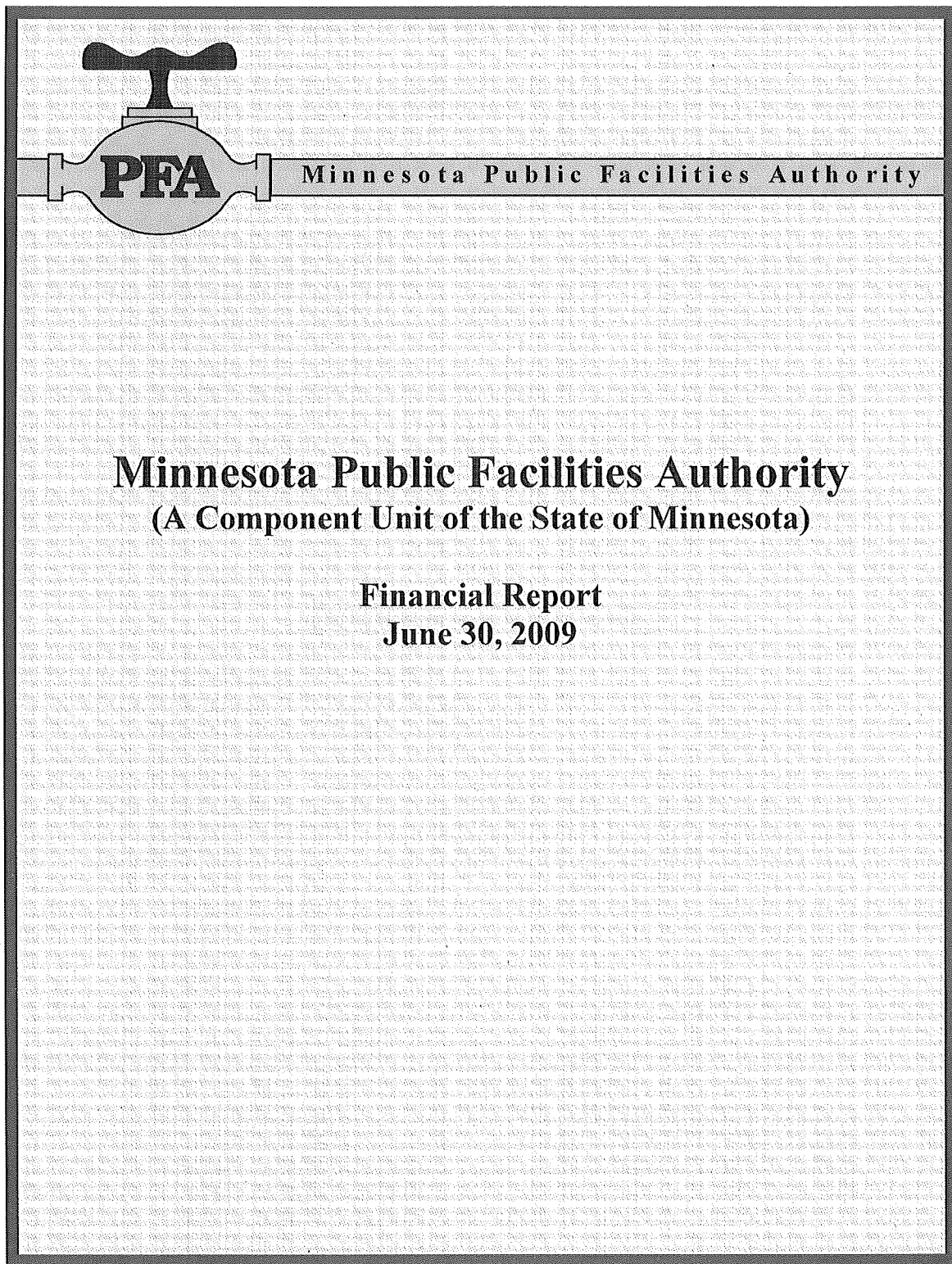


10 - 0063



[This page intentionally left blank]

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

Financial Report
June 30, 2009

Table of Contents

Independent Auditor's Report.....	4
Required Supplementary Information:	
Management's Discussion and Analysis	5
Financial Statements:	
Statement of Net Assets.....	16
Statement of Revenues, Expenses and Changes in Fund Net Assets	18
Statement of Cash Flows	20
Notes to the Financial Statements.....	22
Supplementary Information for the Transportation Bond Fund Accounts:	
Independent Auditor's Report on Supplementary Information	51
Statement of Net Assets.....	52
Statement of Revenues, Expenses and Changes in Fund Net Assets	53
Statement of Cash Flows	54

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

Minnesota Public Facilities Authority
St. Paul, Minnesota

We have audited the accompanying financial statements of the business-type activities and major funds of the Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the business-type activities and major funds of the Authority as of June 30, 2009 and 2008, and the respective changes in financial positions and the cash flows where applicable thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

McGladrey & Pullen, LLP

Minneapolis, Minnesota
October 27, 2009

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, 2009 and 2008. 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 Minnesota Department of Employment and Economic Development provides administrative support services to the Authority. The Authority provides low interest loans and some 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. 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 Assets* - This is presented in the format of assets (financial and capital resources) less liabilities equals net assets. The portion of net assets 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 Assets* - This statement presents the accrual basis operations and the resulting change in fund net assets 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, 2009 are followed by statements for the fiscal year ended June 30, 2008 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;
- Other: All of the Authority's non-revenue 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 contributed capital. 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 administrative costs paid by a portion of the loan repayments, fees, or by federal grant funds, and grant and loan programs funded through interest earnings, loan repayments, and federal grants and state appropriations, recognized in these accounts primarily as operating revenue.

Condensed Financial Information:

The following page presents condensed financial statement information as of and for the fiscal years ended June 30, 2009, 2008, and 2007.

[The balance of this page is left blank intentionally.]

Minnesota Public Facilities Authority
Condensed Financial Statement Information

Condensed Statements of Net Assets

June 30, 2009, 2008, and 2007

	2009	2008	2007
Assets:			
Cash, cash equivalents, and investments	\$ 333,928,070.21	\$ 435,135,512.38	\$ 313,833,191.40
Loans receivable	1,619,851,375.15	1,524,042,479.89	1,439,809,863.81
Other	29,931,778.42	26,098,399.68	38,249,609.58
Total assets	1,983,711,223.78	1,985,276,391.95	1,791,892,664.79
Liabilities:			
Interest payable on bonds	15,632,424.16	16,613,278.18	14,530,418.94
Bonds payable	988,489,521.19	1,050,259,519.62	913,969,206.87
Other	16,543,213.11	10,713,871.90	24,628,804.46
Total liabilities	1,020,665,158.46	1,077,586,669.70	953,128,430.27
Net Assets	<u>\$ 963,046,065.32</u>	<u>\$ 907,689,722.25</u>	<u>\$ 838,764,234.52</u>

**Condensed Statements of Revenues, Expenses,
and Changes in Fund Net Assets,**

Years ended June 30, 2009, 2008, and 2007

	2009	2008	2007
Operating Revenues:			
Interest on loans	\$ 40,613,027.97	\$ 38,297,049.77	\$ 38,171,490.18
Investment earnings	15,493,823.79	26,296,480.31	19,997,300.19
Grants, appropriations, and fees	39,834,385.90	16,864,662.26	17,444,395.62
Other	274,948.07	1,277,000.00	1,091,000.00
Total operating revenues	96,216,185.73	82,735,192.34	76,704,185.99
Operating Expenses:			
Interest on bonds	46,613,985.41	47,067,682.57	43,205,447.69
Other	42,419,497.69	32,705,099.60	23,666,141.44
Total operating expenses	89,033,483.10	79,772,782.17	66,871,589.13
Operating gain (loss)	7,182,702.63	2,962,410.17	9,832,596.86
Capital Contributions	48,173,640.44	65,963,077.56	38,263,333.26
Change in Net Assets	55,356,343.07	68,925,487.73	48,095,930.12
Net Assets at Beginning of Year	907,689,722.25	838,764,234.52	790,668,304.40
Net Assets at End of Year	<u>\$ 963,046,065.32</u>	<u>\$ 907,689,722.25</u>	<u>\$ 838,764,234.52</u>

**Condensed Statements of Cash Flows,
Years ended June 30, 2009, 2008, and 2007**

	2009	2008	2007
Operating Activities:			
Principal and interest received on loans	\$ 130,458,984.09	\$ 134,769,055.65	\$ 112,818,376.65
Operating grants, appropriations, and fees	29,598,556.16	11,071,816.16	17,141,316.91
Other	(31,493,104.86)	(26,015,989.51)	(24,488,423.78)
Net cash provided by operating activities	128,564,435.39	119,824,882.30	105,471,269.78
Non Capital Financing Activities:			
Capital contributions	48,173,640.44	65,963,077.56	38,282,468.78
Proceeds from sales of bonds		184,051,444.44	9,787,017.53
Funds deposited in escrow for bond refunding			
Payments to make loans	(186,195,887.38)	(180,831,698.96)	(171,235,977.26)
Principal and interest paid on bonds	(109,066,199.86)	(93,101,808.96)	(111,812,755.00)
Other payments	(2,436.67)	(655,384.37)	(280,944.94)
Net cash used in non capital financing activities	(247,090,883.47)	(24,574,370.29)	(235,260,190.89)
Investing Activities	68,105,938.46	31,898,875.11	37,060,288.18
Net increase (decrease) in cash and cash equivalents	(50,420,509.62)	127,149,387.12	(92,728,632.93)
Cash and cash equivalents at beginning of year	285,233,212.45	158,083,825.33	250,812,458.26
Cash and cash equivalents at end of year	<u>\$ 234,812,702.83</u>	<u>\$ 285,233,212.45</u>	<u>\$ 158,083,825.33</u>

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

The table below summarizes certain financial activities during the fiscal years 2009, 2008, and 2007:

	2009	2008	2007
Operating revenues and capital contributions from federal grants and state appropriations:			
Clean Water Bond Fund (CWBF):			
Federal capitalization grants	\$ 12,507,165	\$ 19,671,894	\$ 16,095,222
State match	24,000,000	17,795,100	15,108,100
Drinking Water Bond Fund (DWBF):			
Federal capitalization grants	10,653,580	18,249,697	6,422,493
State match	1,012,895	10,246,386	637,518
Other Fund:			
Clean water federal grants	8,794,431		
Drinking water federal grants	5,020,256	3,719,381	4,753,399
Transportation state appropriations		(6,100,000)	
Other state appropriations and fees	26,019,699	13,145,281	12,690,997
	<u>\$ 88,008,026</u>	<u>\$ 76,727,740</u>	<u>\$ 55,707,729</u>
Bonds Payable (par):			
issued		177,700,000	8,900,000
defeased			
redeemed	(59,150,000)	(44,755,000)	(65,595,000)
net change	<u>\$ (59,150,000)</u>	<u>\$ 132,945,000</u>	<u>\$ (56,695,000)</u>
Loans Receivable:			
disbursed	186,195,887	180,831,699	171,235,977
repaid	(90,320,976)	(96,599,083)	(75,488,852)
transferred out *	(66,016)		
net increase	<u>\$ 95,808,895</u>	<u>\$ 84,232,616</u>	<u>\$ 95,747,125</u>

* during fiscal year 2009 the assets of the Methamphetamine Lab Cleanup loan program were cancelled to the state general fund.

During the fiscal years ended June 30, 2009, 2008, and 2007, net assets changed by: \$55.4, \$68.9, and \$48.1 million, respectively. Volatility in this change is due largely to:

- Timing of federal and state grants net of related grant expenditures: \$48.8, \$54.2, and \$35.7 million, respectively, during fiscal years 2009, 2008, and 2007.
- Changes in net investment earnings due to change in earnings rates but also the timing of bond sales and the average amount of undisbursed bond proceeds. Net earnings were \$15.5, \$23.1, and \$20.0 million, respectively, during fiscal years 2009, 2008, and 2007.

The weighted average interest rate on outstanding loan balances at June 30, 2009, 2008, and 2007 were 2.66%, 2.68%, and 2.78%, respectively.

The weighted average investment earnings rate (earnings ÷ average daily cash and investments balance) during fiscal years 2009, 2008, and 2007 was 3.56%, 4.85%, and 4.87%.

Loan approvals for the last three fiscal years were \$238 million (47 loans), \$185 million (35 loans), and \$257 million (55 loans).

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, 2009 was \$963,565,000.

During fiscal year 2009 the Authority issued no bonds. During fiscal year 2008 the Authority issued Clean Water bonds of \$170,000,000 par and Transportation Series 2008A bonds of \$7,700,000 par. During fiscal year 2007 the Authority issued Transportation Series 2006A bonds of \$8,900,000 par.

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 carry the following ratings: Series 1999A bonds: Standard and Poor's (AAA) and Moody's (Aaa); Series 2001 bonds: Moody's (Aa2); Series 2006A bonds: Moody's (Aaa); and the Series 2008A bonds: Standard and Poor's (AAA) and Moody'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 series of bonds have been issued for \$1.87 billion par, which includes \$650 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2009 were approximately \$706 million, net of non-pledged set-asides for administrative costs. The Authority has over the years transferred out approximately \$84.1 million from the CWBF for related but non-pledged programs known as non point-source programs. During fiscal years 2009, 2008, and 2007, the Authority transferred \$2.5 million, \$2.2 million, and \$2.2 million, respectively, from net assets for these programs. This is reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Assets 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 351 loan commitments to 221 borrowers for approximately \$2.0 billion. The largest borrower, at \$965 million in cumulative loan commitments as of June 30, 2009, 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, four series of bonds have been issued for \$207.9 million, which includes \$35.5 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2009 were approximately \$242 million, net of non-pledged set-asides. The fund has made 222 loan commitments to 177 borrowers for approximately \$439 million. The largest borrower, at \$78.4 million in cumulative loan commitments as of June 30, 2009, 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 non-pledged accounts. One loan for \$21.025 million was made to the Metropolitan Council.
- The series 2001 bonds of \$20.45 million par were issued in December 2001. The Authority transferred \$16.77 million in cash and loans receivable into the fund. Nine loan commitments totaling \$34.78 million from the loan pool pledged to these bonds, and a \$1.9 million debt service reserve account was also created from the assets transferred in.
- 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 non-pledged 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 non-pledged accounts. One loan for \$10 million was made to the Metropolitan Council.

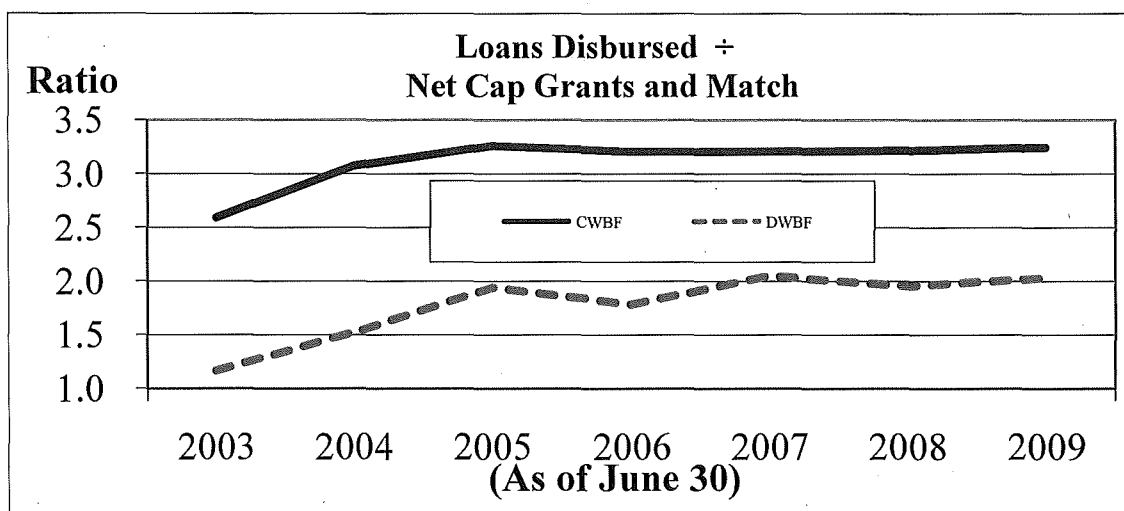
Criteria used in evaluating the financial results and conditions of the bond funds include:

- 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 seven years.

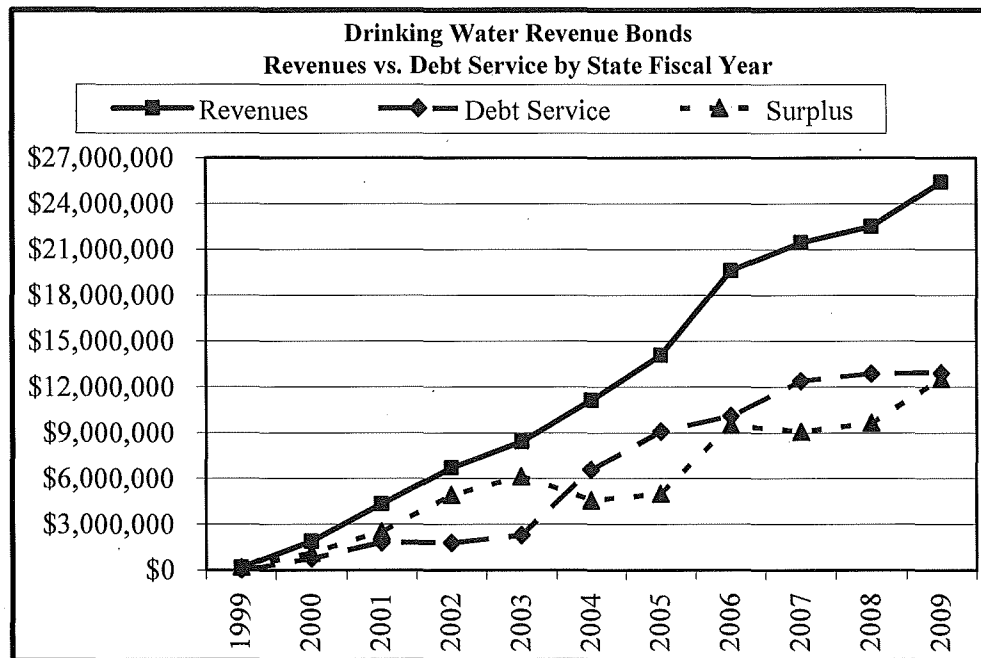
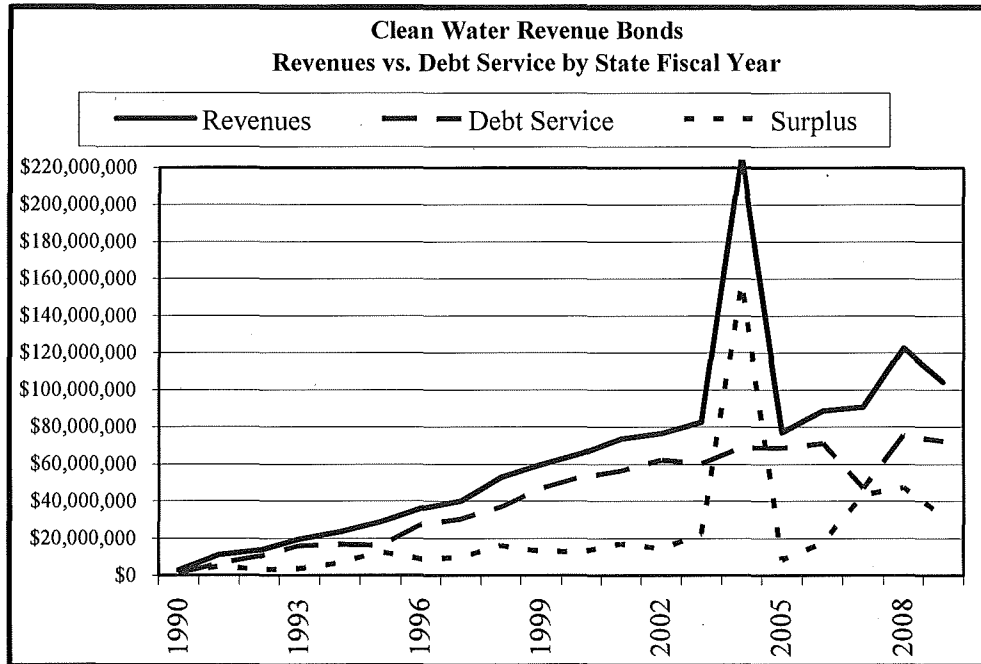
Clean Water and Drinking Water Bond Fund Programs
Leveraging of Federal Capitalization Grants and State Match

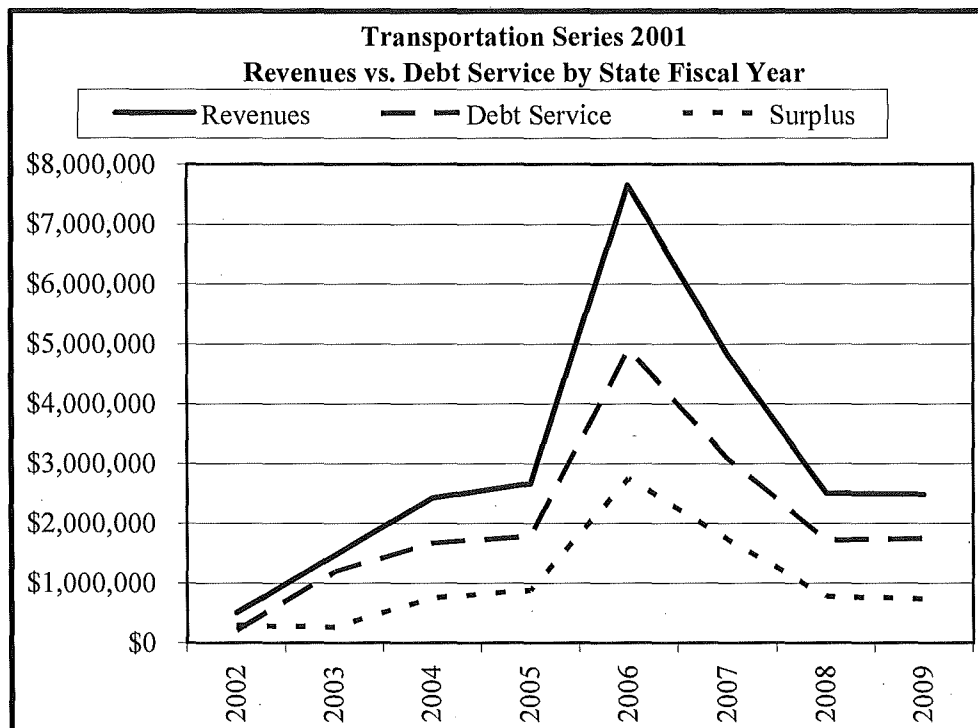
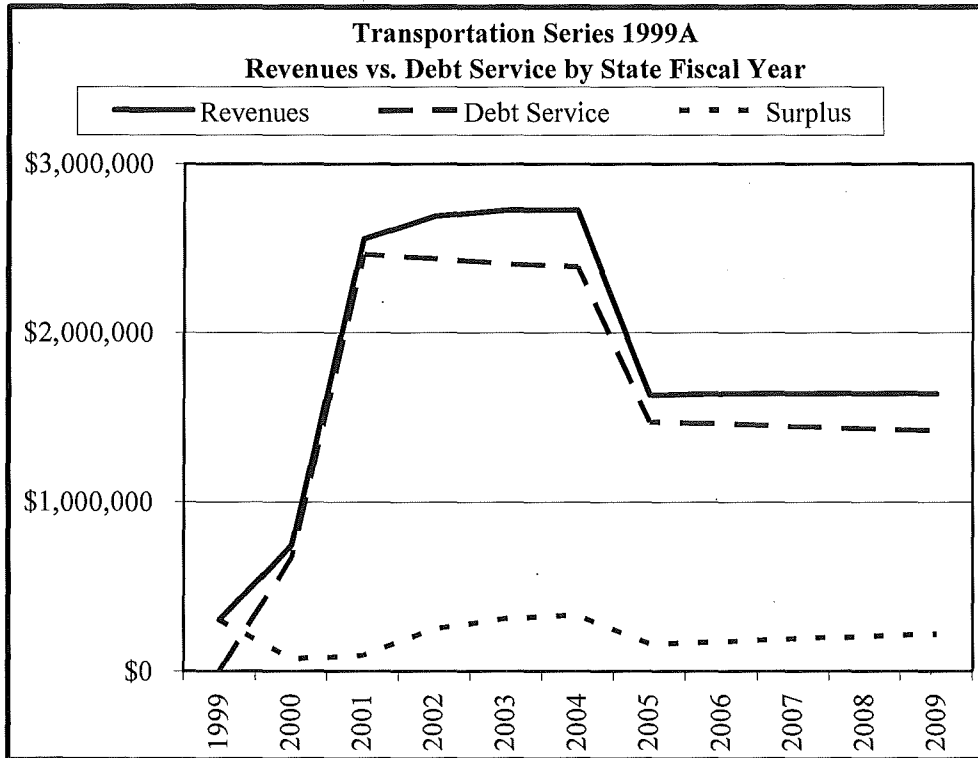


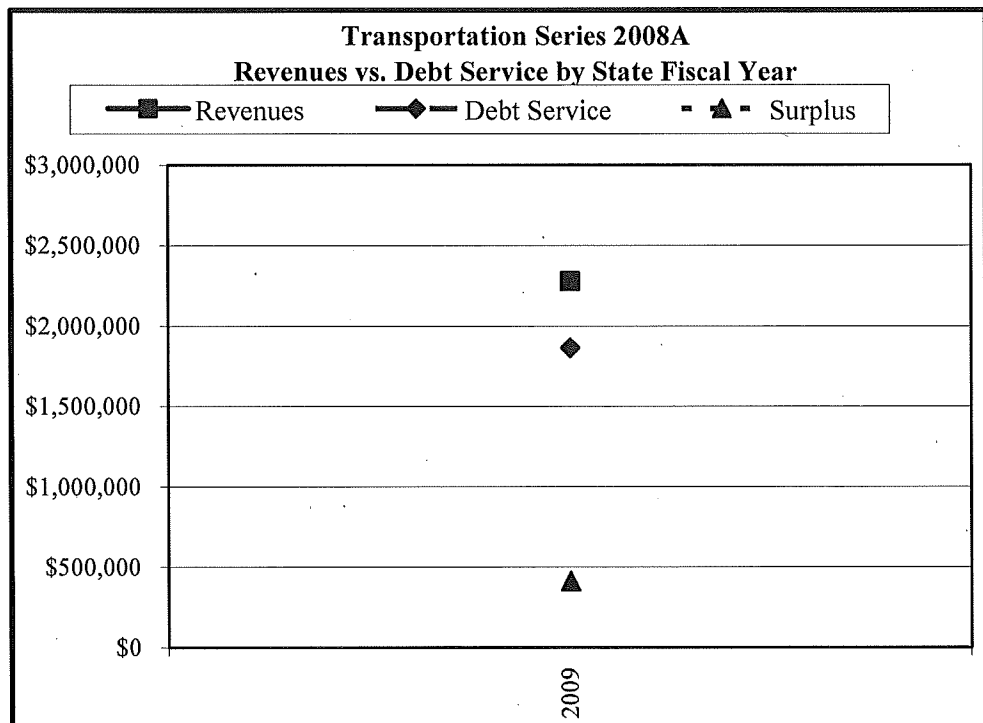
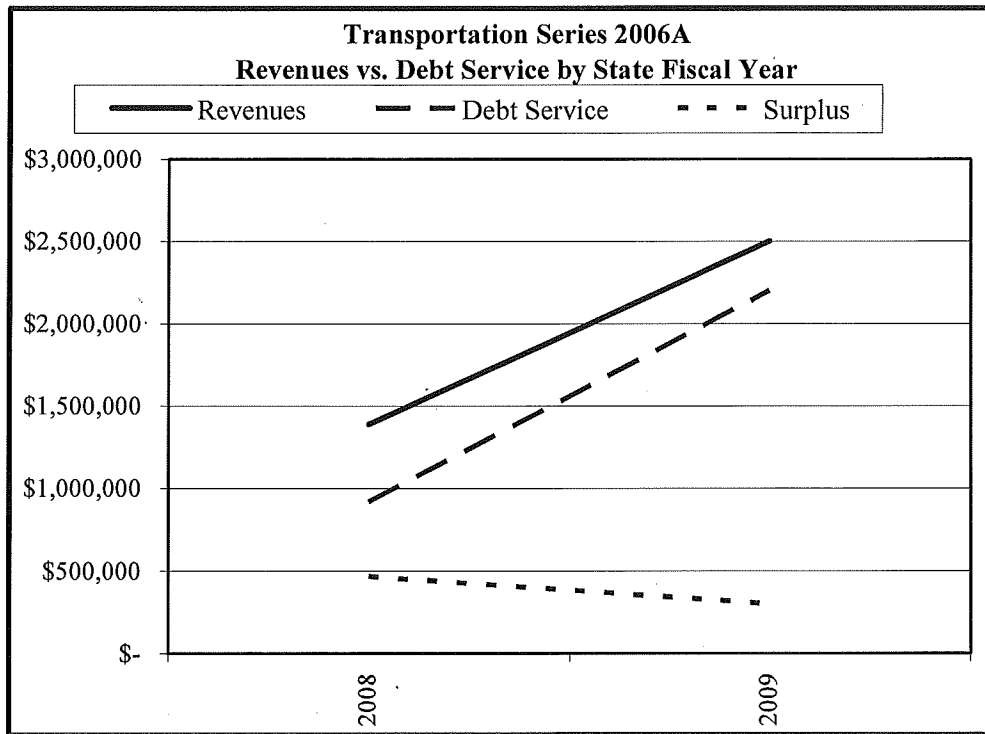
Analysis of historical cash flow sufficiency to make debt service payments:

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

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







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	Series 2001	Series 2006A	Series 2008A
Current ratios						
June 30, 2009	5.42	5.20	1.22	1.45	1.86	1.94
June 30, 2008	6.12	6.31	1.21	1.51	2.31	3.39
June 30, 2007	3.35	5.97	1.22	1.85		
Debt ratios						
June 30, 2009	0.55	0.38	0.79	0.53	0.77	0.74
June 30, 2008	0.58	0.41	0.79	0.54	0.76	0.77
June 30, 2007	0.55	0.46	0.79	0.55	0.76	
Operating Income ratios						
FY 2009	1.07	1.55	0.76	1.24	0.75	0.66
FY 2008	1.25	1.63	0.74	1.28	0.80	1.44
FY 2007	1.20	1.56	0.76	1.30	2.09	
Debt Service Coverage						
FY 2009	1.30 ¹	1.98	1.16	1.43	1.14	1.14
FY 2008	1.61	1.74	1.14	1.45	1.18	
FY 2007	1.28 ¹	1.73	1.13	1.56		

current ratio: $\text{current assets} \div \text{current liabilities}$
debt ratio: $\text{debt} \div \text{assets}$
operating income ratio: $\text{operating revenues} \div \text{operating expenses}$
debt service coverage ratio: $(\text{loan repayments} + \text{investment interest}) \div (\text{bond debt service})$

¹ During fiscal years 2009 and 2007, the Authority called \$8.28 million and \$23.905 million, respectively, of Clean Water bonds with available cash in the CWBF. The Clean Water debt service coverage ratios do not include these call redemptions.

Even though operating income ratio for several of the Transportation Series are less than 1, the cash flows are sufficient to pay debt service because the outstanding loan balance is greater than the outstanding bonds. This fact is reflected in the debt service coverage ratio, 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 loan. 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 assets removed from the CWBF. The following chart shows activity during the fiscal year:

Sub-Grants	MPCA	Dept of Agriculture	Dept of Health
<u>Allocations & Expenditures</u>	<u>Clean Water Partnership</u>	<u>Best Management Practices</u>	<u>Drinking Water Set-Asides</u>
New allocations	\$ 1,000,000	\$ 1,500,000	\$ -
Pass-thru grant exp recognized	1,904,762	1,966,847	2,152,737

The drinking water set-asides originated from federal capitalization grant awards.

State Appropriations – The Authority received multiple appropriations during the 2009 and 2008 and legislative sessions. These appropriations are recognized as revenue as related expenditure obligations are incurred.

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

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

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

Requests for Information

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

Minnesota Public Facilities Authority
Attention: Financial Officer
1st National Bank Bldg., Suite E200
332 Minnesota Street
Saint Paul, MN 55101-1351.

Minnesota Public Facilities Authority
Statement of Net Assets
June 30, 2009

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 189,944,870.75	\$ 19,131,103.04	\$ 1,517,609.08	\$ 24,219,119.96	\$ 234,812,702.83
Investments	23,294,630.00	4,987,201.00			28,281,831.00
Loans receivable	55,407,835.00	19,389,721.00	5,993,114.00	5,544,157.00	86,334,827.00
Federal grants receivable				10,385,364.42	10,385,364.42
Accrued interest receivable:					
Investments	1,594,141.00	78,548.00	35,541.00		1,708,230.00
Loans	11,496,035.00	3,117,066.00	354,143.00	435,877.00	15,403,121.00
Securities lending collateral					-
Total current assets	<u>281,737,511.75</u>	<u>46,703,639.04</u>	<u>7,900,407.08</u>	<u>40,584,518.38</u>	<u>376,926,076.25</u>
Noncurrent assets:					
Investments	64,444,487.38	4,492,308.00	1,896,741.00		70,833,536.38
Loans receivable	1,137,782,416.91	327,398,869.80	31,478,154.77	36,857,106.67	1,533,516,548.15
Deferred bond issuance costs	1,844,981.00	272,676.00	317,406.00		2,435,063.00
Total noncurrent assets	<u>1,204,071,885.29</u>	<u>332,163,853.80</u>	<u>33,692,301.77</u>	<u>36,857,106.67</u>	<u>1,606,785,147.53</u>
Total assets	<u>1,485,809,397.04</u>	<u>378,867,492.84</u>	<u>41,592,708.85</u>	<u>77,441,625.05</u>	<u>1,983,711,223.78</u>
LIABILITIES					
Current liabilities:					
Accounts payable & other				12,388,112.75	12,388,112.75
Interest payable on bonds	13,085,358.33	2,152,815.00	394,250.83		15,632,424.16
Arbitrage rebate liability	1,046,223.15	43,229.25	14,577.80		1,104,030.20
Compensated absences payable				31,054.00	31,054.00
Bonds payable	37,845,000.00	6,785,000.00	4,570,000.00		49,200,000.00
Securities lending collateral					-
Total current liabilities	<u>51,976,581.48</u>	<u>8,981,044.25</u>	<u>4,978,828.63</u>	<u>12,419,166.75</u>	<u>78,355,621.11</u>
Noncurrent liabilities:					
Bonds payable	779,749,517.03	136,909,136.73	22,630,867.43		939,289,521.19
Arbitrage rebate liability	1,904,681.76	712,126.94	125,452.46		2,742,261.16
Compensated absences payable				277,755.00	277,755.00
Total liabilities	<u>833,630,780.27</u>	<u>146,602,307.92</u>	<u>27,735,148.52</u>	<u>12,696,921.75</u>	<u>1,020,665,158.46</u>
NET ASSETS					
Restricted by bond resolutions	652,178,616.77	232,265,184.92	13,857,560.33		898,301,362.02
Restricted by legislation				63,466,269.26	63,466,269.26
Unrestricted				1,278,434.04	1,278,434.04
Total net assets	<u>\$ 652,178,616.77</u>	<u>\$ 232,265,184.92</u>	<u>\$ 13,857,560.33</u>	<u>\$ 64,744,703.30</u>	<u>\$ 963,046,065.32</u>

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Net Assets
June 30, 2008

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 224,608,248.39	\$ 32,372,592.89	\$ 5,930,260.80	\$ 22,322,110.37	\$ 285,233,212.45
Investments	30,360,708.69	1,953,595.35			32,314,304.04
Loans receivable	56,725,000.00	15,825,000.00	7,522,000.00	4,521,000.00	84,593,000.00
Federal grants receivable				83,518.68	83,518.68
Accrued interest receivable:					
Investments	2,353,798.00	87,740.00	35,541.00		2,477,079.00
Loans	11,206,461.00	2,926,648.00	343,856.00	451,136.00	14,928,101.00
Securities lending collateral				5,876,000.00	5,876,000.00
Total current assets	<u>325,254,216.08</u>	<u>53,165,576.24</u>	<u>13,831,657.80</u>	<u>33,253,765.05</u>	<u>425,505,215.17</u>
Noncurrent assets:					
Investments	106,627,339.69	9,063,915.20	1,896,741.00		117,587,995.89
Loans receivable	1,064,340,179.72	307,896,932.00	33,150,141.24	34,062,226.93	1,439,449,479.89
Deferred bond issuance costs	2,037,350.00	305,650.00	390,701.00		2,733,701.00
Total noncurrent assets	<u>1,173,004,869.41</u>	<u>317,266,497.20</u>	<u>35,437,583.24</u>	<u>34,062,226.93</u>	<u>1,559,771,176.78</u>
Total assets	<u>1,498,259,085.49</u>	<u>370,432,073.44</u>	<u>49,269,241.04</u>	<u>67,315,991.98</u>	<u>1,985,276,391.95</u>
LIABILITIES					
Current liabilities:					
Accounts payable & other	2,436.67			1,470,756.92	1,473,193.59
Interest payable on bonds	13,867,858.32	2,239,681.67	505,738.19		16,613,278.18
Arbitrage rebate liability	395,113.72		24,690.23		419,803.95
Compensated absences payable				30,999.00	30,999.00
Bonds payable	38,910,000.00	6,190,000.00	5,770,000.00		50,870,000.00
Securities lending collateral				5,876,000.00	5,876,000.00
Total current liabilities	<u>53,175,408.71</u>	<u>8,429,681.67</u>	<u>6,300,428.42</u>	<u>7,377,755.92</u>	<u>75,283,274.72</u>
Noncurrent liabilities:					
Bonds payable	827,914,360.39	144,183,167.61	27,291,991.62		999,389,519.62
Arbitrage rebate liability	1,895,380.46	637,695.10	112,026.80		2,645,102.36
Compensated absences payable				268,773.00	268,773.00
Total liabilities	<u>882,985,149.56</u>	<u>153,250,544.38</u>	<u>33,704,446.84</u>	<u>7,646,528.92</u>	<u>1,077,586,669.70</u>
NET ASSETS					
Restricted by bond resolutions	615,273,935.93	217,181,529.06	15,564,794.20		848,020,259.19
Restricted by legislation				58,213,324.24	58,213,324.24
Unrestricted				1,456,138.82	1,456,138.82
Total net assets	<u>\$ 615,273,935.93</u>	<u>\$ 217,181,529.06</u>	<u>\$ 15,564,794.20</u>	<u>\$ 59,669,463.06</u>	<u>\$ 907,689,722.25</u>

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Year Ended June 30, 2009

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
Interest on loans	\$ 28,444,211.52	\$ 8,033,713.81	\$ 1,029,198.73	\$ 3,105,903.91	\$ 40,613,027.97
Investment earnings	13,320,544.00	1,470,623.86	205,588.80	497,067.13	15,493,823.79
Net increase (decrease) , fair value of investments	185,983.87	88,964.20			274,948.07
Federal grants-operating				13,814,686.74	13,814,686.74
State appropriations and fees				26,019,699.16	26,019,699.16
Securities lending income					-
Total operating revenues	<u>41,950,739.39</u>	<u>9,593,301.87</u>	<u>1,234,787.53</u>	<u>43,437,356.94</u>	<u>96,216,185.73</u>
Operating expenses:					
Interest on bonds	39,110,450.65	6,176,121.45	1,327,413.31		46,613,985.41
Salaries and employee benefits				2,326,773.01	2,326,773.01
Other general operating				866,494.27	866,494.27
Grants				39,226,230.41	39,226,230.41
Appropriation reductions					-
Securities lending rebate and fees					-
Total operating expenses	<u>39,110,450.65</u>	<u>6,176,121.45</u>	<u>1,327,413.31</u>	<u>42,419,497.69</u>	<u>89,033,483.10</u>
Operating income (loss)	<u>2,840,288.74</u>	<u>3,417,180.42</u>	<u>(92,625.78)</u>	<u>1,017,859.25</u>	<u>7,182,702.63</u>
Capital Contributions:					
Federal Grants	12,507,165.00	10,653,580.00			23,160,745.00
State Match	24,000,000.00	1,012,895.44			25,012,895.44
Total capital contributions	<u>36,507,165.00</u>	<u>11,666,475.44</u>	<u>-</u>	<u>-</u>	<u>48,173,640.44</u>
Transfers in (out)	<u>(2,442,772.90)</u>		<u>(1,614,608.09)</u>	<u>4,057,380.99</u>	<u>-</u>
Change in net assets	36,904,680.84	15,083,655.86	(1,707,233.87)	5,075,240.24	55,356,343.07
Total net assets:					
Beginning of year	615,273,935.93	217,181,529.06	15,564,794.20	59,669,463.06	907,689,722.25
End of year	<u>\$ 652,178,616.77</u>	<u>\$ 232,265,184.92</u>	<u>\$ 13,857,560.33</u>	<u>\$ 64,744,703.30</u>	<u>\$ 963,046,065.32</u>

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Year Ended June 30, 2008

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating revenues:					
Interest on loans	\$ 26,669,394.84	\$ 7,643,125.28	\$ 915,705.63	\$ 3,068,824.02	\$ 38,297,049.77
Investment earnings	19,652,563.95	2,334,346.62	460,163.71	649,745.92	23,096,820.20
Net increase (decrease) , fair value of investments	2,759,597.46	440,062.65			3,199,660.11
Federal grants-operating				3,719,381.32	3,719,381.32
State appropriations and fees				13,145,280.94	13,145,280.94
Securities lending income				1,277,000.00	1,277,000.00
Total operating revenues	<u>49,081,556.25</u>	<u>10,417,534.55</u>	<u>1,375,869.34</u>	<u>21,860,232.20</u>	<u>82,735,192.34</u>
Operating expenses:					
Interest on bonds	39,359,046.59	6,395,951.82	1,312,684.16		47,067,682.57
Salaries and employee benefits				2,190,678.54	2,190,678.54
Other general operating				635,984.20	635,984.20
Grants				22,557,436.86	22,557,436.86
Appropriation reductions				6,100,000.00	6,100,000.00
Securities lending rebate and fees				1,221,000.00	1,221,000.00
Total operating expenses	<u>39,359,046.59</u>	<u>6,395,951.82</u>	<u>1,312,684.16</u>	<u>32,705,099.60</u>	<u>79,772,782.17</u>
Operating income (loss)	<u>9,722,509.66</u>	<u>4,021,582.73</u>	<u>63,185.18</u>	<u>(10,844,867.40)</u>	<u>2,962,410.17</u>
Capital Contributions:					
Federal Grants	19,671,894.00	18,249,696.78			37,921,590.78
State Match	17,795,100.48	10,246,386.30			28,041,486.78
Total capital contributions	<u>37,466,994.48</u>	<u>28,496,083.08</u>	<u>-</u>	<u>-</u>	<u>65,963,077.56</u>
Transfers in (out)	<u>(2,142,273.10)</u>		<u>1,194,153.60</u>	<u>948,119.50</u>	<u>-</u>
Change in net assets	45,047,231.04	32,517,665.81	1,257,338.78	(9,896,747.90)	68,925,487.73
Total net assets:					
Beginning of year	570,226,704.89	184,663,863.25	14,307,455.42	69,566,210.96	838,764,234.52
End of year	<u>\$ 615,273,935.93</u>	<u>\$ 217,181,529.06</u>	<u>\$ 15,564,794.20</u>	<u>\$ 59,669,463.06</u>	<u>\$ 907,689,722.25</u>

see accompanying notes to the financial statements.

Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2009

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	\$ 28,154,637.52	\$ 7,843,295.81	\$ 1,018,911.73	\$ 3,121,162.91	\$ 40,138,007.97
Principal received on loans	62,139,317.47	16,121,351.94	7,522,221.88	4,538,084.83	90,320,976.12
Federal grants - operating				3,512,841.00	3,512,841.00
State appropriations, and fees				26,085,715.16	26,085,715.16
Payments to employees				(2,195,881.23)	(2,195,881.23)
Payments to vendors				(863,760.40)	(863,760.40)
Payments to grantees				(22,409,116.50)	(22,409,116.50)
Payments to sub-recipients				(6,024,346.73)	(6,024,346.73)
Net cash provided (used) in operating activities	90,293,954.99	23,964,647.75	8,541,133.61	5,764,699.04	128,564,435.39
Non capital financing activities:					
Capital contributions - federal	12,507,165.00	10,653,580.00			23,160,745.00
Capital contributions - state	24,000,000.00	1,012,895.44			25,012,895.44
Proceeds from sale of bonds					-
Payments for bond issuance costs	(2,436.67)				(2,436.67)
Interest paid on bonds	(41,740,425.00)	(6,719,045.00)	(1,456,729.86)		(49,916,199.86)
Principal paid on bonds	(47,190,000.00)	(6,190,000.00)	(5,770,000.00)		(59,150,000.00)
Payments to make loans	(134,264,389.66)	(39,188,010.74)	(4,321,349.41)	(8,422,137.57)	(186,195,887.38)
Cash transfers	(2,442,772.90)		(1,614,608.09)	4,057,380.99	-
Net cash provided (used) in non capital financing activities:	(189,132,859.23)	(40,430,580.30)	(13,162,687.36)	(4,364,756.58)	(247,090,883.47)
Investing activities:					
Investment interest	14,740,611.73	1,597,476.95	208,902.03	497,067.13	17,044,057.84
Arbitrage payments to the IRS					-
Purchases of investments	(485,915.00)	(162,909.25)			(648,824.25)
Proceeds from sale & maturities	49,920,829.87	1,789,875.00			51,710,704.87
Net cash provided in investing activities	64,175,526.60	3,224,442.70	208,902.03	497,067.13	68,105,938.46
Net increase (decrease) in cash and cash equivalents	(34,663,377.64)	(13,241,489.85)	(4,412,651.72)	1,897,009.59	(50,420,509.62)
Cash and cash equivalents:					
Beginning of year	224,608,248.39	32,372,592.89	5,930,260.80	22,322,110.37	285,233,212.45
End of year	\$ 189,944,870.75	\$ 19,131,103.04	\$ 1,517,609.08	\$ 24,219,119.96	\$ 234,812,702.83
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	2,840,288.74	3,417,180.42	(92,625.78)	1,017,859.25	7,182,702.63
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Principal received on loans	62,139,317.47	16,121,351.94	7,522,221.88	4,538,084.83	90,320,976.12
Interest paid on bonds	41,740,425.00	6,719,045.00	1,456,729.86		49,916,199.86
Investment earnings	(14,740,611.73)	(1,597,476.95)	(208,902.03)	(497,067.13)	(17,044,057.84)
Arbitrage payments to the IRS					-
Net change, investment fair value	(185,983.87)	(88,964.20)			(274,948.07)
Net amortizations	(1,847,474.36)	(456,056.88)	(17,829.19)		(2,321,360.43)
Changes in assets and liabilities:					
Accrued revenues	470,083.00	(181,226.00)	(10,287.00)	(10,286,586.74)	(10,008,016.74)
Accrued expenses	(122,089.26)	30,794.42	(108,174.13)	10,926,392.83	10,726,923.86
Cancel receivable to general fund				66,016.00	66,016.00
Net cash provided (used) in operating activities	\$ 90,293,954.99	\$ 23,964,647.75	\$ 8,541,133.61	\$ 5,764,699.04	\$ 128,564,435.39

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2008

	Revenue Bond Funds				
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	\$ 26,828,764.84	\$ 7,339,378.28	\$ 891,835.63	\$ 3,109,994.02	\$ 38,169,972.77
Principal received on loans	75,823,097.89	12,594,828.03	3,932,409.06	4,248,747.90	96,599,082.88
Federal grants - operating				4,026,535.22	4,026,535.22
State appropriations, and fees				7,045,280.94	7,045,280.94
Payments to employees				(2,025,121.43)	(2,025,121.43)
Payments to vendors				(747,633.59)	(747,633.59)
Payments to grantees				(17,363,334.12)	(17,363,334.12)
Payments to sub-recipients				(5,879,900.37)	(5,879,900.37)
Net cash provided (used) in operating activities	102,651,862.73	19,934,206.31	4,824,244.69	(7,585,431.43)	119,824,882.30
Non capital financing activities:					
Capital contributions - federal	19,671,894.00	18,249,696.78			37,921,590.78
Capital contributions - state	17,795,100.48	10,246,386.30			28,041,486.78
Proceeds from sale of bonds	176,150,543.94		7,900,900.50		184,051,444.44
Payments for bond issuance costs	(536,893.61)		(118,490.76)		(655,384.37)
Interest paid on bonds	(40,040,293.33)	(6,964,625.00)	(1,341,890.63)		(48,346,808.96)
Principal paid on bonds	(36,070,000.00)	(5,920,000.00)	(2,765,000.00)		(44,755,000.00)
Payments to make loans	(125,048,686.58)	(39,659,293.89)	(13,330,226.96)	(2,793,491.53)	(180,831,698.96)
Cash transfers	(2,142,273.10)		1,194,153.60	948,119.50	-
Net cash provided (used) in non capital financing activities:	9,779,391.80	(24,047,835.81)	(8,460,554.25)	(1,845,372.03)	(24,574,370.29)
Investing activities:					
Investment interest	19,906,724.35	2,471,969.56	571,473.10	705,745.92	23,655,912.93
Arbitrage payments to the IRS	(803,764.07)				(803,764.07)
Purchases of investments					-
Proceeds from sale & maturities	9,046,726.25				9,046,726.25
Net cash provided in investing activities	28,149,686.53	2,471,969.56	571,473.10	705,745.92	31,898,875.11
Net increase (decrease) in cash and cash equivalents	140,580,941.06	(1,641,659.94)	(3,064,836.46)	(8,725,057.54)	127,149,387.12
Cash and cash equivalents:					
Beginning of year	84,027,307.33	34,014,252.83	8,995,097.26	31,047,167.91	158,083,825.33
End of year	\$ 224,608,248.39	\$ 32,372,592.89	\$ 5,930,260.80	\$ 22,322,110.37	\$ 285,233,212.45
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	9,722,509.66	4,021,582.73	63,185.18	(10,844,867.40)	2,962,410.17
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Principal received on loans	75,823,097.89	12,594,828.03	3,932,409.06	4,248,747.90	96,599,082.88
Interest paid on bonds	40,040,293.33	6,964,625.00	1,341,890.63		48,346,808.96
Investment earnings	(19,906,724.35)	(2,471,969.56)	(571,473.10)	(705,745.92)	(23,655,912.93)
Arbitrage payments to the IRS	803,764.07				803,764.07
Net change, investment fair value	(2,759,597.46)	(440,062.65)			(3,199,660.11)
Net amortizations	(2,096,815.64)	(486,813.18)	(29,012.37)		(2,612,641.19)
Changes in assets and liabilities:					
Accrued revenues	339,609.00	(303,747.00)	(23,870.00)	348,323.90	360,315.90
Accrued expenses	685,726.23	55,762.94	111,115.29	(631,889.91)	220,714.55
Cancel receivable to general fund					-
Net cash provided (used) in operating activities	\$ 102,651,862.73	\$ 19,934,206.31	\$ 4,824,244.69	\$ (7,585,431.43)	\$ 119,824,882.30

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Notes to the Financial Statements
Years Ended June 30, 2009 and 2008

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 Government Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The Authority has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. 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 include the Commissioner of Employment and Economic Development, the Commissioner of Finance, 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 Minnesota 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.

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, 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 only 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 non current) associated with their activity are included on their statements of net assets. 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 equity, 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 have been issued.
- *Other Fund* - In addition to the pledged bond funds, the Authority manages various legislative appropriations for similar purposes. One of the programs included in the Other Fund is the Wastewater Infrastructure Funding Program (WIF). The Authority receives appropriations from the Minnesota Legislature to fund the program, and in conjunction with any particular loan from the CWBF or financing from the U.S. Department of Agriculture's Rural Development Office, WIF Supplemental Assistance grants are given to eligible municipalities with high-cost wastewater projects. The Other Fund also includes the accounts and activities related to management of the 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 assets with changes in the fair value of investments reported in the statement of revenues, expenses, and changes in fund net assets. Fair value of investments was determined based on quoted market prices as of the reporting date. Guaranteed investment contracts of the Authority are contracts purchased from life insurance companies who guarantee the principal and return, and allow money to be withdrawn if needed. The Authority's guaranteed investment contracts are considered nonparticipating and, as such, are reported at cost. The Authority believes it has the ability and intent to hold all investments to maturity to recover the full carrying value of its investment portfolio and does not expect to realize any gain or loss from the market value adjustments as shown in the various funds.

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

Income Taxes - The Authority is an agency of the State of Minnesota and is exempt from federal and state income taxes.

Restrictions on Net Assets - 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 assets in the Authority's administrative accounts are reported as unrestricted because they are 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 debt service payments on the bonds. Interest from loans and investment income 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, Investments, and Securities Lending Collateral Transactions*

Deposits – The Authority’s investment policy requires it to follow state statutes. Cash deposits of the Authority are invested in a state pool and the pooled balances are insured or collateralized in accordance with Minnesota State Statutes. At June 30, 2009 and 2008, \$232,983,382 and \$283,868,615, respectively, of cash deposits were interest-bearing and \$1,829,321 and \$1,364,598 respectively, of cash deposits 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 guaranteed investment contracts and notes and bills of the U.S. Government and its agencies. 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, 2009 and 2008 carried the following ratings by the three nationally recognized statistical rating organizations shown:

Investment type	Standard & Poors	Fitch Ratings	Moody's Investors Service
Federal Home Loan Bank	AAA	AAA	Aaa
Federal Farm Credit Banks	AAA	AAA	Aaa
Federal National Mortgage Association	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, 2009 and 2008, state law places no limits on the amount that may be invested in any one issuer. The Authority’s investment policy does not limit the amount invested in any one issuer. Excluding U.S. Government backed securities, more than 5% of the Authority's investments are in the following issuers:

Concentration of Credit risk:		June 30, 2009		June 30, 2008	
Issuer	Fair Value	% of Investments	Fair Value	% of Investments	
Federal National Mortgage Association	\$ 37,014,348	37%	\$ 37,001,500	25%	
Federal Home Loan Mortgage Corporation	16,756,250	17%	15,786,130	11%	
Federal Farm Credit Banks	16,475,052	17%	15,992,881	11%	
Federal Home Loan Banks	11,773,498	12%	16,877,447	11%	
Guaranteed Investment Contracts:Societe Generale	11,225,760	11%	18,606,088	12%	
Guaranteed Investment Contracts:AIGMFC	3,265,500	3%	24,178,300	16%	

At June 30, 2009, the Authority had the following investments:

Investment type	Fair Value	Investment Maturities (in Years)				WAM ¹
		less than 1	1 to 5	6 to 10	more than 10	
U.S. Treasury SLGS	\$ 1,896,741	\$ -	\$ -	\$ 1,896,741	\$ -	7.66
Federal Home Loan Banks	11,773,498	4,987,201	6,786,297			1.49
Federal Farm Credit Banks	16,475,052		13,654,445	2,820,607		3.01
Federal National Mortgage Association	37,014,348	23,294,630	13,719,718			1.29
Federal Home Loan Mortgage Corporation	16,756,250		10,775,000	5,981,250		4.99
Guaranteed Investment Contracts	14,491,260		11,225,760	3,265,500		4.01
State & municipal securities	708,218				708,218	16.41
totals	\$ 99,115,367	\$ 28,281,831	\$ 56,161,220	\$ 13,964,098	\$ 708,218	2.85

At June 30, 2008, the Authority had the following investments:

Investment type	Fair Value	Investment Maturities (in Years)				WAM ¹
		less than 1	1 to 5	6 to 10	more than 10	
U.S. Treasury Notes	\$ 19,563,213	\$ 19,563,213	\$ -	\$ -	\$ -	0.37
U.S. Treasury SLGS	1,896,741			1,896,741		8.66
Federal Home Loan Bank	16,877,447	5,370,763	11,506,684			1.90
Federal Farm Credit Banks	15,992,881		13,303,952	2,688,929		4.01
Federal National Mortgage Association	37,001,500		37,001,500			2.29
Federal Home Loan Mortgage Corporation	15,786,130		10,181,300	5,604,830		5.99
Guaranteed Investment Contracts	42,784,388	7,380,328	11,225,760	24,178,300		6.53
totals	\$ 149,902,300	\$ 32,314,304	\$ 83,219,197	\$ 34,368,799	\$ -	3.88

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

Securities Lending Collateral Transactions – State statutes do not prohibit the State from participating in securities lending transactions. To enhance the return on investments, the State has, by way of a Custodial Trust Agreement, authorized Wells Fargo Bank, Minnesota, N.A. (Wells Fargo) to act as agent in lending the State's securities to broker-dealers and banks pursuant to a form of loan agreement.

Wells Fargo lent, on behalf of the State, certain securities held by Wells Fargo as custodian and received cash (United States currency) and securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. Wells Fargo did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than one hundred percent (100%) of the fair value of the loaned securities, plus accrued interest.

In the event a borrower fails to return a loaned security or fails to pay distributions thereon, Wells Fargo protects the State by purchasing replacement securities or returning the cash collateral. There were no such failures by any borrower to return loaned securities or to pay distributions thereon during the fiscal years. Moreover, there were no losses during the fiscal years resulting from a default of the borrowers or Wells Fargo.

The State and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in the separately managed funds of the SBI.

During fiscal year 2009, trading activity was light and had ceased entirely prior to June 30, 2009. No securities lending income, or securities lending rebate and fees, are reported for the Authority during fiscal year 2009.

[The balance of this page is left blank intentionally.]

3. Loans Receivable

Loans receivable at June 30, 2009 and 2008 consisted of the following:

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund:						
Aitkin, City of-01st	10/15/97	02/20/18	2.240%	\$ 525,000	\$ 265,290	\$ 291,616
Aitkin, City of-02nd	07/15/03	08/20/23	1.000%	1,009,719	828,000	879,000
Albany, City of	04/21/03	02/20/22	3.490%	1,296,061	983,000	1,042,000
Albertville, City of	10/19/93	08/20/14	3.320%	1,454,514	498,318	579,673
Alborn Township	07/07/08	08/20/20	1.000%	280,571	233,935	-
Alexandria Lk Area Service Region	08/13/07	08/20/27	1.240%	4,968,309	4,598,363	2,755,458
Alvarado, City of	10/16/98	02/20/20	1.000%	677,980	389,488	422,830
Annandale, City of	08/17/07	08/20/26	2.220%	16,036,613	15,229,063	8,868,871
Appleton, City of	07/13/06	08/20/25	1.070%	1,331,574	1,281,574	685,281
Aurora, City of	06/24/08	08/20/27	1.277%	3,372,612	1,903,164	-
Avon, City of	11/18/02	08/20/22	1.820%	7,943,904	5,743,957	6,090,876
Bagley, City of	07/01/98	08/20/19	1.000%	1,654,075	897,638	978,455
Barnesville, City of	07/31/06	08/20/25	1.560%	4,137,640	3,952,000	4,009,153
Battle Lake, City of	06/18/03	08/20/22	1.000%	1,698,073	1,365,000	1,455,000
Baxter, City of	07/24/91	02/20/12	3.530%	875,607	167,988	221,855
Beaver Creek, City of	09/23/94	08/20/15	3.600%	103,102	41,575	47,166
Belle Plaine, City of	01/27/03	08/20/22	1.990%	10,565,764	8,130,764	8,022,759
Benson, City of	07/26/04	08/20/24	1.980%	4,296,201	3,719,000	3,915,201
Bethel, City of	04/17/91	08/20/12	3.030%	396,153	-	-
Bird Island, City of	11/13/06	08/20/26	1.000%	4,194,000	4,184,000	4,194,000
Blue Earth, City of-01st	03/30/00	08/20/20	1.290%	3,290,170	2,171,000	2,337,000
Blue Earth, City of-02nd	07/03/07	08/20/26	1.400%	760,000	706,153	241,466
Brainerd, City of-01st	03/12/08	08/20/17	2.230%	1,965,098	1,789,000	1,965,098
Brainerd, City of-02nd	06/24/09	08/20/28	3.233%	28,800,000	-	-
Breckenridge, City of	07/22/08	08/20/27	2.802%	1,530,402	1,011,125	-
Brooten, City of	08/27/07	08/20/27	1.000%	1,911,710	1,853,943	746,545
Browerville, City of-01st	03/06/90	08/20/11	2.420%	552,000	84,354	116,704
Browerville, City of-02nd	09/25/92	03/20/93	0.840%	250,000	-	-
Browerville, City of-03rd	11/19/04	08/20/24	1.000%	521,363	416,685	442,685
Buffalo Lake, City of	01/26/98	02/20/19	2.750%	615,750	347,438	377,494
Caledonia, City of	02/07/94	02/20/15	3.440%	606,675	225,642	258,961
Cambridge, City of-01st	10/16/92	02/20/14	3.090%	10,477,205	3,191,927	3,773,660
Cambridge, City of-02nd	08/17/95	08/20/16	3.450%	247,227	-	-
Cannon Falls, City of-01st	06/27/01	08/20/21	3.070%	4,529,000	3,428,000	3,640,000
Cannon Falls, City of-02nd	11/20/01	08/20/22	2.860%	8,021,909	6,168,909	6,522,909
Canosia Township-01st	09/10/99	08/20/20	1.290%	2,517,810	1,588,000	1,710,000
Canosia Township-02nd	06/11/01	08/20/20	1.290%	207,000	79,386	143,000
Canosia Township-03rd	03/11/02	08/20/20	1.290%	138,000	-	-
Carver, City of	02/16/00	08/20/19	2.860%	1,188,000	755,000	813,000
Cass County	06/23/97	02/20/19	1.130%	1,366,190	785,912	859,741
Cass Lake, City of	02/14/94	02/20/15	1.940%	276,364	93,853	108,470
Cedar Lake Area WSSDB-01st	07/26/01	08/20/21	1.570%	3,225,000	1,924,703	2,103,758
Cedar Lake Area WSSDB-02nd	07/11/02	08/20/21	1.570%	275,097	-	51,700
Chandler, City of	09/24/02	08/20/23	1.000%	1,348,589	1,045,490	1,109,490
Chisago Lakes JSTC-01st	11/01/04	08/20/24	2.230%	13,506,690	9,550,518	11,543,832
Chisago Lakes JSTC-02nd	07/20/06	08/20/25	1.000%	3,917,643	3,611,326	2,038,007
Chisholm, City of	05/17/94	02/20/15	3.820%	2,150,644	822,891	942,776

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Clara City, City of	08/19/97	08/20/18	2.740%	2,138,045	937,270	1,022,631
Clear Lake, City of-01st	07/30/97	02/20/19	3.080%	223,506	128,639	139,476
Clear Lake, City of-02nd	01/12/09	08/20/28	1.153%	2,295,425	1,684,586	-
Clearwater, City of-01st	07/23/97	02/20/19	2.080%	1,654,550	912,226	993,494
Clearwater, City of-02nd	11/18/08	08/20/27	1.697%	9,294,059	6,881,783	-
Cokato, City of	10/26/94	02/20/16	3.320%	2,760,000	1,177,795	1,324,968
Cold Spring, City of	02/24/04	08/20/23	2.490%	7,802,416	5,541,416	5,832,781
Cologne, City of	01/03/97	02/20/18	3.320%	1,538,699	800,100	877,121
Cottonwood Township-01st	03/12/99	08/20/20	1.290%	391,546	245,707	264,707
Cottonwood Township-02nd	09/22/99	08/20/20	1.290%	140,296	90,000	97,000
Cottonwood, City of	05/03/04	08/20/24	2.230%	895,920	778,000	818,000
Courtland, City of	05/22/98	08/20/19	1.540%	889,935	501,108	544,757
Cross Lake Area WSSD	07/09/97	02/20/19	2.880%	2,035,802	1,162,450	1,261,444
Dassel, City of	07/30/02	08/20/22	1.380%	1,610,153	1,236,000	1,315,000
Dawson, City of	08/10/04	08/20/24	1.730%	1,788,670	1,545,000	1,628,000
Dayton, City of	08/16/00	08/20/21	3.250%	986,395	461,000	489,000
Delano, City of-01st	05/24/95	08/20/16	4.620%	2,480,000	1,200,281	1,331,579
Delano, City of-02nd	10/16/98	02/20/20	2.980%	1,150,000	715,075	769,293
Delano, City of-03rd	07/22/03	08/20/22	2.090%	11,054,217	9,027,000	9,577,000
Detroit Lakes, City of-01st	09/10/93	08/20/14	2.820%	2,552,820	822,374	958,759
Detroit Lakes, City of-02nd	12/19/95	02/20/17	2.930%	3,754,889	1,765,816	1,959,033
Dilworth, City of	03/22/00	08/20/20	3.070%	1,849,510	1,267,000	1,353,000
Dover Eyota Saint Charles SD	05/30/02	08/20/21	3.293%	1,573,871	1,192,000	1,265,000
Duluth, City of-01st	07/24/02	08/20/18	1.000%	364,195	253,000	277,000
Duluth, City of-02nd	10/17/03	08/20/18	1.340%	1,179,115	878,000	960,000
Duluth, City of-03rd	06/11/07	08/20/22	1.150%	1,973,033	1,973,033	1,686,940
Duluth, City of-04th	06/17/09	08/20/24	1.969%	796,835	-	-
Duluth/NSSD-01st	02/04/00	08/20/20	3.520%	225,000	-	-
Duluth/NSSD-02nd	11/30/00	08/20/21	3.830%	300,000	-	-
Duluth/NSSD-03rd	07/01/02	08/20/23	1.630%	7,952,500	6,223,000	6,587,000
Duluth/NSSD-04th	03/08/04	08/20/23	1.000%	1,328,050	-	-
Dundas, City of-01st	03/21/97	02/20/18	2.880%	927,469	483,131	529,540
Dundas, City of-02nd	03/21/97	08/20/99	1.980%	825,000	-	-
East Grand Forks, City of	09/17/08	08/20/28	2.687%	4,012,598	2,137,173	-
East Gull Lake, City of-01st	10/23/91	02/20/13	3.640%	2,226,861	579,735	712,705
East Gull Lake, City of-02nd	08/03/04	08/20/24	1.000%	6,416,500	5,594,000	5,915,000
Ely, City of	01/02/01	08/20/21	1.070%	4,699,982	1,823,000	1,953,000
Elysian, City of	07/31/97	08/20/18	2.130%	1,163,536	614,144	671,889
Evansville, City of	12/11/97	02/20/19	1.250%	673,073	357,244	390,583
Eveleth, City of-01st	06/12/92	02/20/13	4.730%	500,000	139,281	170,219
Eveleth, City of-02nd	09/14/04	08/20/24	1.340%	3,522,034	3,023,000	3,191,000
Eveleth, City of-03rd	11/10/05	08/20/24	1.340%	34,182	23,266	1,916
Fairfax, City of	08/18/95	08/20/16	2.950%	1,506,773	668,825	747,410
Farmington, City of	05/25/04	08/20/24	1.730%	13,248,347	11,409,000	12,023,000
Farmington, City of	04/04/95	08/20/16	4.630%	764,377	368,069	408,293
Fayal Township-01st	09/22/99	08/20/20	2.110%	4,851,756	3,129,000	3,356,000
Fayal Township-02nd	06/22/01	08/20/21	1.570%	341,468	204,000	218,000
Fayal Township-03rd	10/04/01	08/20/20	2.110%	855,267	477,000	512,000
Fergus Falls, City of-01st	11/22/94	02/20/16	3.920%	3,100,000	-	-
Fergus Falls, City of-02nd	10/07/96	02/20/17	3.740%	450,000	220,521	243,774
Foley, City of	07/21/94	08/20/15	3.320%	1,080,000	431,302	489,849

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Forest Prairie Township	04/12/01	08/20/21	1.800%	711,095	501,000	535,000
Garfield, City of-01st	05/09/97	02/20/18	3.080%	100,000	52,559	57,559
Garfield, City of-02nd	06/29/98	08/20/19	1.040%	450,489	243,951	265,831
Garrison, Kathio, WMLL SSD-01st	01/09/01	08/20/21	1.620%	500,000	344,000	368,000
Garrison, Kathio, WMLL SSD-02nd	06/04/07	08/20/26	1.000%	6,530,900	5,505,264	2,463,313
Glyndon, City of	08/14/91	02/20/13	3.640%	671,323	162,638	199,870
Good Thunder, City of	10/15/99	08/20/19	1.290%	1,010,545	644,000	698,000
Goodhue County	04/29/97	02/20/18	1.580%	141,175	68,993	76,073
Grand Lake Township-01st	09/02/99	08/20/20	1.290%	1,131,190	712,000	767,000
Grand Lake Township-02nd	05/29/01	08/20/20	1.290%	93,000	50,271	65,000
Grand Lake Township-03rd	02/19/02	08/20/20	1.290%	62,000	-	-
Granite Falls, City of	12/20/95	08/20/06	3.180%	200,000	-	-
Grey Eagle, City of	02/03/97	02/20/18	1.220%	410,000	147,868	163,331
Hackensack, City of	11/21/97	02/20/18	1.250%	287,844	137,294	151,623
Hancock, City of	06/29/93	02/20/14	2.210%	367,116	107,296	127,397
Hanover, City of	08/18/99	08/20/20	2.290%	1,909,275	1,101,369	1,190,086
Harmony, City of-01st	02/25/93	02/20/14	3.340%	1,216,700	374,876	444,486
Harmony, City of-02nd	05/13/04	08/20/23	1.000%	625,465	507,000	538,000
Harris, City of	12/11/06	08/20/26	1.000%	5,375,403	4,952,634	4,775,339
Hawley, City of-01st	07/12/06	08/20/25	1.060%	1,010,111	959,000	1,010,111
Hawley, City of-02nd	06/17/08	08/20/27	2.293%	133,000	114,091	-
Hector, City of	12/14/94	02/20/16	3.920%	1,914,260	840,741	943,460
Henderson, City of	08/27/07	08/20/27	1.490%	3,713,099	3,699,895	3,418,815
Hendrum, City of-01st	11/15/07	08/20/27	2.279%	220,661	215,441	185,260
Hendrum, City of-02nd	07/31/08	08/20/27	1.530%	320,703	253,458	-
Henning, City of	09/15/92	02/20/14	39.000%	606,500	156,183	187,019
Hewitt, City of-01st	09/05/90	02/20/11	0.000%	75,000	7,250	11,000
Hewitt, City of-02nd	12/04/91	08/20/12	0.000%	335,000	58,625	75,375
Hibbing, City of	12/16/02	08/20/22	1.740%	9,847,450	7,643,000	8,121,000
Hinckley, City of-01st	09/25/92	02/20/14	2.090%	1,850,839	233,647	277,533
Hinckley, City of-02nd	07/28/99	08/20/20	2.110%	2,435,641	1,568,000	1,682,000
Hoffman, City of	10/02/97	02/20/19	1.990%	263,440	144,719	157,676
Howard Lake, City of	06/09/09	08/20/28	1.076%	3,998,476	-	-
Hudson Township	05/02/07	08/20/27	1.000%	3,025,426	2,973,426	2,423,821
Hutchinson, City of	06/26/07	08/20/26	2.150%	14,774,600	13,696,602	12,433,563
Ida Township	03/28/01	08/20/21	1.980%	7,536,190	4,543,000	5,060,000
Isanti, City of	09/18/96	08/20/17	2.630%	4,682,145	2,025,986	2,236,150
Jasper, City of	08/25/95	08/20/16	2.440%	778,200	336,745	377,192
Jordan, City of	05/30/00	08/20/21	2.290%	6,850,120	4,885,000	5,205,000
Kandiyohi County-01st	09/22/99	08/20/20	2.250%	7,188,360	4,844,000	5,192,000
Kandiyohi County-02nd	11/30/00	08/20/21	2.250%	3,648,450	2,599,000	2,769,000
Kandiyohi County-03rd	10/10/01	08/20/21	2.140%	651,000	462,000	493,000
Kandiyohi County-04th	10/17/06	08/20/26	1.000%	3,761,876	3,583,000	3,761,876
Kasson, City of	08/17/01	08/20/21	3.070%	7,632,919	5,666,000	6,016,000
Knife River Larson SSD	10/25/05	08/20/25	1.310%	882,212	794,212	835,212
Koochiching County	08/09/05	08/20/25	1.000%	4,816,795	3,846,386	3,756,004
Lake Benton, City of	11/21/91	08/20/12	2.660%	169,000	36,347	46,136
Lake City, City of-01st	08/25/93	08/20/14	3.740%	1,442,000	507,896	589,629
Lake City, City of-02nd	11/24/96	02/20/17	3.320%	1,500,000	720,092	797,486
Lake City, City of-03rd	08/18/99	08/20/20	2.860%	1,226,667	799,000	854,000
Lake City, City of-04th	09/30/02	08/20/23	2.990%	4,800,000	3,892,000	4,095,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Lake Crystal, City of	10/30/03	08/20/23	2.340%	1,571,616	1,305,000	1,377,000
Lake Lillian, City of	02/13/07	08/20/26	1.000%	257,200	220,016	226,216
Lake Mary Township-01st	05/05/98	08/20/19	1.540%	2,120,212	816,126	893,398
Lake Mary Township-02nd	09/11/00	08/20/20	1.360%	377,951	173,861	192,000
Lake Park, City of	11/14/03	08/20/23	1.590%	424,520	335,520	355,520
Lake Shore, City of	04/22/91	02/20/12	3.420%	504,690	97,985	128,584
Lake Washington SD	06/23/04	08/20/24	1.480%	6,490,000	5,030,614	5,345,312
Lakefield, City of	05/03/96	08/20/17	2.630%	1,143,940	559,623	617,676
Laketown Township	08/12/98	08/20/19	1.790%	1,020,000	330,115	553,045
Landfall, City of	01/26/94	02/20/15	1.940%	1,088,007	371,437	429,279
Lanesboro, City of	08/15/96	08/20/17	2.680%	492,733	241,475	266,473
Le Center, City of-01st	07/01/94	08/20/15	2.960%	2,315,710	905,490	1,030,164
Le Center, City of-02nd	08/10/04	08/20/24	1.980%	2,595,136	2,242,286	2,360,286
Le Sueur, City of	08/27/07	08/20/27	1.000%	16,353,395	16,026,557	12,534,523
Leota SD	08/10/99	08/20/19	1.000%	256,598	153,000	166,000
Lester Prairie, City of	07/10/06	08/20/25	1.560%	4,387,680	4,237,480	4,354,528
Lewiston, City of	07/17/01	08/20/21	2.320%	1,630,000	1,207,000	1,286,000
Lismore, City of	08/07/95	02/20/16	2.070%	550,000	218,713	247,463
Litchfield, City of-01st	12/27/01	08/20/22	2.680%	10,963,561	8,407,000	8,897,000
Little Falls, City of-01st	02/03/03	08/20/22	1.240%	4,248,645	3,263,000	3,475,000
Little Falls, City of-02nd	07/11/05	08/20/22	1.240%	1,998,468	1,675,468	1,788,468
Little Falls, City of-03rd	07/11/05	08/20/22	1.240%	631,555	502,642	533,029
Long Prairie, City of	06/24/02	08/20/23	2.170%	3,500,000	-	-
Lonsdale, City of	11/03/03	08/20/23	2.340%	6,644,792	5,511,792	5,815,792
Mabel, City of	08/13/03	08/20/23	1.090%	1,562,875	1,264,000	1,341,000
Madelia, City of-01st	01/25/93	02/20/14	2.010%	2,415,000	696,944	828,185
Madelia, City of-02nd	11/14/06	08/20/26	1.000%	4,732,813	4,636,000	4,732,813
Madison Lake, City of-01st	11/01/95	02/20/17	0.000%	301,512	120,605	135,680
Madison Lake, City of-02nd	06/01/09	08/20/29	1.883%	320,500	-	-
Mahnomen, City of	08/07/08	08/20/27	1.786%	792,462	667,137	-
Mankato, City of-01st	05/21/98	08/20/19	3.070%	24,682,000	14,809,545	15,988,338
Mankato, City of-02nd	11/09/00	08/20/19	3.070%	678,000	439,000	472,000
Mankato, City of-03rd	06/13/09	08/20/29	1.882%	1,194,071	-	-
Mayer, City of	01/14/00	08/20/20	2.570%	689,274	463,000	496,000
Medford, City of	08/02/07	08/20/26	2.240%	1,525,000	1,284,544	1,162,492
Metropolitan Council-01st	07/12/89	02/20/09	5.382%	40,000,000	-	2,800,000
Metropolitan Council-02nd	08/08/90	02/20/10	6.054%	65,000,000	-	-
Metropolitan Council-03rd	06/11/91	08/20/12	5.316%	37,300,000	-	-
Metropolitan Council-04th	06/11/91	08/20/12	6.420%	27,700,000	-	-
Metropolitan Council-05th	05/04/92	08/20/13	4.862%	40,000,000	-	-
Metropolitan Council-06th	07/20/93	02/20/14	4.710%	20,000,000	-	-
Metropolitan Council-07th	11/28/94	08/20/15	4.440%	40,000,000	-	-
Metropolitan Council-08th	09/30/96	08/20/16	3.824%	40,000,000	19,450,000	21,500,000
Metropolitan Council-09th	10/03/97	08/20/17	3.405%	40,000,000	25,050,000	26,000,000
Metropolitan Council-10th	12/31/98	08/20/19	3.140%	60,000,000	43,070,000	44,175,000
Metropolitan Council-11th	07/27/00	08/20/20	3.757%	60,000,000	48,280,000	50,125,000
Metropolitan Council-12th	11/14/01	08/20/21	3.543%	75,000,000	61,500,000	64,700,000
Metropolitan Council-13th	12/20/02	02/20/22	3.383%	100,000,000	84,500,000	88,200,000
Metropolitan Council-14th	11/26/03	08/20/23	3.090%	100,000,000	88,500,000	89,000,000
Metropolitan Council-15th	10/31/03	02/20/16	0.000%	0	1,760,669	2,259,905
Metropolitan Council-16th	10/20/04	02/20/25	2.536%	50,000,000	38,900,000	40,700,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Metropolitan Council-17th	11/10/05	02/20/25	2.840%	40,000,000	36,000,000	37,000,000
Metropolitan Council-18th	09/13/06	08/20/26	2.730%	50,000,000	46,000,000	49,250,000
Metropolitan Council-19th	10/11/07	08/20/27	3.181%	80,000,000	79,950,000	40,604,631
Montevideo, City of	06/17/09	08/20/29	2.890%	10,379,466	-	-
Montgomery, City of	02/05/03	08/20/22	1.000%	8,507,628	6,406,998	6,830,998
Monticello, City of	03/13/97	08/20/18	4.080%	14,700,000	-	-
Montrose, City of-01st	08/04/89	08/20/09	3.470%	1,310,000	-	-
Montrose, City of-02nd	08/27/02	08/20/22	2.740%	4,209,000	3,359,000	3,554,000
Montrose, City of-03rd	02/21/03	08/20/22	2.740%	1,566,000	1,232,000	1,303,000
Moorhead, City of-01st	09/23/94	02/20/15	4.100%	2,478,112	955,342	1,093,150
Moorhead, City of-02nd	05/23/95	08/20/16	4.100%	1,601,443	753,185	837,380
Moorhead, City of-03rd	09/29/97	02/20/18	3.290%	426,290	225,361	246,557
Moorhead, City of-04th	05/06/02	08/20/22	3.130%	3,389,288	2,617,000	2,764,000
Moorhead, City of-05th	06/21/04	08/20/23	1.980%	6,598,073	5,475,099	5,786,099
Moorhead, City of-06th	07/18/07	08/20/26	1.990%	12,442,715	11,529,767	7,670,132
Moose Lake, City of-01st	10/13/94	08/20/15	2.920%	2,250,000	878,260	999,284
Moose Lake, City of-02nd	02/25/97	08/20/15	2.845%	175,813	72,249	82,233
Moose Lake, City of-03rd	01/14/09	08/20/28	1.139%	2,962,416	1,434,869	-
Morgan, City of-01st	09/23/93	08/20/14	2.570%	131,280	42,981	50,168
Morgan, City of-02nd	09/30/94	02/20/16	2.570%	640,309	261,930	295,671
Morris, City of	10/19/93	02/20/15	3.320%	2,146,672	796,063	914,209
Morristown, City of	11/19/98	02/20/20	1.810%	1,229,797	730,696	790,227
Murray County	08/25/06	08/20/26	1.010%	11,554,549	9,891,236	10,862,959
New Prague, City of	12/01/08	08/20/28	3.127%	33,136,888	19,130,570	-
New Ulm, City of-01st	06/15/95	08/20/16	4.850%	6,227,000	-	-
New Ulm, City of-02nd	06/19/07	08/20/26	2.650%	4,002,900	3,315,759	2,947,827
New York Mills, City of-01st	11/15/06	08/20/26	1.000%	3,563,645	3,464,325	3,285,814
New York Mills, City of-02nd	06/22/09	08/20/29	1.000%	130,134	-	-
Nicollet, City of	08/03/95	02/20/17	3.200%	1,260,000	601,064	666,048
Nisswa, City of-01st	08/10/90	02/20/12	3.670%	2,634,561	521,931	684,002
Nisswa, City of-02nd	05/02/00	08/20/19	2.020%	288,760	180,000	194,000
North Branch, City of	08/05/03	08/20/23	2.340%	11,500,000	8,470,000	10,085,000
North Mankato, City of-01st	11/25/97	02/20/19	3.405%	1,032,679	603,009	652,698
North Mankato, City of-02nd	09/30/99	08/20/19	3.140%	442,988	283,000	304,000
Northfield, City of	05/02/00	08/20/21	3.040%	18,390,072	13,356,000	14,184,000
Olivia, City of	09/26/97	02/20/19	3.490%	1,122,092	655,319	709,299
Ortonville, City of	05/05/08	08/20/27	2.290%	553,407	470,429	324,208
Park Rapids, City of-01st	08/23/95	02/20/17	3.200%	11,203,311	5,344,215	5,922,027
Park Rapids, City of-02nd	12/31/97	02/20/17	3.200%	1,205,000	577,586	640,034
Pelican Rapids, City of-01st	11/04/92	02/20/03	3.450%	86,315	-	-
Pelican Rapids, City of-02nd	10/13/08	08/20/27	1.257%	6,152,869	2,839,151	-
Pemberton, City of	02/03/97	02/20/18	1.580%	372,136	181,958	200,632
Pillager, City of	11/21/91	02/20/13	2.530%	500,000	120,958	149,369
Pine Island, City of	07/14/92	08/20/13	3.480%	2,254,355	615,627	749,647
Pipestone, City of	09/04/97	08/20/07	1.990%	301,247	-	-
Plainview-Elgin SSD	08/27/90	02/20/12	3.920%	1,401,104	-	-
Plato, City of-01st	04/20/99	08/20/19	1.290%	107,025	62,000	67,000
Plato, City of-02nd	03/27/00	08/20/21	1.860%	857,047	590,000	630,000
Pokegama Township	06/26/96	08/20/17	2.630%	2,416,802	79,936	323,989
Princeton, City of	03/13/95	08/20/16	3.880%	4,254,663	-	2,205,138
Proctor, City of	07/26/07	08/20/22	1.240%	104,119	99,000	104,119

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Ramsey Washington MWD-01st	06/13/97	08/20/17	3.824%	540,835	280,624	308,085
Ramsey Washington MWD-02nd	09/24/98	08/20/18	3.340%	711,431	403,477	439,023
Red Wing, City of-01st	12/20/96	08/20/17	3.824%	750,000	386,550	424,663
Red Wing, City of-02nd	12/02/97	02/20/18	3.405%	700,000	373,383	408,320
Red Wing, City of-03rd	05/22/98	08/20/18	3.340%	2,500,000	1,315,123	1,440,418
Red Wing, City of-04th	10/11/02	08/20/22	3.740%	1,494,594	1,171,000	1,234,000
Red Wing, City of-05th	08/24/04	08/20/24	2.340%	5,283,360	4,597,000	4,832,000
Redwood Falls, City of	12/11/96	08/20/17	2.490%	133,900	65,028	71,822
Renville, City of	08/22/96	02/20/17	2.470%	794,818	364,715	405,481
Rice, City of	10/13/04	08/20/24	1.980%	1,153,293	985,673	1,042,673
Richmond, City of	11/01/06	08/20/26	1.000%	7,264,863	7,150,974	7,216,623
Rockford, City of	08/14/97	02/20/19	3.990%	1,694,279	965,859	1,044,947
Rockville, City of-01st	12/19/95	02/20/17		869,580	347,832	391,311
Rockville, City of-02nd	04/22/04	08/20/24	1.340%	9,182,090	7,097,268	8,334,687
Rogers, City of-01st	08/03/92	08/20/13	3.200%	1,023,299	288,875	347,686
Rogers, City of-02nd	12/23/94	02/20/16	4.170%	2,710,873	1,208,249	1,354,171
Rollingstone, City of	04/12/00	08/20/20	2.790%	532,035	367,000	392,000
Roseau, City of-01st	05/09/94	08/20/14	2.990%	237,000	76,504	89,559
Roseau, City of-02nd	11/01/95	02/20/17	2.950%	950,000	447,538	496,472
Rush City, City of	03/05/99	08/20/19	1.040%	4,097,542	2,360,000	2,561,000
Rushford Village, City of	05/30/96	02/20/17	3.180%	168,403	78,978	87,648
Rushford, City of	06/04/96	08/20/17	3.430%	1,101,488	560,276	616,178
Rushmore, City of	10/03/05	08/20/24	1.210%	424,101	362,000	383,000
Russell, City of	08/08/90	02/20/12	2.920%	155,450	29,379	38,635
Sacred Heart, City of	07/17/97	08/20/18	1.580%	1,441,093	741,035	812,795
Saint Augusta, City of	09/02/03	08/20/23	2.090%	4,389,732	3,477,000	3,673,000
Saint Clair, City of	09/28/98	08/20/19	1.480%	2,653,226	1,488,604	1,618,726
Saint Cloud, City of	07/23/97	08/20/18	3.630%	4,812,000	2,715,356	2,950,857
Saint Hilaire, City of-01st	03/27/98	02/20/19	2.250%	15,641	7,765	8,452
Saint Hilaire, City of-02nd	09/29/08	08/20/28	1.058%	857,321	183,043	-
Saint Hilaire, City of-03rd	06/22/09	08/20/29	1.000%	49,155	-	-
Saint James, City of	07/12/89	08/20/11	4.590%	5,704,341	-	-
Saint Michael, City of-01st	08/07/95	08/20/16	4.200%	3,686,833	-	-
Saint Michael, City of-02nd	01/28/00	08/20/19	3.540%	586,927	381,000	409,000
Saint Michael, City of-03rd	09/19/00	08/20/21	4.660%	6,722,516	-	-
Saint Paul, City of-01st	08/23/93	08/20/14	2.570%	1,072,837	351,332	410,087
Saint Paul, City of-02nd	11/10/94	08/20/15	3.600%	600,000	243,408	276,103
Saint Paul, City of-03rd	12/20/95	08/20/16	3.200%	600,000	270,421	301,860
Saint Paul, City of-04th	06/21/96	02/20/17	2.880%	4,269,844	2,004,597	2,224,445
Saint Paul, City of-05th	01/17/97	02/20/18	3.820%	1,500,000	815,587	890,230
Saint Paul, City of-06th	01/13/98	02/20/19	3.250%	3,100,000	1,797,709	1,947,626
Saint Paul, City of-07th	02/18/99	08/20/19	2.790%	4,600,000	2,840,000	3,060,000
Saint Paul, City of-08th	09/12/00	08/20/20	3.870%	8,965,000	6,493,000	6,912,000
Saint Peter, City of-01st	12/29/00	08/20/21	2.040%	11,733,250	8,320,000	8,874,000
Saint Peter, City of-02nd	09/17/02	08/20/22	2.040%	7,260,850	4,123,000	4,375,000
Saint Peter, City of-03rd	12/15/03	08/20/22	3.480%	2,240,000	1,868,000	1,970,000
Sauk Centre, City of	10/30/95	08/20/16	3.200%	1,407,000	634,237	707,957
Shafer, City of-01st	03/17/95	08/20/16	2.240%	174,000	74,416	83,439
Shafer, City of-02nd	09/24/02	08/20/23	1.630%	1,167,000	915,000	969,000
Shingobee Township	01/24/00	08/20/20	1.000%	60,240	36,000	39,000
Shorewood Park SD-Rush Lake SD	12/19/95	02/20/17		625,000	250,000	281,250

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Clean Water Bond Fund (continued):						
Silver Bay, City of	09/23/94	02/20/16	2.820%	1,490,796	618,828	697,741
Silver Creek Township-01st	03/23/99	08/20/20	2.290%	1,700,000	1,109,000	1,189,000
Silver Creek Township-02nd	06/11/01	08/20/20	2.290%	350,000	12,000	29,000
Skyline, City of	07/12/04	08/20/24	1.000%	1,179,511	1,010,000	1,068,000
Spring Lake Township-01st	06/11/01	08/20/21	1.290%	1,263,000	627,000	671,000
Spring Lake Township-02nd	11/22/04	08/20/24	1.000%	1,100,000	943,000	997,000
Springsteel Island SD	09/04/07	08/20/27	1.000%	986,436	811,946	663,195
Stewart, City of	10/02/98	02/20/19	1.000%	150,000	78,735	86,186
Sturgeon Lake, City of-01st	02/21/07	08/20/26	1.000%	4,495,958	4,495,958	4,469,079
Sturgeon Lake, City of-02nd	11/07/08	02/20/26	1.142%	670,000	544,711	-
Thief River Falls, City of	07/16/98	08/20/19	2.790%	925,525	548,474	592,869
Tofte Schroeder SSD	01/14/02	08/20/21	2.930%	230,481	25,332	71,271
Tracy, City of	06/30/00	08/20/20	2.110%	1,434,769	950,000	1,019,000
Trimont, City of	11/17/04	08/20/24	1.000%	1,699,869	1,454,000	1,537,000
Twin Lakes Township-01st	10/25/93	02/20/15	2.070%	1,165,729	399,585	461,513
Twin Lakes Township-02nd	08/17/01	08/20/21	1.640%	286,842	200,000	214,000
Two Harbors, City of	03/11/94	02/20/15	2.440%	2,200,000	774,381	892,982
Verndale, City of-01st	07/10/97	02/20/18	1.130%	155,809	74,259	82,057
Verndale, City of-02nd	06/18/09	08/20/29	1.393%	64,361	-	-
Wabasha, City of	07/22/03	08/20/22	1.590%	5,866,644	4,698,000	4,995,000
Walker, City of	04/03/95	08/20/16	2.600%	2,182,510	951,537	1,065,043
Walnut Grove, City of	04/15/93	02/20/14	0.600%	767,041	176,938	211,640
Watertown, City of	05/11/93	08/20/14	3.490%	3,300,000	1,143,039	1,328,857
Watkins, City of	01/03/07	08/20/25	1.270%	1,631,700	1,547,000	1,628,000
Waverly, City of	11/27/91	08/20/11	2.640%	623,933	96,202	132,949
Wells, City of	10/29/04	08/20/24	1.960%	1,560,000	1,352,000	1,423,000
West Concord, City of-01st	09/20/96	02/20/18	3.990%	281,777	154,247	168,255
West Concord, City of-02nd	06/10/04	08/20/24	1.000%	2,231,649	1,913,000	2,023,000
Western Lake Superior SD-01st	10/10/91	08/20/12	4.780%	5,078,000	1,481,467	1,861,666
Western Lake Superior SD-02nd	03/06/97	02/20/13	4.330%	4,400,000	1,461,605	1,789,520
Western Lake Superior SD-03rd	10/21/98	02/20/20	3.980%	4,517,000	2,913,684	3,121,171
Western Lake Superior SD-04th	09/02/99	08/20/14	3.560%	835,800	404,000	463,000
Western Lake Superior SD-05th	10/13/99	08/20/20	4.270%	21,053,000	15,074,000	16,021,000
Western Lake Superior SD-06th	10/06/00	08/20/21	4.870%	7,023,372	5,346,006	5,636,006
Western Lake Superior SD-07th	10/29/02	08/20/18	3.240%	3,149,184	2,284,000	2,475,000
Western Lake Superior SD-08th	07/17/06	08/20/21	2.820%	4,100,000	3,206,032	3,441,328
Western Lake Superior SD-09th	04/08/08	08/20/23	2.611%	2,603,000	2,119,001	1,533,713
Western Lake Superior SD-10th	06/16/09	08/20/24	2.700%	1,889,541	-	-
Wheaton, City of-01st	06/26/03	08/20/22	2.240%	2,505,000	1,959,000	2,077,000
Willmar, City of-01st	06/28/96	08/20/17	3.130%	4,300,000	2,155,080	2,373,384
Willmar, City of-02nd	09/09/08	08/20/28	3.275%	78,240,000	27,710,249	-
Windom, City of-01st	01/26/94	02/20/14	2.440%	352,380	102,224	121,741
Windom, City of-02nd	05/17/94	08/20/15	2.710%	3,886,970	1,498,606	1,706,765
Windom, City of-03rd	12/20/95	02/20/11	2.450%	298,884	46,431	68,813
Winnebago, City of	07/12/89	09/10/90	3.840%	640,000	-	-
Woodland, City of	06/12/97	08/20/18	2.580%	698,775	328,885	359,612
Zimmerman, City of-01st	11/30/89	02/20/11	4.970%	93,000	-	-
Zimmerman, City of-02nd	08/10/90	02/20/12	3.670%	1,281,340	-	-
Zimmerman, City of-03rd	04/09/99	08/20/20	2.040%	4,173,493	2,817,000	3,022,000
Clean Water Bond Fund				2,006,615,354	1,193,190,252	1,121,065,180

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2009	2008
Drinking Water Bond Fund:						
Ada, City of-01st	06/25/04	08/20/23	1.090%	2,380,000	1,923,000	2,040,000
Ada, City of-02nd	12/06/05	08/20/23	1.090%	264,245	233,000	247,000
Adrian, City of	10/30/98	08/20/18	3.320%	259,660	156,000	169,000
Albany, City of	05/17/06	08/20/25	1.960%	4,697,058	4,367,874	4,564,062
Alexandria, City of	07/30/02	08/20/22	3.380%	1,050,117	815,000	860,000
Annandale, City of	01/13/04	08/20/23	2.819%	3,273,194	2,617,000	2,756,000
Argyle, City of	09/30/98	08/20/19	2.570%	229,655	143,000	154,000
Arlington, City of	02/21/03	08/20/17	2.990%	110,000	73,000	80,000
Askov, City of	09/30/98	08/20/19	1.000%	479,781	272,000	296,000
Avon, City of	10/08/03	08/20/23	2.840%	666,554	431,199	463,516
Babbitt, City of	08/29/01	08/20/21	2.820%	1,316,806	952,000	1,012,000
Backus, City of	07/14/08	08/20/27	2.270%	164,195	135,190	-
Bagley, City of	08/10/04	08/20/23	1.730%	1,074,120	876,120	927,120
Battle Lake, City of	06/18/03	08/20/22	1.490%	1,377,006	1,066,000	1,134,000
Baudette, City of	11/09/04	08/20/24	2.460%	337,729	286,000	300,000
Beaver Bay, City of	07/29/08	08/20/27	1.061%	922,425	869,658	-
Becker County	09/22/03	08/20/22	1.680%	135,430	105,000	112,000
Big Lake, City of	11/04/04	08/20/24	2.530%	9,787,000	7,530,062	7,933,550
Blue Earth, City of-01st	09/05/06	08/20/26	2.570%	305,456	284,000	296,382
Blue Earth, City of-02nd	03/19/07	08/20/26	2.400%	1,174,600	1,145,000	1,107,862
Braham, City of	03/25/04	08/20/23	1.590%	1,468,370	1,193,000	1,263,000
Breitung Township-01st	11/01/01	08/20/21	2.070%	94,177	66,000	70,000
Breitung Township-02nd	12/16/02	08/20/22	2.490%	117,500	89,000	94,000
Brookton, City of	12/05/00	08/20/20	3.410%	373,401	252,000	269,000
Browerville, City of	10/21/98	08/20/18	2.040%	213,876	122,000	133,000
Brownnton, City of	11/03/99	08/20/19	2.980%	188,100	121,000	130,000
Buffalo Lake, City of	08/18/99	08/20/19	2.540%	754,776	469,000	506,000
Butterfield, City of	02/11/02	08/20/21	2.070%	246,972	173,000	185,000
Callaway, City of	07/11/06	08/20/25	1.310%	375,811	339,000	356,811
Cambridge, City of	09/17/01	08/20/21	4.050%	2,080,000	1,554,000	1,644,000
Canby, City of	11/10/98	08/20/18	1.790%	2,020,499	1,143,000	1,246,000
Cannon Falls, City of	06/27/01	08/20/21	4.070%	5,331,000	3,986,000	4,215,000
Carlton, City of	05/01/07	08/20/26	1.490%	1,567,709	1,521,000	1,154,969
Carver, City of	12/15/03	08/20/23	2.819%	2,522,966	2,001,669	2,108,935
Cass Lake, City of	05/20/03	08/20/22	1.990%	626,693	496,000	526,000
Chokio, City of	01/26/06	08/20/25	1.310%	750,000	630,658	665,658
Clara City, City of	11/13/01	08/20/21	2.320%	2,472,224	1,749,000	1,863,000
Clearwater, City of-01st	11/23/02	08/20/22	2.130%	667,320	497,000	527,000
Clearwater, City of-02nd	07/22/03	08/20/22	2.680%	183,957	145,000	153,000
Cloquet, City of	10/08/02	08/20/22	3.380%	1,913,773	1,474,768	1,555,768
Cokato, City of-01st	06/14/00	08/20/15	3.910%	613,137	364,000	409,000
Cokato, City of-02nd	01/13/04	08/20/23	3.180%	4,410,593	3,573,000	3,756,488
Cold Spring, City of	12/18/98	08/20/08	3.540%	489,000	-	62,000
Coleraine, City of	12/12/02	08/20/22	2.380%	1,572,375	1,192,000	1,263,000
Comfrey, City of	10/16/98	08/20/18	2.040%	149,107	85,000	93,000
Cosmos, City of-01st	06/15/05	08/20/24	1.720%	912,706	783,706	825,706
Cosmos, City of-02nd	05/09/08	08/20/27	1.092%	550,000	476,542	360,688
Cromwell, City of	04/12/99	08/20/19	1.000%	62,361	38,000	41,000
Dalton, City of-01st	04/14/03	08/20/22	2.680%	118,819	90,000	95,108
Dalton, City of-02nd	08/27/08	08/20/27	1.112%	115,950	115,950	-
Dassel, City of-01st	07/02/99	08/20/19	2.040%	1,768,142	1,100,000	1,188,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Drinking Water Bond Fund (continued):						
Dassel, City of-02nd	10/06/08	08/20/28	1.016%	1,238,014	886,723	-
Dawson, City of	09/20/02	08/20/22	3.320%	914,497	708,000	747,000
Dayton, City of	08/16/00	08/20/20	3.750%	2,269,906	1,581,000	1,684,000
Deer River, City of-01st	10/29/02	08/20/22	1.630%	303,062	224,000	238,000
Dover, City of	12/11/00	08/20/20	3.410%	464,776	318,000	339,000
Duluth, City of-01st	07/31/03	08/20/18	2.819%	970,000	701,000	761,000
Duluth, City of-02nd	07/02/04	08/20/18	2.530%	1,971,532	1,415,000	1,538,000
Eden Valley, City of-01st	08/21/00	08/20/20	3.160%	1,881,057	1,281,000	1,368,000
Eden Valley, City of-02nd	06/27/01	08/20/21	2.320%	644,890	458,000	488,000
Edgerton, City of	07/11/02	08/20/22	3.380%	395,035	303,000	320,000
Elizabeth, City of	07/17/07	08/20/26	1.000%	627,450	609,000	544,656
Ellendale, City of-01st	08/28/06	08/20/26	1.570%	1,628,000	1,534,000	1,540,407
Ellendale, City of-02nd	06/26/08	08/20/27	1.000%	1,163,508	1,007,667	-
Ely, City of	12/13/00	08/20/20	3.410%	1,177,302	807,000	861,000
Elysian, City of	09/18/03	08/20/23	1.990%	478,520	379,000	401,000
Evansville, City of	10/03/06	08/20/26	1.760%	131,203	122,000	127,390
Eveleth, City of	09/26/07	08/20/27	2.400%	2,545,281	1,996,037	1,314,808
Fairfax, City of	08/06/99	08/20/19	2.040%	1,265,806	785,000	848,000
Fertile, City of	01/27/03	08/20/22	1.130%	1,087,739	788,000	840,000
Finlayson, City of	11/28/00	08/20/20	1.910%	211,828	138,000	148,000
Fisher, City of	09/07/04	08/20/24	1.000%	2,077,920	1,693,000	1,790,000
Fosston, City of	07/11/05	08/20/24	1.470%	1,454,455	1,248,231	1,317,231
Frost, City of	01/09/06	08/20/25	1.310%	378,126	335,000	353,000
Fulda, City of	07/30/98	08/20/18	2.320%	503,117	279,000	304,000
Gilbert, City of	04/30/03	08/20/23	2.880%	157,764	127,000	134,000
Glenwood, City of-01st	05/30/00	08/20/19	1.980%	1,081,126	696,000	752,000
Glenwood, City of-02nd	11/09/04	08/20/24	2.210%	675,000	567,000	596,000
Glyndon, City of	10/29/02	08/20/22	2.380%	867,071	647,071	686,071
Goodview, City of	09/22/08	08/20/28	2.627%	4,277,500	3,769,985	-
Grand Marais, City of-01st	04/27/99	08/20/19	2.560%	484,112	308,000	332,000
Grand Marais, City of-02nd	08/11/04	02/20/24	2.530%	812,229	657,000	693,000
Grand Rapids, City of	01/03/00	08/20/19	3.040%	1,079,657	692,000	744,000
Grove City, City of	07/08/08	08/20/27	1.258%	1,400,120	1,108,576	-
Hamburg, City of-01st	07/22/03	08/20/22	2.490%	225,640	177,000	188,000
Hamburg, City of-02nd	07/27/04	08/20/24	2.340%	950,709	791,000	831,000
Harris, City of-01st	10/26/99	08/20/19	3.290%	142,000	92,000	99,000
Harris, City of-02nd	08/29/06	08/20/26	2.320%	1,333,450	1,247,000	1,297,057
Hawley, City of-01st	06/27/01	08/20/21	3.320%	660,000	479,000	508,000
Hawley, City of-02nd	07/10/06	08/20/25	1.560%	2,565,987	2,336,000	2,456,987
Hawley, City of-03rd	06/17/08	08/20/27	1.290%	168,000	126,727	-
Henning, City of	12/06/05	08/20/25	1.000%	539,404	476,000	501,604
Hibbing, City of-PUC	07/19/01	08/20/20	3.050%	1,434,777	1,011,000	1,080,000
Hinckley, City of-01st	11/17/00	08/20/20	4.160%	542,777	379,000	403,000
Hinckley, City of-02nd	10/05/01	08/20/21	2.820%	1,367,480	980,000	1,042,000
Hitterdal, City of	03/13/06	08/20/25	1.810%	157,957	143,000	150,000
Hoffman, City of-01st	08/14/04	08/20/24	1.480%	833,461	683,000	721,000
Howard Lake, City of	10/13/99	08/20/19	3.060%	287,662	186,000	200,000
Hutchinson, City of-01st	08/01/05	08/20/24	2.530%	5,697,247	4,968,371	4,982,907
Hutchinson, City of-02nd	08/07/06	08/20/25	2.629%	12,216,000	11,423,000	11,951,000
Ironton, City of	07/27/04	08/20/23	1.090%	405,300	327,300	347,300
Isanti, City of-01st	07/10/07	08/20/26	2.630%	965,000	931,000	935,999

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Drinking Water Bond Fund (continued):						
Isanti, City of-02nd	10/07/08	08/20/28	3.042%	5,506,200	3,982,137	-
Jordan, City of-01st	11/05/98	08/20/18	3.540%	307,917	187,000	202,000
Jordan, City of-02nd	06/30/03	08/20/23	2.819%	1,052,939	845,000	890,000
Kandiyohi County-01st	08/18/99	08/20/19	3.540%	4,446,000	2,910,000	3,124,000
Kandiyohi County-02nd	12/29/99	08/20/19	3.540%	2,262,450	1,474,450	1,582,450
Kandiyohi County-03rd	11/30/00	08/20/20	3.540%	1,012,260	700,000	746,000
Kandiyohi County-04th	10/10/01	08/20/21	3.540%	233,000	170,000	180,000
Keewatin, City of	08/28/02	08/20/22	2.880%	500,000	386,000	408,000
Kenyon, City of	12/16/02	08/20/22	3.240%	224,000	88,000	98,000
Kiester, City of	10/15/01	08/20/21	3.070%	228,636	162,000	172,000
Lake Lillian, City of	09/13/06	08/20/26	1.000%	678,400	569,340	601,340
Lake Park, City of	09/08/03	08/20/23	2.090%	397,006	313,000	331,000
Lakefield, City of	09/26/02	08/20/22	2.880%	2,272,080	1,732,000	1,831,000
Lamberton, City of	08/06/99	08/20/19	1.860%	262,182	107,000	115,180
Le Center, City of-01st	08/11/06	08/20/26	1.820%	3,650,600	3,278,001	3,411,074
Le Center, City of-02nd	08/14/07	08/20/27	1.650%	544,600	511,861	505,011
Lewiston, City of-01st	12/20/99	08/20/19	3.790%	312,934	203,000	217,000
Lewiston, City of-02nd	05/29/01	08/20/20	3.820%	270,000	195,000	208,000
Lismore, City of	08/17/01	08/20/21	2.570%	174,060	125,000	133,000
Litchfield, City of-PUC	05/24/99	08/20/19	3.540%	4,092,166	2,682,000	2,879,000
Littlefork, City of	07/28/99	08/20/19	1.810%	181,277	111,000	120,000
Long Prairie, City of	04/06/01	08/20/20	3.910%	1,098,586	785,000	836,000
Loretto, City of	05/09/06	08/20/25	2.310%	761,704	713,000	746,704
Lyle, City of	06/27/00	08/20/20	3.000%	311,040	210,000	225,000
Lynd, City of	11/19/98	08/20/09	2.040%	27,325	-	-
Mahnomen, City of	07/30/08	08/20/27	1.518%	390,054	390,054	-
Mankato, City of-01st	12/12/05	08/20/25	2.310%	2,309,300	2,069,300	2,167,300
Mankato, City of-02nd	04/09/07	08/20/26	2.630%	37,729,870	32,374,981	26,820,509
Maple Plain, City of	07/09/07	08/20/26	2.150%	3,600,000	3,329,819	2,885,701
Marble, City of	10/08/01	08/20/21	2.570%	128,210	91,000	97,000
Mayer, City of-01st	12/21/00	08/20/20	3.910%	347,000	242,000	258,000
Mayer, City of-02nd	08/28/06	08/20/26	2.070%	2,560,768	2,382,000	2,490,768
McIntosh, City of-01st	05/31/07	08/20/26	1.900%	222,736	213,831	222,736
McIntosh, City of-02nd	10/24/07	08/20/27	1.341%	858,730	837,787	764,620
Melrose, City of-01st	01/26/99	08/20/18	3.540%	599,219	364,000	394,000
Melrose, City of-02nd	04/13/99	08/20/19	3.480%	2,500,000	1,639,700	1,760,700
Milaca, City of	07/19/06	08/20/26	1.070%	3,060,114	2,847,000	2,990,114
Minneapolis, City of-01st	12/16/02	08/20/22	2.819%	27,400,000	24,500,000	25,000,000
Minneapolis, City of-02nd	02/26/04	08/20/23	2.800%	25,000,000	23,700,000	24,100,000
Minneapolis, City of-03rd	03/21/05	08/20/19	2.530%	12,500,000	12,350,000	12,400,000
Minneapolis, City of-04th	12/07/06	08/20/26	2.600%	13,500,000	10,805,243	5,583,254
Montevideo, City of	03/27/00	08/20/20	4.250%	1,658,080	1,160,000	1,233,000
Montgomery, City of-01st	09/18/03	08/20/23	3.180%	642,162	524,000	551,000
Montgomery, City of-02nd	05/24/04	08/20/23	2.840%	358,044	299,044	315,044
Morgan, City of	06/21/99	08/20/19	2.480%	481,289	307,000	331,000
Morris, City of	10/26/99	08/20/19	2.540%	1,251,423	788,000	850,000
Mountain Lake, City of	09/16/03	08/20/23	1.430%	2,985,751	2,328,000	2,466,000
Nashwauk, City of	06/08/99	08/20/19	1.980%	966,092	604,000	653,000
New Auburn, City of	08/03/06	08/20/25	1.000%	1,069,002	704,098	1,043,602
New Market, City of	07/02/99	08/20/19	3.040%	76,000	-	-
New Prague, City of	10/15/02	08/20/22	3.630%	2,885,942	2,226,000	2,346,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Drinking Water Bond Fund (continued):						
New Richland, City of	07/15/03	08/20/22	2.740%	1,327,522	1,039,522	1,101,522
New York Mills, City of	06/09/09	08/20/28	1.296%	695,668	-	-
Nielsville, City of	12/06/04	08/20/24	1.210%	30,563	23,840	26,415
Northome, City of	03/04/04	08/20/23	1.730%	241,826	198,000	209,000
Onamia, City of	10/19/00	08/20/20	3.000%	420,000	285,000	304,000
Osakis, City of	01/14/03	08/20/22	2.920%	666,377	505,000	534,000
Ottertail, City of	01/14/03	08/20/22	1.170%	1,488,000	1,085,000	1,156,000
Park Rapids, City of	06/15/06	08/20/25	2.570%	859,259	787,509	827,204
Pelican Rapids, City of	10/13/08	08/20/28	2.351%	280,648	280,648	-
Perham, City of-01st	11/19/99	08/20/19	2.790%	606,790	385,000	415,000
Perham, City of-02nd	01/22/09	08/20/28	2.743%	2,464,073	608,766	-
Pine River, City of	09/20/02	08/20/22	1.630%	167,260	123,000	131,000
Plainview, City of	06/15/06	08/20/21	2.630%	807,893	727,000	774,729
Princeton, City of-PUC-01st	09/08/99	08/20/19	3.290%	670,000	436,000	468,000
Princeton, City of-PUC-02nd	06/10/04	08/20/23	2.530%	847,422	718,000	757,000
Red Wing, City of	04/12/04	08/20/23	2.819%	15,283,450	12,685,000	13,357,450
Remer, City of	06/25/09	08/20/39	1.982%	79,748	-	-
Renville, City of	08/23/04	08/20/24	1.980%	266,453	222,000	234,000
Rock County Rural Water-01st	09/30/99	08/20/19	1.790%	1,460,000	895,000	968,000
Rock County Rural Water-02nd	04/03/07	08/20/26	1.020%	533,000	517,000	533,000
Rothsay, City of	11/04/03	08/20/23	1.990%	378,740	300,000	317,000
Royalton, City of	09/27/99	08/20/19	1.000%	458,452	265,000	288,000
Rush City, City of	03/05/99	08/20/18	1.540%	3,889,693	2,186,000	2,387,000
Rushford, City of-01st	09/10/99	08/20/19	3.040%	765,000	488,000	525,000
Rushford, City of-02nd	05/15/08	08/20/27	1.352%	1,212,760	1,212,760	102,631
Sabin, City of	07/19/05	08/20/24	2.720%	871,267	755,267	792,267
Saint Augusta, City of	07/14/03	08/20/22	2.819%	1,849,591	1,488,000	1,574,000
Saint Clair, City of	08/20/07	08/20/26	1.900%	1,362,000	1,209,721	1,177,252
Saint Cloud, City of-01st	03/01/04	08/20/23	2.590%	1,381,672	1,146,672	1,208,672
Saint Cloud, City of-02nd	01/05/05	08/20/24	2.530%	2,527,278	2,150,350	2,258,350
Saint Cloud, City of-03rd	05/08/09	08/20/28	2.481%	7,015,400	4,026,817	-
Saint Francis, City of	12/18/07	08/20/27	2.563%	9,372,000	8,899,123	4,397,048
Saint James, City of	01/08/02	08/20/21	3.570%	2,230,000	1,641,000	1,739,000
Saint Paul, City of	11/05/98	12/01/18	3.480%	16,500,000	8,305,000	9,230,000
Saint Peter, City of-01st	03/12/09	08/20/28	2.482%	1,509,483	636,415	-
Sandstone, City of	07/28/99	08/20/19	2.110%	401,331	249,900	270,000
Sauk Centre, City of	11/05/98	08/20/18	3.540%	2,121,231	1,289,000	1,395,000
Savage, City of	08/06/99	08/20/19	3.620%	8,984,395	5,885,395	6,314,395
Sebeka, City of	10/15/02	08/20/22	1.130%	262,242	193,942	206,942
Silver Bay, City of-01st	11/19/98	08/20/18	2.560%	642,000	375,000	408,000
Silver Bay, City of-02nd	06/04/07	08/20/26	1.650%	726,450	707,000	726,450
Spring Lake Park, City of	07/08/03	08/20/23	2.819%	3,846,216	3,041,000	3,202,000
Staples, City of	03/24/03	08/20/22	1.490%	1,400,000	1,072,000	1,140,000
Stewart, City of	08/08/05	08/20/24	2.220%	719,342	625,000	657,000
Sturgeon Lake, City of-01st	03/10/05	08/20/24	1.220%	2,476,541	2,128,541	2,248,541
Sturgeon Lake, City of-02nd	03/02/06	08/20/24	1.220%	250,000	222,165	235,165
Taylors Falls, City of	08/28/07	08/20/26	1.150%	1,033,931	1,004,323	605,399
Thomson, City of	09/08/03	08/20/23	2.680%	105,104	52,000	56,549
Tower, City of	01/20/00	08/20/19	1.860%	892,659	545,000	589,000
Tracy, City of	06/30/00	08/20/20	4.160%	141,355	88,000	94,000
Trosky, City of	11/03/99	08/20/19	3.290%	131,670	84,000	90,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Drinking Water Bond Fund (continued):						
Two Harbors, City of	06/30/99	08/20/19	3.040%	835,000	539,000	580,000
Underwood, City of	11/13/01	08/20/21	2.570%	660,878	458,000	487,000
Utica, City of	09/19/01	08/20/21	2.070%	173,000	122,000	130,000
Verndale, City of-01st	12/18/98	08/20/18	1.310%	75,572	40,000	44,000
Verndale, City of-02nd	06/18/09	08/20/29	2.056%	231,433	-	-
Virginia, City of	11/08/99	08/20/19	3.040%	6,127,973	3,943,000	4,241,000
Wadena, City of	07/30/02	08/20/22	2.670%	2,617,891	2,002,000	2,119,000
Walker, City of	08/18/99	08/20/19	1.810%	1,877,758	1,151,000	1,245,000
Wanamingo, City of	08/29/01	08/20/21	1.810%	1,660,000	1,167,000	1,246,000
Watertown, City of	12/27/01	08/20/21	3.570%	2,456,978	1,808,000	1,917,000
West Concord, City of	10/09/03	08/20/23	2.819%	234,105	189,000	199,000
Windom, City of-01st	03/12/99	08/20/18	2.570%	3,151,838	1,845,000	2,005,000
Windom, City of-02nd	06/28/99	08/20/19	2.290%	1,319,714	828,000	893,000
Winnebago, City of	09/19/00	08/20/20	2.160%	1,910,364	1,260,000	1,351,000
Winsted, City of	03/06/06	08/20/25	2.560%	573,926	526,000	549,730
Wykoff, City of-01st	05/10/04	08/20/23	2.340%	278,806	231,000	244,000
Wykoff, City of-02nd	05/14/07	08/20/26	1.400%	470,195	454,000	470,195
Zimmerman, City of	01/08/07	08/20/26	2.520%	2,009,068	1,869,184	1,967,878
Drinking Water Bond Fund				439,052,203	346,788,591	323,721,932
Transportation Bond Fund:						
Transportation Bond Fund Series 1999A:						
Metropolitan Council	03/12/99	02/15/20	2.710%	21,025,000	5,105,000	6,565,000
Transportation Bond Fund Series 2001:						
Benton County	10/23/01	08/20/11	2.150%	469,000	152,000	200,000
Mazeppa, City of	10/26/99	08/20/14	2.480%	535,000	244,000	282,000
Newport, City of	11/28/01	08/20/15	1.390%	1,625,600	825,000	937,000
Ramsey County-01st	05/04/01	08/20/30	3.590%	6,872,000	5,897,000	6,072,000
Ramsey County-02nd	05/04/01	08/20/30	3.590%	-	-	-
Richfield, City of	09/17/01	02/20/07	2.000%	6,700,000	-	-
Robbinsdale, City of	10/23/01	08/20/12	2.290%	927,843	421,000	521,000
Rochester, City of	11/14/01	08/20/21	2.830%	2,500,000	1,849,000	1,965,000
Waite Park, City of	06/27/01	08/20/21	3.190%	2,100,000	1,509,000	1,601,000
Woodbury, City of-01st	06/28/01	08/20/17	2.700%	13,049,400	6,224,114	7,360,336
Transportation Bond Fund Series 2001				34,778,843	17,121,114	18,938,336
Transportation Bond Fund Series 2006A:						
Stearns County	12/12/06	02/20/20	2.346%	11,200,000	7,240,155	8,667,619
Transportation Bond Fund Series 2008A:						
Metropolitan Council-2008A	01/24/08	02/15/18	1.794%	10,000,000	8,005,000	6,501,186

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2009	2008
Other Fund:						
Transportation Revolving Loan Fund Direct Loans:						
East Grand Forks, City of	11/06/08	08/20/38	3.645%	3,467,000	-	-
Elk River, City of	07/07/08	08/20/13	1.311%	2,431,500	396,552	-
Hubbard County	09/25/07	08/20/18	2.477%	1,800,000	1,475,267	503,976
MN Dept of Transportation-01st	04/18/00	12/01/10	3.490%	15,000,000	2,463,349	4,170,789
MN Dept of Transportation-02nd	01/02/02	12/01/16	2.550%	24,200,000	14,038,219	15,601,300
MN Dept of Transportation-03rd	07/14/05	12/01/06	1.160%	3,900,000	-	-
MN Dept of Transportation-04th	11/19/06	12/01/21	2.210%	3,030,150	2,414,671	2,713,111
MN Dept of Transportation-05th	01/29/09	12/01/28	2.600%	3,375,000	548,515	-
MN Dept of Transportation-06th	12/04/08	12/01/28	3.229%	2,325,000	-	-
MN Dept of Transportation-07th	12/04/08	12/01/28	3.230%	1,200,000	-	-
Pennington County	08/29/01	08/20/21	3.140%	1,731,285	1,227,000	1,302,000
Pine County-01st	05/29/01	08/20/16	3.000%	1,434,459	713,000	791,000
Pine County-02nd	03/15/02	08/20/05	1.810%	17,145	-	-
Rochester, City of	11/05/08	08/20/28	3.415%	2,500,000	2,500,000	-
Woodbury, City of-02nd	06/28/01	08/20/15	2.690%	4,589,700	2,365,000	2,950,000
Transportation Revolving Loan Fund Direct Loans				71,001,239	28,141,572	28,032,176
Wastewater Infrastructure (Wif) Loans:						
Alborn Township	07/07/08	02/20/40	0.000%	480,000	323,400	-
Alexandria Lk Area Service Region	08/13/07	08/20/30	0.000%	842,770	842,770	603,147
Brooklyn, City of	08/27/07	02/20/32	0.000%	481,790	298,863	-
Chisago Lakes JSTC-02nd	07/20/06	02/20/27	0.000%	364,683	236,319	15,638
Hudson Township	05/02/07	08/20/30	0.000%	513,315	513,315	513,315
Kandiyohi County-04th	10/17/06	08/20/32	0.000%	1,208,124	1,208,124	1,208,124
Madelia, City of-02nd	11/14/06	02/20/27	0.000%	89,587	89,587	89,587
Murray County	08/25/06	02/20/32	0.000%	3,589,451	3,589,451	3,589,451
Richmond, City of	12/21/06	08/20/29	0.000%	915,429	915,429	894,203
Rushmore, City of	10/03/05	08/20/35	0.000%	290,876	290,876	290,876
Saint Hilaire, City of-02nd	09/29/08	02/20/35		310,061	162,554	-
Sturgeon Lake, City of-01st	02/21/07	08/20/26	0.000%	2,447,828	2,447,828	2,447,828
Willmar, City of-02nd	09/09/08	02/20/30	0.000%	7,000,000	2,511,389	-
Wastewater Infrastructure (WIF) Loans				18,533,914	13,429,904	9,652,169
Small Community Wastewater Loans:						
Taopi, City of	06/28/07	08/20/18	1.000%	135,411	115,788	113,866
Special Appropriation Direct Loans:						
Stewart, City of	04/22/02	08/20/21	1.000%	1,000,000	714,000	765,000
Methamphetamine Lab Cleanup Loans:						
Mille Lacs County	07/18/06	08/20/16	2.000%	12,816	-	12,816
Nicollet County	04/27/07	08/20/16	2.000%	7,200	-	7,200
Methamphetamine Lab Cleanup Loans				20,016	-	20,016
MPFA Totals				<u>\$ 2,613,361,979</u>	<u>\$ 1,619,851,375</u>	<u>\$ 1,524,042,480</u>

(1) Henning: \$500,000 of the original principal amount amortized at -0-% with the balance amortized at 2.23%

(2) Walnut Grove: \$500,000 of the original principal amount amortized at -0-% with the balance amortized at 1.74%

Borrower concentration in the open pool bond funds:

Borrower concentration, Clean Water Bond Fund: only one borrower's loan balance exceeds ten percent of the Clean Water loan portfolio. At June 30, 2009 and 2008, the Metropolitan Council made up 48.0% and 49.6%, respectively, of the outstanding Clean Water loan balances.

Borrower concentration, Drinking Water Bond Fund: only one borrower's loan balance exceeds ten percent of the Drinking Water loan portfolio. At June 30, 2009 and 2008, the City of Minneapolis made up 20.6% and 20.7%, respectively, of the outstanding Drinking Water loan balances.

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

The Methamphetamine Lab Cleanup loan program was sunset and future repayments will be deposited to the state general fund. The Authority will continue to service the existing loans but the loans are no longer assets of the Authority.

[The balance of this page is left blank intentionally.]

Schedules of Future Loan Repayments – At June 30, 2009, scheduled loan repayments on outstanding loans are payable as follows:

Fiscal Year(s) Ending	Clean Water Bond Fund		Drinking Water Bond Fund	
	Interest	Principal	Interest	Principal
2010	30,578,569	55,407,835	8,082,420	19,389,721
2011	31,382,271	70,525,820	8,133,827	18,558,999
2012	29,846,089	73,957,958	7,597,552	20,354,582
2013	27,825,973	75,099,539	7,074,654	20,234,260
2014	25,764,314	76,529,810	6,526,341	21,403,135
2015 - 2019	91,592,316	462,066,314	23,604,570	120,232,120
2020 - 2024	33,072,979	368,856,924	8,083,036	113,232,984
2025 - 2029	5,845,757	144,044,218	737,932	31,399,451
2030 - 2034	-	778,000	2,371	29,000
2035 - 2039	-	-	887	16,000
2040 - 2044	-	-	-	4,000
	<u>\$ 275,908,269</u>	<u>\$ 1,327,266,419</u>	<u>\$ 69,843,589</u>	<u>\$ 364,854,251</u>
Less: undisbursed loan commitments:		134,076,167		18,065,661
Outstanding principal:		<u>\$ 1,193,190,252</u>		<u>\$ 346,788,591</u>

Fiscal Year(s) Ending	TBF Series 1999A		TBF Series 2001	
	Interest	Principal	Interest	Principal
2010	104,086	1,485,000	437,682	1,888,114
2011	89,342	320,000	385,210	1,963,000
2012	80,643	330,000	332,089	1,997,000
2013	71,779	335,000	301,868	1,309,000
2014	62,682	345,000	272,487	1,131,000
2015 - 2019	167,395	1,875,000	975,434	4,188,000
2020 - 2024	2,190	415,000	536,135	2,273,000
2025 - 2029	-	-	244,798	1,635,000
2030 - 2034	-	-	11,312	737,000
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
	<u>\$ 578,117</u>	<u>\$ 5,105,000</u>	<u>\$ 3,497,015</u>	<u>\$ 17,121,114</u>
Less: undisbursed loan commitments:		-		-
Outstanding principal:		<u>\$ 5,105,000</u>		<u>\$ 17,121,114</u>

Scheduled future loan repayments (continued):

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A	
	Interest	Principal	Interest	Principal
Ending				
2010	139,106	1,775,000	122,827	845,000
2011	136,684	520,000	107,670	860,000
2012	124,386	540,000	92,195	880,000
2013	111,771	550,000	76,467	895,000
2014	98,783	570,000	60,476	910,000
2015 - 2019	267,007	3,545,000	79,558	3,615,000
2020 - 2024	1,979	700,000	-	-
2025 - 2029	-	-	-	-
2030 - 2034	-	-	-	-
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
	<u>\$ 879,715</u>	<u>\$ 8,200,000</u>	<u>\$ 539,192</u>	<u>\$ 8,005,000</u>
Less: undisbursed loan commitments:		959,845		
Outstanding principal:		<u>\$ 7,240,155</u>		<u>\$ 8,005,000</u>

Fiscal Year(s)	Other - Nonpledged		MPFA Totals	
	Interest	Principal	Interest	Principal
Ending				
2010	714,296	5,544,157	40,178,985	86,334,828
2011	888,244	4,384,780	41,123,248	97,132,600
2012	792,720	3,417,481	38,865,674	101,477,021
2013	701,668	3,512,289	36,164,180	101,935,088
2014	607,876	3,611,938	33,392,958	104,500,883
2015 - 2019	1,894,387	11,448,702	118,580,667	606,970,136
2020 - 2024	1,031,381	4,271,595	42,727,701	489,749,503
2025 - 2029	494,199	11,428,133	7,322,687	188,506,802
2030 - 2034	214,293	10,398,850	227,976	11,942,850
2035 - 2039	64,556	1,487,515	65,442	1,503,515
2040 - 2044	-	17,500	-	21,500
	<u>\$ 7,403,620</u>	<u>\$ 59,522,940</u>	<u>\$ 358,649,518</u>	<u>\$ 1,790,074,725</u>
Less: undisbursed loan commitments:		17,121,676		170,223,349
Outstanding principal:		<u>\$ 42,401,264</u>		<u>\$ 1,619,851,375</u>

Bonds Payable

Bonds payable at June 30, 2009 and 2008 consist of:

Fund/ Series	Interest Rates	Date Issued	Final Maturity ¹	Original Principal	Outstanding Principal, June 30:	
					2009	2008
Clean Water Bond Fund:						
<i>Nine series of bonds prior to 1998A:</i>				\$ 644,962,117	\$ -	\$ -
1998A	4.125 - 5.00	03/05/98	03/01/19	100,000,000	59,000,000	68,890,000
1998B	3.30 - 5.125	12/30/98	03/01/19	78,000,000	-	3,500,000
2000A	5.00 - 5.50	07/27/00	03/01/19	110,000,000	-	4,500,000
2001A	3.00 - 5.00	11/15/01	03/01/20	70,000,000	2,000,000	5,000,000
2002A	3.00 - 5.25	12/19/02	03/01/21	100,000,000	24,250,000	27,250,000
2004BC	3.00 - 5.25	10/21/04	03/01/24	218,000,000	200,000,000	207,000,000
2004D	3.25 - 5.00	12/02/04	03/01/16	101,000,000	101,000,000	101,000,000
2005B	3.00 - 5.00	10/20/05	03/01/21	148,375,000	147,365,000	147,365,000
2005C	5.00	12/07/05	03/01/25	134,000,000	92,500,000	108,500,000
2007A	4.00 - 5.00	07/11/07	03/01/27	90,000,000	89,500,000	89,750,000
2007B	4.00 - 5.00	10/25/07	03/01/28	80,000,000	79,950,000	80,000,000
Clean Water bond fund				1,874,337,117	795,565,000	842,755,000
Plus: Remaining unamortized net premium					37,345,324	42,761,329
Less: Unamortized portion of the amount deferred in refunding ²					(15,315,807)	(18,691,969)
Net CWBF bonds payable reflected on the statement of net assets					817,594,517	866,824,360
Drinking Water Bond Fund:						
1999B	4.60 - 5.125	07/14/99	03/01/19	21,500,000	-	1,030,000
2002B	2.00 - 5.25	12/19/02	03/01/21	50,000,000	12,500,000	15,000,000
2004A	2.00 - 5.00	03/04/04	03/01/24	53,000,000	48,700,000	49,900,000
2005A	2.00 - 5.00	10/20/05	03/01/25	83,365,000	79,815,000	81,275,000
Drinking Water bond fund				207,865,000	141,015,000	147,205,000
Plus: Remaining unamortized net premium					3,754,569	4,378,592
Less: Unamortized portion of the amount deferred in refunding ²					(1,075,432)	(1,210,424)
Net DWBF bonds payable reflected on the statement of net assets					143,694,137	150,373,168
Transportation Bond Fund:						
Series 1999A	4.00 - 4.75	03/18/99	03/01/20	17,080,000	4,145,000	5,330,000
Less: Remaining unamortized net discount					(18,151)	(21,666)
Net bonds payable, Transportation Series 1999A					4,126,849	5,308,334
Series 2001	3.50 - 5.00	12/13/01	03/01/21	20,450,000	10,150,000	11,325,000
Plus: Remaining unamortized net premium					59,684	96,904
Net bonds payable, Transportation Series 2001					10,209,684	11,421,904

Bonds payable (continued):

Fund/ Series	Interest Rates	Date Issued	Final Maturity ¹	Original Principal	Outstanding Principal, June 30:	
					2009	2008
Transportation Bond Fund (continued):						
Series 2006A	3.75 - 4.00	12/20/06	03/01/20	8,900,000	6,530,000	8,400,000
Plus: Remaining unamortized net premium					38,419	52,156
Net bonds payable, Transportation Series 2006A					6,568,419	8,452,156
Series 2008A	3.50 - 4.00	01/24/08	03/01/18	7,700,000	6,160,000	7,700,000
Plus: Remaining unamortized net premium					135,916	179,597
Net bonds payable, Transportation Series 2006A					6,295,916	7,879,597
Transportation bond fund				54,130,000	26,985,000	32,755,000
Plus: Remaining unamortized net premium					215,867	306,992
Net TBF bonds payable reflected on the statement of net assets					27,200,867	33,061,992
MPFA Totals						
Original and outstanding principal				2,136,332,117	963,565,000	1,022,715,000
Plus: Remaining unamortized net premium					41,315,760	47,446,913
Less: Unamortized portion of the amount deferred in refunding ²					(16,391,239)	(19,902,393)
Net bonds payable reflected on the statement of net assets					<u>\$ 988,489,521</u>	<u>\$ 1,050,259,520</u>

¹ Final maturity reflects the latest maturity currently outstanding.

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

Bond Proceeds – The net bond proceeds have been used to fund loans to Minnesota municipalities for projects relating to wastewater treatment facilities, drinking water systems, and transportation. A portion of the 1998A Series was used to refund portions of the 1989A, 1991A, 1991B, and 1995A Series bonds. A portion of the 2004BC Series was used to refund portions of the 1995A, 1996B, and 1997AB Series bonds. 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 2005C Series was used to current refund portions of the 1996A Series bonds.

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'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, 2009 was \$963,565,000.

Advanced and Current Refunding of Debt - The Authority has, on eight 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, 2009.

The following table lists all bonds defeased and not yet redeemed as of June 30, 2009:

CUSIP #	Series	Maturity	Call Date	Refunding Date	Par Refunded Unredeemed
604111BF0	2002B	03/01/15	03/01/12	10/20/05	\$ 3,000,000
604111BG8	2002B	03/01/16	03/01/12	10/20/05	3,000,000
604111BH6	2002B	03/01/17	03/01/12	10/20/05	3,000,000
604111BJ2	2002B	03/01/18	03/01/12	10/20/05	3,500,000
604111BK9	2002B	03/01/19	03/01/12	10/20/05	3,500,000
604111BL7	2002B	03/01/20	03/01/12	10/20/05	4,000,000
604111BM5	2002B	03/01/21	03/01/12	10/20/05	2,500,000
604114LX4	2001A	03/01/11	03/01/10	10/20/05	2,000,000
604114LY2	2001A	03/01/12	03/01/10	10/20/05	4,000,000
604114LZ9	2001A	03/01/13	03/01/10	12/02/04	4,000,000
604114MA3	2001A	03/01/14	03/01/10	12/02/04	5,000,000
604114MB1	2001A	03/01/15	03/01/10	12/02/04	3,000,000
604114MC9	2001A	03/01/16	03/01/10	10/20/05	6,000,000
604114MD7	2001A	03/01/17	03/01/10	10/20/05	7,000,000
604114ME5	2001A	03/01/18	03/01/10	10/20/05	7,000,000
604114MF2	2001A	03/01/19	03/01/10	10/20/05	8,000,000
604114MG0	2001A	03/01/20	03/01/10	10/20/05	8,000,000
604114MW5	2002A	03/01/15	03/01/12	12/02/04	6,750,000
604114MX3	2002A	03/01/16	03/01/12	12/02/04	7,250,000
604114MY1	2002A	03/01/17	03/01/12	10/20/05	9,500,000
604114MZ8	2002A	03/01/18	03/01/12	10/20/05	9,750,000
604114NA2	2002A	03/01/19	03/01/12	10/20/05	9,750,000
604114NB0	2002A	03/01/20	03/01/12	10/20/05	9,750,000
604114NC8	2002A	03/01/21	03/01/12	10/20/05	9,750,000
					<u>\$ 139,000,000</u>

Schedule of Maturities - At June 30, 2008 debt service on outstanding bonds is payable as follows:

Fiscal Year(s) Ending	Clean Water		Drinking Water	
	Interest	Principal	Interest	Principal
2010	39,256,075	37,845,000	6,458,445	6,785,000
2011	37,563,925	37,280,000	6,182,508	7,080,000
2012	35,740,825	47,315,000	5,884,933	8,065,000
2013	33,428,263	48,080,000	5,551,039	7,885,000
2014	31,020,513	50,315,000	5,170,539	8,650,000
2015 - 2019	113,829,375	286,540,000	19,271,944	51,045,000
2020 - 2024	45,441,875	224,190,000	6,753,019	49,020,000
2025 - 2029	6,545,000	64,000,000	108,719	2,485,000
	<u>\$ 342,825,850</u>	<u>\$ 795,565,000</u>	<u>\$ 55,381,144</u>	<u>\$ 141,015,000</u>
Plus: Remaining premium (discount)		37,345,324		3,754,569
Less: Remaining refunding deferrals		(15,315,807)		(1,075,432)
Net bonds payable		<u>\$ 817,594,517</u>		<u>\$ 143,694,137</u>

Fiscal Year(s) Ending	TBF Series 1999A		TBF Series 2001	
	Interest	Principal	Interest	Principal
2010	185,590	1,205,000	507,500	1,285,000
2011	134,980	260,000	443,250	1,350,000
2012	123,930	270,000	375,750	1,395,000
2013	112,320	270,000	306,000	950,000
2014	100,440	280,000	258,500	820,000
2015 - 2019	300,018	1,525,000	707,500	3,330,000
2020 - 2024	15,913	335,000	77,000	1,020,000
2025 - 2029	-	-	-	-
	<u>\$ 973,190</u>	<u>\$ 4,145,000</u>	<u>\$ 2,675,500</u>	<u>\$ 10,150,000</u>
Plus: Remaining premium (discount)		(18,151)		59,684
Less: Remaining refunding deferrals				
Net bonds payable		<u>\$ 4,126,849</u>		<u>\$ 10,209,684</u>

Schedule of revenue bond maturities (continued):

Fiscal Year(s) Ending	TBF Series 2006A		TBF Series 2008A	
	Interest	Principal	Interest	Principal
2010	257,013	1,480,000	232,650	600,000
2011	197,813	390,000	208,650	620,000
2012	183,188	410,000	183,850	650,000
2013	167,813	425,000	161,100	670,000
2014	151,875	450,000	137,650	700,000
2015 - 2019	465,600	2,945,000	283,550	2,920,000
2020 - 2024	17,200	430,000	-	-
2025 - 2029	-	-	-	-
	<u>\$ 1,440,500</u>	<u>\$ 6,530,000</u>	<u>\$ 1,207,450</u>	<u>\$ 6,160,000</u>
Plus: Remaining premium (discount)		38,419		135,916
Less: Remaining refunding deferrals				
Net bonds payable		<u>\$ 6,568,419</u>		<u>\$ 6,295,916</u>

Fiscal Year(s) Ending	MPFA Totals	
	Interest	Principal
2010	46,897,273	49,200,000
2011	44,731,125	46,980,000
2012	42,492,475	58,105,000
2013	39,726,534	58,280,000
2014	36,839,516	61,215,000
2015 - 2019	134,857,986	348,305,000
2020 - 2024	52,305,006	274,995,000
2025 - 2029	6,653,719	66,485,000
	<u>\$ 404,503,634</u>	<u>\$ 963,565,000</u>
Plus: Remaining premium (discount)		41,315,760
Less: Remaining refunding deferrals		(16,391,239)
Net bonds payable		<u>\$ 988,489,521</u>

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2009:

Bond Fund	Beginning Balance (par)	New Issues (par)	Redemptions	Defeased	Ending Balance (par)
CWBF	\$ 842,755,000	\$ -	\$ (47,190,000)	\$ -	\$ 795,565,000
DWBF	147,205,000		(6,190,000)		141,015,000
TBF-1999A	5,330,000		(1,185,000)		4,145,000
TBF-2001	11,325,000		(1,175,000)		10,150,000
TBF-2006A	8,400,000		(1,870,000)		6,530,000
TBF-2008A	7,700,000	-	(1,540,000)		6,160,000
totals	\$ 1,022,715,000	\$ -	\$ (59,150,000)	\$ -	\$ 963,565,000
plus: remaining unamortized premium					41,315,760
less: unamortized portion of the amount deferred in refunding					(16,391,239)
					<u><u>\$ 988,489,521</u></u>

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2008:

Bond Fund	Beginning Balance (par)	New Issues (par)	Redemptions	Defeased	Ending Balance (par)
CWBF	\$ 708,825,000	\$ 170,000,000	\$ (36,070,000)	\$ -	\$ 842,755,000
DWBF	153,125,000		(5,920,000)		147,205,000
TBF-1999A	6,485,000		(1,155,000)		5,330,000
TBF-2001	12,435,000		(1,110,000)		11,325,000
TBF-2006A	8,900,000		(500,000)		8,400,000
TBF-2008A		7,700,000			7,700,000
totals	\$ 889,770,000	\$ 177,700,000	\$ (44,755,000)	\$ -	\$ 1,022,715,000
plus: remaining unamortized premium					47,446,913
less: unamortized portion of the amount deferred in refunding					(19,902,393)
					<u><u>\$ 1,050,259,520</u></u>

5. *Arbitrage Rebate Liability*

The bonds issued by the Authority are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of investment income that may be earned on certain funds to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the related bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. The Authority's arbitrage rebate liability at June 30, 2009 and 2008 was \$3,846,291 and \$3,064,906, respectively.

6. *Related-Party Transactions*

Administrative Services - The DEED, Department of Health, and MPCA provide administrative staff and services to the Authority. During fiscal 2009 and 2008, the Authority paid approximately \$3.2 million and \$2.8 million, respectively, for these services.

Transfers - The Authority has, from CWBF net assets, made sub grant awards for non point-source pollution control programs administered by the Minnesota Department of Agriculture, the MPCA, and DEED. As the Authority makes these awards a transfer out of the CWBF to the Other Fund is recognized. Such transfers during fiscal 2009 and 2008 were \$2.5 million and \$2.2 million, respectively. In fiscal year 2009 and 2008, approximately \$1.6 million and \$1.0 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. At closing of the TBF Series 2008A bonds, approximately \$2.2 million was transferred from the Other Fund to the TBF Fund to become part of the pledged assets of the Series 2008A bond fund accounts.

State Appropriations:

- The State Government Economic Development bill of 2009 (Chapter 78, Article 1, Section 4) appropriated \$93 thousand for state fiscal year 2010 and \$93 thousand for state fiscal year 2011 to the Authority for the Small Community Wastewater Treatment Program under Minnesota Statutes 446A.075.
- The Outdoor Heritage bill of 2009 (Chapter 172, Article 2, Section 3) made the following appropriations:
 - \$8,816,000 for state fiscal year 2010 and \$12,834,000 for 2011 for the Total Maximum Daily Load grant program under Minnesota Statutes, section 446A.073.
 - \$4,125,000 for 2010 and \$4,425,000 for 2011 for the Clean Water Legacy Phosphorus Reduction grant program under Minnesota Statutes, section 446A.074.
 - \$500,000 for 2010 and \$2,000,000 for 2011 for the Small Community Wastewater Treatment Program under Minnesota Statutes 446A.075
- The Capital Improvements bill of 2008 (Chapter 179, Section 22) appropriated \$49.8 million to the Authority for state match to the federal clean water and drinking water capitalization grants, for the WIF program, and other purposes primarily related to wastewater treatment. Section 52 of this chapter cancelled a 2003 WIF appropriation of \$1.5 million for the Knife River Larson Sanitary District.

7. *Commitments*

At June 30, 2009 the Authority had committed approximately \$194 million for the origination or disbursement of future loans, and \$51 million for grants.

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on the Supplementary Information

Minnesota Public Facilities Authority
St. Paul, Minnesota

Our audits were made for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
October 27, 2009

Minnesota Public Facilities Authority
Transportation Revenue Bond Fund – Individual Bond Series
Statement of Net Assets
June 30, 2009

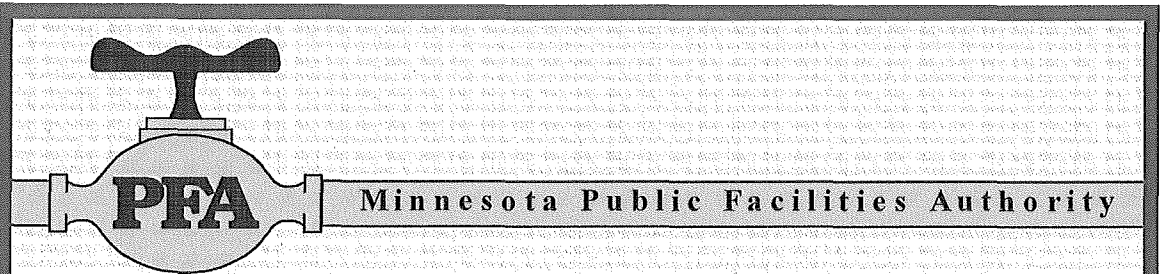
	<u>Series 1999A</u>	<u>Series 2001</u>	<u>Series 2006A</u>	<u>Series 2008A</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 24,909.64	\$ 179.82	\$ 1,079,401.77	\$ 413,117.85	\$ 1,517,609.08
Loans receivable	1,485,000.00	1,888,114.00	1,775,000.00	845,000.00	5,993,114.00
Accrued interest receivable:					
Investments		35,541.00			35,541.00
Loans	52,264.00	185,818.00	61,808.00	54,253.00	354,143.00
Total current assets	<u>1,562,173.64</u>	<u>2,109,652.82</u>	<u>2,916,209.77</u>	<u>1,312,370.85</u>	<u>7,900,407.08</u>
Noncurrent assets:					
Investments		1,896,741.00			1,896,741.00
Loans receivable	3,620,000.00	15,233,000.18	5,465,154.59	7,160,000.00	31,478,154.77
Deferred bond issuance costs	29,022.00	72,884.00	122,108.00	93,392.00	317,406.00
Total noncurrent assets	<u>3,649,022.00</u>	<u>17,202,625.18</u>	<u>5,587,262.59</u>	<u>7,253,392.00</u>	<u>33,692,301.77</u>
Total assets	<u>5,211,195.64</u>	<u>19,312,278.00</u>	<u>8,503,472.36</u>	<u>8,565,762.85</u>	<u>41,592,708.85</u>
LIABILITIES					
Current liabilities:					
Interest payable on bonds	61,863.33	169,166.67	85,670.83	77,550.00	394,250.83
Arbitrage rebate liability	14,577.80				14,577.80
Bonds payable	1,205,000.00	1,285,000.00	1,480,000.00	600,000.00	4,570,000.00
Total current liabilities	<u>1,281,441.13</u>	<u>1,454,166.67</u>	<u>1,565,670.83</u>	<u>677,550.00</u>	<u>4,978,828.63</u>
Noncurrent liabilities:					
Bonds payable	2,921,848.73	8,924,683.84	5,088,419.32	5,695,915.54	22,630,867.43
Arbitrage rebate liability			113,435.38	12,017.08	125,452.46
Total liabilities	<u>4,203,289.86</u>	<u>10,378,850.51</u>	<u>6,767,525.53</u>	<u>6,385,482.62</u>	<u>27,735,148.52</u>
NET ASSETS					
Restricted by bond resolutions	1,007,905.78	8,933,427.49	1,735,946.83	2,180,280.23	13,857,560.33
Total net assets	<u>\$ 1,007,905.78</u>	<u>\$ 8,933,427.49</u>	<u>\$ 1,735,946.83</u>	<u>\$ 2,180,280.23</u>	<u>\$ 13,857,560.33</u>

Minnesota Public Facilities Authority
Transportation Revenue Bond Fund – Individual Bond Series
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Year Ended June 30, 2009

	Series 1999A	Series 2001	Series 2006A	Series 2008A	Total
Operating revenues:					
Interest on loans	\$ 161,135.25	\$ 517,314.43	\$ 197,032.69	\$ 153,716.36	\$ 1,029,198.73
Investment earnings	13,350.81	133,462.93	45,266.34	13,508.72	205,588.80
Total operating revenues	174,486.06	650,777.36	242,299.03	167,225.08	1,234,787.53
Operating expenses:					
Interest on bonds	228,478.49	524,871.21	321,269.03	252,794.58	1,327,413.31
Total operating expenses	228,478.49	524,871.21	321,269.03	252,794.58	1,327,413.31
Operating income (loss)	(53,992.43)	125,906.15	(78,970.00)	(85,569.50)	(92,625.78)
Transfers in (out)	(221,016.26)	(744,721.26)	(648,870.57)		(1,614,608.09)
Change in net assets	(275,008.69)	(618,815.11)	(727,840.57)	(85,569.50)	(1,707,233.87)
Total net assets:					
Beginning of year	1,282,914.47	9,552,242.60	2,463,787.40	2,265,849.73	15,564,794.20
End of year	\$ 1,007,905.78	\$ 8,933,427.49	\$ 1,735,946.83	\$ 2,180,280.23	\$ 13,857,560.33

Minnesota Public Facilities Authority
Transportation Revenue Bond Fund – Individual Bond Series
Statement of Cash Flows
for the Year Ended June 30, 2009

	Series 1999A	Series 2001	Series 2006A	Series 2008A	Total
Operating activities:					
Interest received on loans	\$ 176,082.25	\$ 535,144.43	\$ 206,277.69	\$ 101,407.36	\$ 1,018,911.73
Principal received on loans	1,460,000.00	1,817,221.88	2,250,000.00	1,995,000.00	7,522,221.88
Net cash provided in operating activities	1,636,082.25	2,352,366.31	2,456,277.69	2,096,407.36	8,541,133.61
Non capital financing activities:					
Interest paid on bonds	(234,175.00)	(566,250.00)	(331,812.50)	(324,492.36)	(1,456,729.86)
Principal paid on bonds	(1,185,000.00)	(1,175,000.00)	(1,870,000.00)	(1,540,000.00)	(5,770,000.00)
Payments to make loans			(822,535.74)	(3,498,813.67)	(4,321,349.41)
Cash transfers	(221,016.26)	(744,721.26)	(648,870.57)	-	(1,614,608.09)
Net cash provided (used) in capital and related financing activities	(1,640,191.26)	(2,485,971.26)	(3,673,218.81)	(5,363,306.03)	(13,162,687.36)
Investing activities:					
Investment interest	3,238.38	133,462.93	46,674.92	25,525.80	208,902.03
Net cash provided in investing activities	3,238.38	133,462.93	46,674.92	25,525.80	208,902.03
Net increase (decrease) in cash and cash equivalents	(870.63)	(142.02)	(1,170,266.20)	(3,241,372.87)	(4,412,651.72)
Cash and cash equivalents:					
Beginning of year	25,780.27	321.84	2,249,667.97	3,654,490.72	5,930,260.80
End of year	24,909.64	179.82	1,079,401.77	413,117.85	1,517,609.08
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(53,992.43)	125,906.15	(78,970.00)	(85,569.50)	(92,625.78)
Adjustments to reconcile operating income to net cash provided in operating activities:					
Principal received on loans	1,460,000.00	1,817,221.88	2,250,000.00	1,995,000.00	7,522,221.88
Interest paid on bonds	234,175.00	566,250.00	331,812.50	324,492.36	1,456,729.86
Investment earnings	(3,238.38)	(133,462.93)	(46,674.92)	(25,525.80)	(208,902.03)
Net amortizations	10,498.49	(21,795.46)	14,389.87	(20,922.09)	(17,829.19)
Changes in assets and liabilities:					
Accrued revenues	14,947.00	17,830.00	9,245.00	(52,309.00)	(10,287.00)
Accrued expenses	(26,307.43)	(19,583.33)	(23,524.76)	(38,758.61)	(108,174.13)
Net cash provided in operating activities	\$ 1,636,082.25	\$ 2,352,366.31	\$ 2,456,277.69	\$ 2,096,407.36	\$ 8,541,133.61



Minnesota Public Facilities Authority

(A Component Unit of the State of Minnesota)

Compliance Reports

June 30, 2009

[This page intentionally left blank]

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

Compliance Reports
June 30, 2009

Table of Contents

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4
Independent Auditor's Report on Compliance with Requirements applicable to each major federal award program, internal control over compliance in accordance with OMB circular A-133 and schedule of expenditures of federal awards.....	6
Supplemental Schedules:	
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2009.....	8
Notes to the Supplemental Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs.....	10
Summary Schedule of Prior Audit Findings.....	12

McGladrey & Pullen

Certified Public Accountants

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Minnesota Public Facilities Authority
St. Paul, Minnesota

We have audited the financial statements of the Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, management of the Authority, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
October 27, 2009

McGladrey & Pullen

Certified Public Accountants

**Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Federal Award Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133 and on the
Schedule of Expenditures of Federal Awards**

Minnesota Public Facilities Authority
St. Paul, Minnesota

Compliance

We have audited the compliance of the Minnesota Public Facilities Authority (the Authority), a component unit of the State of Minnesota, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management of the Authority, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
October 27, 2009

Minnesota Public Facilities Authority

**Supplemental Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009**

Federal Agency /CFDA no. & Federal Program Description	Federal Expenditures
U.S. Environmental Protection Agency	
66.458 ARRA-Capitalization Grants for Clean Water State Revolving Funds	8,794,431
66.458 Capitalization Grants for Clean Water State Revolving Funds	12,507,165
	<u>21,301,596</u>
66.468 ARRA-Capitalization Grants for Drinking Water State Revolving Funds	1,484,404
66.468 Capitalization Grants for Drinking Water State Revolving Funds	14,178,809
	<u>15,663,213</u>
Total	<u>\$ 36,964,809</u>

See notes to the supplemental schedule.

Notes to the Supplemental Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation – The supplemental schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Federal awards provided to sub recipients are treated as expended when the sub recipient incurs the expenditure.

Reconciliation to Financial Statements – The expenditures included in the supplemental schedule of expenditures of federal awards include administrative expenditures, loan disbursements, sub recipient expenditures, and grant expenditures made with federal capitalization grants. The financial statements include expenditures made using nonfederal sources. As a result, the expenditures included in the supplemental schedule of expenditures of federal awards for the year ended June 30, 2009 do not directly reconcile to the financial statement expenses.

2. Capitalization Grant Awards

The Minnesota Public Facilities Authority uses federal capitalization grants for deposits to the debt service reserve accounts, administrative expenditures, and disbursements to sub-recipients including loans, principal forgiveness, and grant expenditures. The debt service reserve accounts are used as collateral on revenue bonds and future debt service thereon. The following presents a breakdown of the uses of the federal capitalization grants by program.

CFDA # 66.458, Capitalization Grants for Clean Water State Revolving Funds:

Grant Year	Grant Award	Disbursed to Sub-Recipients					Total Expenditures
		DSR Deposits	Administrative	Loans	Principal Forgiveness	Non Point-Source Programs	
1989	\$ 17,336,385	\$ 16,934,181	\$ 402,204	\$ -		\$ -	\$ 17,336,385
1990	17,975,776	17,380,425	595,351				17,975,776
1991	37,720,881	32,263,566	1,257,315	4,200,000			37,720,881
1992	35,712,270	34,521,910	1,190,360				35,712,270
1993	35,327,457		1,177,534	34,149,923			35,327,457
1994	21,920,184	15,669,541	730,643	5,520,000			21,920,184
1995	24,638,825	8,891,055	247,770			15,500,000	24,638,825
1996	37,083,123	18,583,123		3,163,568		15,336,432	37,083,123
1997	14,165,310			7,005,816		7,159,494	14,165,310
1998	24,749,901			24,741,526		8,375	24,749,901
1999	24,751,980	24,751,980					24,751,980
2000	24,668,127			24,668,127			24,668,127
2001	24,448,842			24,328,089		120,753	24,448,842
2002	25,018,992			25,018,992			25,018,992
2003	24,344,001			24,344,001			24,344,001
2004	24,358,653			24,358,653			24,358,653
2005	19,857,240			19,857,240			19,857,240
2006	16,095,222			16,095,222			16,095,222
2007	19,671,894			19,671,894			19,671,894
2008	12,507,165			12,507,165			12,507,165
ARRA	82,564,000				8,794,431		8,794,431
	<u>\$ 564,916,228</u>	<u>\$ 168,995,781</u>	<u>\$ 5,601,177</u>	<u>\$ 269,630,216</u>	<u>\$ 8,794,431</u>	<u>\$ 38,125,054</u>	<u>\$ 491,146,659</u>
Less cumulative expenditures at prior year-end:							
		<u>168,995,781</u>	<u>5,601,177</u>	<u>257,123,051</u>	<u>-</u>	<u>38,125,054</u>	<u>469,845,063</u>
Equals current year expenditures:							
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,507,165</u>	<u>\$ 8,794,431</u>	<u>\$ -</u>	<u>\$ 21,301,596</u>

CFDA # 66.468, Capitalization Grants for Drinking Water State Revolving Funds:

Grant Year	Grant Award	Disbursed to Sub-Recipients					Total Expenditures
		DSR Deposits	Administrative	Loans	Principal Forgiveness	Set-Aside Programs	
1997	\$ 42,086,000	\$ 1,805,175	\$ 1,683,440	\$ 35,406,617	\$ 770,833	\$ 2,419,935	\$ 42,086,000
1998	11,856,100		474,244	9,066,764	1,185,609	1,129,483	11,856,100
1999	12,426,300		497,052	9,551,385	1,197,364	1,180,499	12,426,300
2000	12,914,600		516,584	11,171,129	-	1,226,887	12,914,600
2001	12,968,000		518,720	9,790,840	-	2,658,440	12,968,000
2002	15,952,900		638,116	11,292,795	932,207	3,089,782	15,952,900
2003	15,857,000		634,280	13,325,118	1,216,193	681,409	15,857,000
2004	16,449,300		657,972	11,771,402	524,450	3,495,476	16,449,300
2005	16,414,500			13,273,050	1,500,000	1,641,450	16,414,500
2006	14,816,800		592,672	10,556,288	556,312	2,352,367	14,057,639
2007	14,817,000			12,552,918	782,382	1,300,905	14,636,205
2008	14,667,000		401,954	10,653,580	864,820		11,920,353
ARRA	24,577,000				1,484,404		1,484,404
	<u>\$ 225,802,500</u>	<u>\$ 1,805,175</u>	<u>\$ 6,615,034</u>	<u>\$ 158,411,885</u>	<u>\$ 11,014,574</u>	<u>\$ 21,176,634</u>	<u>\$ 199,023,302</u>
Less cumulative expenditures at prior year-end:							
		<u>1,805,175</u>	<u>6,107,362</u>	<u>147,758,305</u>	<u>8,665,350</u>	<u>19,023,897</u>	<u>183,360,089</u>
Equals current year expenditures:							
		<u>\$ -</u>	<u>\$ 507,672</u>	<u>\$ 10,653,580</u>	<u>\$ 2,349,224</u>	<u>\$ 2,152,737</u>	<u>\$ 15,663,213</u>

Minnesota Public Facilities Authority

Schedule of Findings and Questioned Costs

Year Ended June 30, 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified

2. Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

B. Federal Awards

1. Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None Reported

2. Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

C. Identification of Major Program

1. CFDA Number	Name of Federal Program
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

2. Dollar threshold used to distinguish between type A and type B programs \$1,108,944

3. Auditee qualified as low-risk auditee? X Yes _____ No

Minnesota Public Facilities Authority

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2009

II. FINANCIAL STATEMENT FINDINGS

A. Internal Control

None reported.

B. Compliance

None reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Internal Control

None reported.

B. Compliance

None reported.

Minnesota Public Facilities Authority

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009**

Item No.	Date of the Report in Which Finding Was First Reported	Description of Condition	Status of Corrective Action
----------	--	--------------------------	-----------------------------

There were no prior-year audit findings reported.

Minnesota Public Facilities Authority
American Recovery and Reinvestment Act (ARRA) Funds - CLEAN WATER STATE REVOLVING FUND

Summary of ARRA amounts allocated to PFA and status of funds still available for project awards:

ARRA allocations to PFA:

ARRA allocations	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness	5,880,428	38,841,248	44,721,676
Loan	11,641,281	23,319,803	34,961,084
set-aside for fund administration			2,881,240
total ARRA allocation	17,521,709	62,161,051	82,564,000

notes: Total allocation reflects a pending 30% transfer from the Drinking Water ARRA allocation.

Principal forgiveness must be not less than 50% of total ARRA funds.

The Green Project Reserve is at least 20% of total ARRA funds.

Status of funds reserved and remaining available:

Projects awarded or reserved to date	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness	5,880,428	38,841,248	44,721,676
Loan	11,641,281	23,319,803	34,961,084
total projects to date	17,521,709	62,161,051	79,682,760

note: see next page for detailed listing of project awards and reserves.

Remaining available	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness	-	-	-
Loan	-	-	-
total unreserved balance	-	-	-

note: allocated amounts less awards and reserves to date

see page 2 for detailed list of projects awarded or reserved to date

Minnesota Public Facilities Authority
American Recovery and Reinvestment Act (ARRA) Funds - CLEAN WATER STATE REVOLVING FUND

Project Funding by PFA:

Project Funding by PFA:				ARRA Green		ARRA non-Green		Non-ARRA	Total PFA Funding
Project Name	Project Description	Date Reserved	Date Awarded	Principal Forgiveness	Loan	Principal Forgiveness	Loan	CW SRF Loan	
<u>Funds Awarded (sorted by date awarded):</u>									
City of Duluth	Wastewater overflow storage tank	05/21/09	06/02/09			4,183,384	696,835	100,000	4,980,219
City of Howard Lake	Wastewater lift station and forcemain	02/19/09	06/02/09			5,999,619	3,892,476	106,000	9,998,095
City of Montevideo	Treatment plant improvements	03/30/09	06/02/09			4,472,523	8,879,466	1,500,000	14,851,989
City of St. Hilaire	Sanitary sewer rehab	05/18/09	06/08/09			258,062	24,155	25,000	307,217
Western Lake Superior San	Wastewater pump station	02/27/09	06/08/09			472,385	1,739,541	150,000	2,361,926
City of New York Mills	Collection system improvements	06/02/09	06/11/09			683,201	125,947	4,187	813,335
City of Verndale	Sanitary sewer replacement	06/02/09	06/11/09			337,898	14,361	50,000	402,259
City of Elbow Lake	Sanitary sewer replacement	06/02/09	06/18/09			614,717	166,037	53,265	834,019
City of Blue Earth	WW treatment improvements, phase 2	06/11/09	07/02/09			989,164		741,656	1,730,820
City of Kandiyohi	Force main and lift station	06/08/09	07/02/09			2,841,366	527,212	14,000	3,382,578
City of Waseca	Sanitary sewer and trmt facility improvemen	06/16/09	07/02/09			6,000,000	5,779,176	3,824,323	15,603,499
City of Wheaton	Sewer Rehabilitation, Phase 2	06/09/09	07/02/09			412,000		1,648,000	2,060,000
City of Faribault	Rehab Existing Fac & Advanced Trtmt	06/16/09	07/15/09			2,000,000		24,586,798	26,586,798
City of Fountain	New mechanical treatment facility	06/11/09	07/15/09			258,531		1,034,122	1,292,653
City of Clear Lake	Phase 1b, lift station	05/21/09	07/20/09			500,328		95,301	595,629
City of Litchfield	Rehab existing wastewater treatement facilit	06/05/09	08/12/09			1,771,512	1,474,597	5,611,451	8,857,560
Metropolitan Council	Blue Lake Plant Imp. - Liquids Phase 1	06/08/09	08/14/09			2,000,000		8,000,000	10,000,000
Metropolitan Council	South St. Paul Forcemain - Phase 1A	06/08/09	08/14/09			2,000,000		8,000,000	10,000,000
Metropolitan Council	Blue Lake Int. Imp. - Victoria Int. Sewer Tur	06/16/09	08/14/09			2,000,000		8,000,000	10,000,000
Metropolitan Council	MWWTP Tunnel Energy Reduction	06/23/09	08/14/09	196,250	588,750				785,000
Metropolitan Council	Blue Lake Plant Imp. - Solids Improvements	06/23/09	08/14/09	2,000,000	6,000,000				8,000,000
City of Willmar	Wastewater pumping stations	06/16/09	08/28/09			447,179		1,788,716	2,235,895
City of Big Lake	New pretmt facilities, lift station, biosolids i	08/06/09	09/21/09	2,000,000	2,000,000			11,470,120	15,470,120
City of Grand Rapids	Plant relocation phase 1	06/25/09	10/21/09	1,684,178	3,052,531			25,457,248	30,193,957
City of Clearwater	Phase 1b, lift station and force main	06/02/09	10/29/09			599,379		142,167	741,546

Funds Reserved (sorted by date reserved): *

All projects have been awarded

5,880,428	11,641,281	38,841,248	23,319,803	102,402,354	182,085,114
-----------	------------	------------	------------	-------------	-------------

* Note: Pursuant to MN Laws of 2009 Chapter 16, Section 3, ARRA funds have been reserved for these projects in the order that they are certified by the Minnesota Pollution Control Agency and submit as-bid costs to the PFA. The date these criteria were met is reflected above.

Minnesota Public Facilities Authority
American Recovery and Reinvestment Act (ARRA) Funds - DRINKING WATER STATE REVOLVING FUND

Summary of ARRA amounts allocated to PFA and status of funds still available for project awards:

ARRA allocations to PFA:

ARRA allocations	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness	1,228,850	16,480,623	17,709,473
Loan	3,686,550	3,180,977	6,867,527
total ARRA allocation	4,915,400	19,661,600	24,577,000

notes: Total allocation reflects a pending 30% transfer to the Clean Water ARRA allocation.

Principal forgiveness must be not less than 50% of total ARRA funds.

The Green Project Reserve is 20% of total ARRA funds.

Status of funds reserved and remaining available:

Projects awarded or reserved to date	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness	1,228,850	16,480,623	17,709,473
Loan	3,686,550	3,180,977	6,867,527
total projects to date	4,915,400	19,661,600	24,577,000

note: see next page for detailed listing of project awards and reserves.

Remaining available	Green Project Reserve	Non-Green	ARRA Totals
Principal Forgiveness *	-	-	-
Loan	-	-	-
total unreserved balance	-	-	-

note: allocated amounts less awards and reserves to date

* The remaining non-green principal forgiveness is reserved under MN Laws 2009, Chapter 16, Section 4, Subdivision 4(e) for small public water systems to comply with national primary drinking water standards.

see page 2 for detailed list of projects awarded or reserved to date

Minnesota Public Facilities Authority
American Recovery and Reinvestment Act (ARRA) Funds - DRINKING WATER STATE REVOLVING FUND

Project Funding by PFA:

Project Funding by PFA:				ARRA Green		ARRA non-Green		Non-ARRA	
		Date	Date	Principal		Principal		DW SRF	Total PFA
Project Name	Project Description	Reserved	Awarded	Forgiveness	Loan	Forgiveness	Loan	Loan	Funding
<u>Funds Awarded (sorted by date awarded):</u>									
City of New York Mills	Water main replacement	05/12/09	06/02/09			173,917	691,668	4,000	869,585
City of Dassel	Water main replacement and looping	05/08/09	06/11/09			88,165	352,662		440,827
City of Verndale	Water main replacement	05/28/09	06/11/09			57,858	197,433	34,000	289,291
City of Swanville	Water main replacement	05/28/09	06/15/09			182,500	647,312		829,812
City of Elbow Lake	Water main replacement	05/13/09	06/18/09			881,907	102,659	65,323	1,049,889
City of Remer	Drinking water system improvements	05/13/09	06/18/09			288,746	79,748		368,494
City of Hoffman	Water main replacement	05/27/09	06/29/09			588,000	112,000		700,000
City of Sleepy Eye	Water Treatment Facilities	06/19/09	07/15/09			922,460	568,888	3,120,952	4,612,300
City of Sleepy Eye	Additional Well #16	06/24/09	07/15/09			25,540	77,160	25,000	127,700
City of St. Peter	Jefferson Plant and Water Main	06/17/09	07/15/09			2,000,000		12,962,618	14,962,618
City of St. Peter	St. Julien Plant	06/17/09	07/15/09			942,210		3,768,840	4,711,050
City of Deer River	New well and well house	07/06/09	07/25/09			263,516		50,193	313,709
City of Eagle Bend	Treatment plant rehab	07/30/09	08/07/09			74,009		296,036	370,045
City of Baudette	New water tower	06/26/09	08/25/09			187,690		750,760	938,450
City of Oronoco	Water Standpipe and Distribution System	08/07/09	09/28/09			1,309,574		1,508,922	2,818,496
City of Red Lake Falls	Drinking water treatment plant and wells	05/27/09	09/28/09			1,894,732		360,901	2,255,633
City of Cosmos	Watermain replacement and looping	06/23/09	10/09/09			360,676		243,200	603,876
City of Bird Island	rehab water treatment plant	05/15/09	10/28/09	13,598	40,794	542,474		62,534	659,400
City of Bird Island	Replace well #3	08/07/09	10/28/09	7,660	22,980	248,345		24,324	303,309
City of Redwood Falls	Replacing the water treatment plant	08/07/09	10/28/09	167,500	502,500	2,101,430		6,023,570	8,795,000
City of Two Harbors	Replace water tower	08/07/09	11/30/09			596,874		2,387,496	2,984,370
City of Minneapolis	Dewatering plant modifications	08/07/09	12/10/09	1,040,092	3,120,276	2,000,000	351,447	18,488,185	25,000,000
City of Wabasso	Water tower replacement and looping	08/07/09	12/10/09			500,000			500,000

Funds Reserved

Set-aside for small public water systems under MN Laws 2009, Chapter 16, Section 4, Subdivision 4(e)						250,000			
				1,228,850	3,686,550	16,480,623	3,180,977	50,176,854	74,503,854