) the purposes for which the fee proceeds have been spent; and (3) the amount of any remaining balance of fee proceeds." The Authority is authorized to collect up to 2% of each loan repayment for servicing fees. This excludes deducting any principal, which is not allowed by the federal government.

Loan repayments are made to the Public Facilities Authority by municipalities every August and February. The Public Facilities Authority pays interest on its bonds on September 1st and principal and interest on March 1st of every year.

February is the last fee collection period in the fiscal year for the three revolving funds managed by the Authority and the enclosed Fee Report spreadsheet reflects collections and expenditures for the annual periods from March 2, 2005 through March 1, 2008.

### Minnesota Public Facilities Authority

1<sup>st</sup> National Bank Building • 332 Minnesota St., Suite E200 • Saint Paul, MN 55101-1351 • USA  
651-259-7469 • 800-657-3858 • Fax: 651-296-8833 • TTY/TDD: 651-296-3900  
[www.positivelyminnesota.com/Community/assistance/pfa.htm](http://www.positivelyminnesota.com/Community/assistance/pfa.htm)  
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The Public Facilities Authority's legal authority and financial capacity, provided by fee revenues, to pay its administrative expenses and contract for services necessary to fulfill its obligations is critical in maintaining its AAA bond ratings. The expenditure of fee revenues is governed by federal regulations and state law. Both prohibit using fees generated for one purpose to be used for any another purpose, providing another layer of protection the rating agencies consider in evaluating the long term management capacity and stability of the Public Facilities Authority.

If you have any questions or would like to discuss the contents of the report please call me at 651/259-7468.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Kuhlman". The signature is fluid and cursive, with the first name being more prominent.

Terry Kuhlman, Director  
Minnesota Public Facilities Authority

cc. Legislative Library

**Minnesota Public Facilities Authority**  
**Annual Fee Report**  
**For the Bond Years ending March 1, 2008, 2007, 2006, and 2005**

Description	2008	2007	2006	2005
Beginning cash balance	\$ 2,395,379	\$ 2,351,246	\$ 2,572,845	\$ 3,213,294
Fees collected during the year	2,109,080	1,940,234	1,793,067	1,587,331
Expenditures during the year:				
Authority Expenses:				
Arbitrage rebate calculation	24,500	26,000	23,000	18,500
Annual audit	48,800	42,900	50,201	67,715
St. Board of Investment charges				
Bond related	139,472	56,076	126,120	407,113
PFA administrative expenditures	781,652	666,820	724,878	635,806
MPCA administrative expenditures	961,472	1,102,518	1,088,613	1,096,936
County Credit Enhancement	1,644	1,786	1,854	1,711
Total Expenditures	1,957,541	1,896,101	2,014,666	2,227,781
Ending Cash balance *	<u>\$ 2,546,918</u>	<u>\$ 2,395,379</u>	<u>\$ 2,351,246</u>	<u>\$ 2,572,845</u>

\* Cash balance by program:

Clean Water	\$ 1,306,111	\$ 1,294,582	\$ 1,390,539	\$ 1,713,220
Drinking Water	1,151,602	988,477	836,446	730,145
Transportation	80,242	104,712	117,367	123,731
County Credit Enhancement	8,964	7,608	6,894	5,748
	<u>\$ 2,546,918</u>	<u>\$ 2,395,379</u>	<u>\$ 2,351,246</u>	<u>\$ 2,572,845</u>

Notes: The Authority bond year ends on March 1 or the first business day after March 1.

Admin expenditures paid from other sources: Some PCA, Most TRLF, and all Dept of Health expenses to date, were paid from federal, match or Operating Reserve balances and therefore are not reflected above.

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