

January 12, 2012

The Honorable Mark Dayton
Governor of the State of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Dayton:

On behalf of the Commissioners and staff of the Minnesota Public Facilities Authority (Authority), I am pleased to provide you with our fiscal year 2011 Annual Report as required by Minnesota Statutes, Section 446A.09.

The Public Facilities Authority is a multi-agency financing authority consisting of Commissioners of the Pollution Control Agency (MPCA) and the Departments of Health (MDH), Transportation (MnDOT), Agriculture, Management and Budget (MMB), and chaired by the Commissioner of Employment and Economic Development (DEED). The Executive Director is an employee of the Authority and is responsible for staffing and duties that the Authority may require in carrying out its responsibilities, including compliance with state and federal regulations related to the programs and debt issuance. The MPCA, MDH, and MnDOT are responsible for establishing priorities and undertaking the technical review and regulatory compliance work on their respective projects being considered for financing by the Authority. The Authority provides administrative funding to cover its expenses, for program administration costs at MDH (4.3 FTEs) and MPCA (14.7 FTEs), and for overhead costs and services provided by DEED for having Authority staff located at their offices.

The Authority provides financial assistance to governmental units for infrastructure construction through three revolving loan funds and several other grant and loan programs. The Authority's largest programs are the Clean Water Revolving Fund and Drinking Water Revolving Fund. The Transportation Revolving Loan Fund is a smaller revolving fund for transportation projects selected by the Department of Transportation. The Authority also administers other programs to assist municipalities with water quality related infrastructure projects, including the Wastewater Infrastructure Funding (WIF) program and three programs funded through the dedicated Clean Water Legacy Fund: the Total Maximum Daily Load (TMDL) grant program, the Phosphorus Reduction grant program, and the Small Community Wastewater Treatment program.

Minnesota Public Facilities Authority

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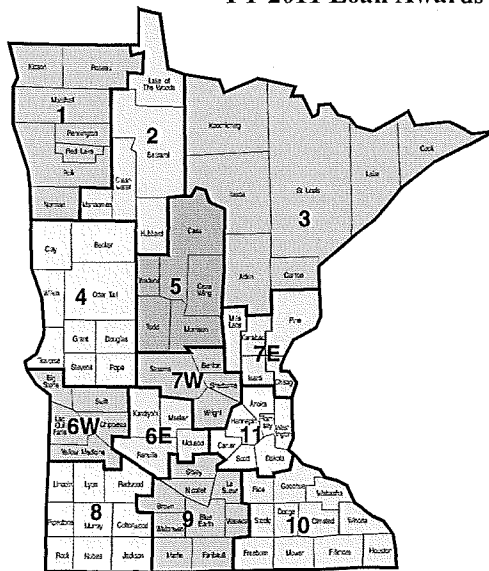
The Authority also administers the Credit Enhancement Program with MMB to reduce borrowing costs for local governments on general obligation bonds issued for certain purposes. The program assists counties with the construction of law enforcement facilities, social and human services buildings, and solid waste facilities, and cities for the construction of wastewater, drinking water, and stormwater facilities. In FY 2011 there were 27 bond issues for \$98.8 million approved for the program. In total, the program covers 159 city and county general obligation bond issues with an original issuance total of \$615 million.

As shown below, during fiscal year 2011, the Authority provided 130 grants and loans to governmental units and other eligible entities totaling \$270 million. The second table shows the Authority made loans for projects throughout the State, and the below market interest rates on the loans provide significant interest savings to the Authority's borrowers.

**MN Public Facilities Authority
 Project Awards during FY 2011, by Program**

Program	count	\$ amount
CW Fund: Phosphorous Reduction Grants	4	1,473,896
CW Fund: Small Community WWT TA Grants	16	741,523
CW Fund: Total Maximum Daily Load Grants	12	7,283,258
Clean Water Revolving Fund Loans	37	150,493,239
Drinking Water Revolving Fund Loans	29	76,560,644
Drinking Water Revolving Fund Principal Forgiveness	10	7,457,198
Special Appropriations (2007 flood recovery plus others)	2	2,645,900
Transportation Revolving Loan Fund	1	5,000,000
Wastewater Infrastructure Fund: Corrective Action Grants	7 (amendments)	831,621
Wastewater Infrastructure Fund: General Grants & Loans	12	17,383,204
totals	130	269,870,483

**MN Public Facilities Authority
 FY 2011 Loan Awards and Estimated Interest Savings by RDC Region**



RDC Region	Loans Made		Avg Rate	Interest Savings
	Amount	Count		
1	\$ 1,988,007	5	1.1%	\$ 595,421
2				
3	26,744,688	12	1.3%	3,166,269
4	1,510,427	4	1.1%	341,012
5	7,973,032	3	1.1%	2,851,926
6E	5,927,178	6	1.4%	1,129,697
6W	8,942,328	3	1.2%	3,628,986
7E	1,883,800	2	1.8%	314,021
7W	23,830,733	8	1.5%	5,873,348
8	9,996,185	5	1.3%	3,441,916
9	20,093,047	8	1.4%	3,760,659
10	17,188,595	9	1.3%	2,875,523
11	106,216,375	5	1.9%	15,438,134
Totals	\$ 232,294,396	70	1.5%	\$ 43,416,912

The Honorable Mark Dayton
January 12, 2012
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The Authority's audited Financial Report for fiscal year 2011 is attached. The Authority remains in excellent financial health. All three of the major revolving funds have bonds outstanding and are highly rated. All PFA Clean Water and Drinking Water revolving fund bonds have AAA ratings by the three major national bond rating agencies. The Transportation Bonds are rated as closed pool bonds reflecting the credit quality of the individual borrowers (outstanding bonds have been rated from AAA to AA2).

The Authority's total project financing of \$270 million in FY 2011 is down from FY 2010 when the Authority provided a record \$430 million in project financing, which was stimulated in part by \$107 million in American Recovery and Reinvestment Act (ARRA) funds the PFA received for its Clean Water and Drinking Water Revolving Funds. However, compared to the average for the five pre-ARRA years, FY 2011 was up 45%. The brisk pace is continuing into FY 2012, with over \$143 million in funding awarded from July 1, 2011 to mid-December.

We are proud of our accomplishments in fiscal year 2011 and expect 2012 to be another strong year. At the current levels of federal funding and state match, the lending capacity of the Clean Water and Drinking Water Revolving Funds can continue at approximately \$150 million per year and \$75 million per year, respectively. We will be watching future federal appropriations carefully and will take necessary actions to keep annual lending levels in line with Fund capacity. We look forward to continuing our commitment of providing affordable financing to help meet the State's infrastructure needs to keep Minnesota growing and protect and restore our water resources.

Sincerely,

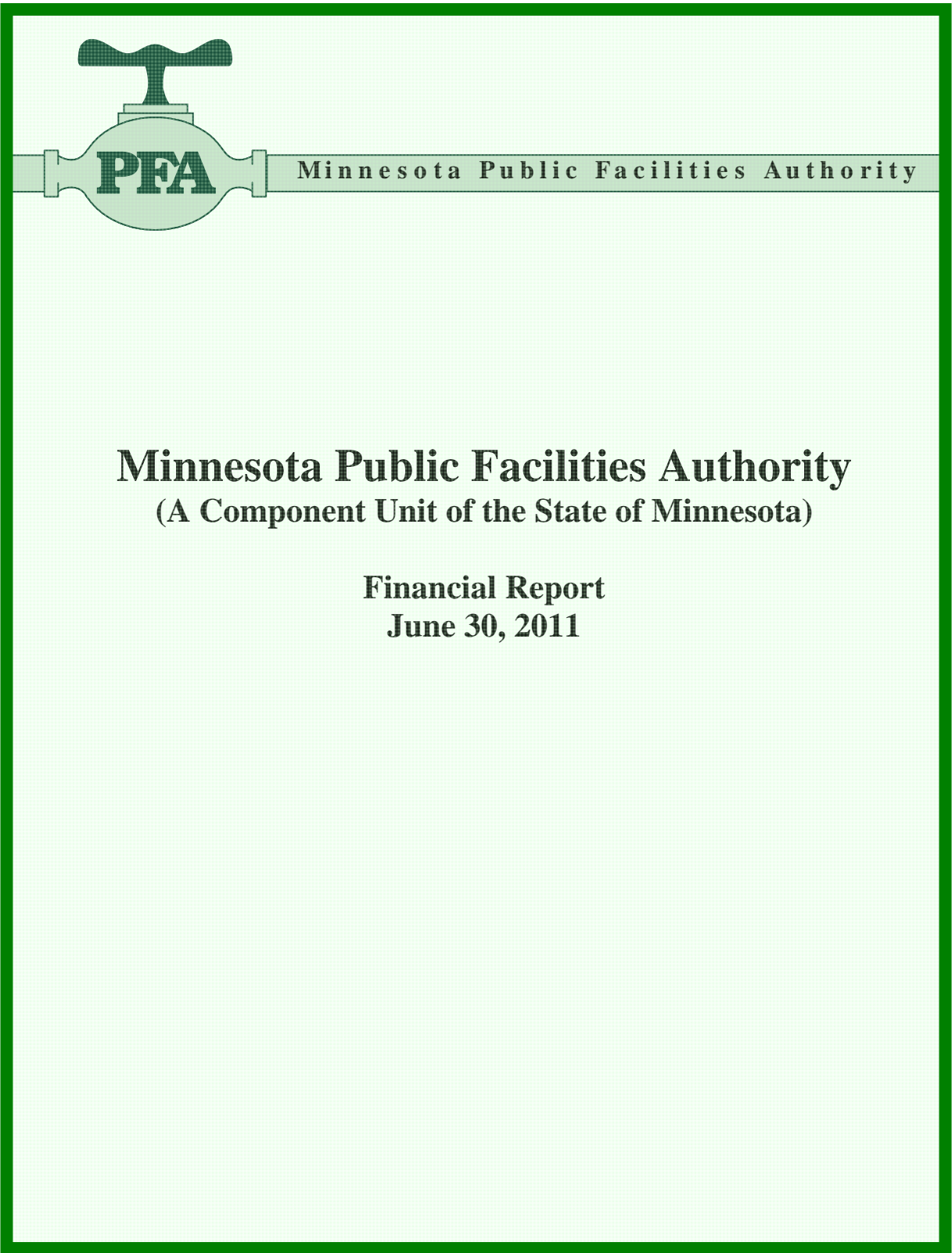


Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority

Enclosure

c: Jess Hopeman, Legislative Reference Library (2 copies)

Note (as required by Minnesota Statutes, section 3.197): Preparation of this report required an estimated 9 hours of staff time for a total cost of \$460. This does not include the cost of the enclosed audited financial report which the Public Facilities Authority must prepare each year regardless of this required report to the governor.



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

Financial Report
June 30, 2011

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

Financial Report
June 30, 2011

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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, 2011 and 2010, 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. 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, 2011 and 2010, 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.

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 31, 2011

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, 2011 and 2010. Please read it in conjunction with the financial statements and notes following this section.

Introduction and Discussion of the Authority's Operations:

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

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

Financial Statement Presentation:

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

- *Statement of Net 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, 2011 are followed by statements for the fiscal year ended June 30, 2010 to allow comparison of the Authority's financial position and results of operations for the current and prior fiscal years.

These statements are prepared on the accrual basis and present information on the Authority's overall financial position and results of operations. Assets and revenues of the separate funds contained within these statements are generally restricted as to use and the reader should not assume they might be used in any aggregate manner.

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

- Clean Water Bond Fund (CWBF): In conjunction with the Minnesota Pollution Control Agency (MPCA), the Authority provides loans from the fund to municipalities for wastewater treatment projects certified by the MPCA.
- Drinking Water Bond Fund (DWBF): In conjunction with the Minnesota Department of Health, the Authority provides loans for public drinking water facilities.
- Transportation Bond Fund (TBF): Four separate closed resolutions have been created to make loans in cooperation with the Minnesota Department of Transportation: (1) TBF Series 1999A, (2) TBF Series 2001, (3) TBF Series 2006A, and (4) TBF Series 2008A. During the fiscal year ended June 30, 2011, two series of refunding revenue bonds were issued to refund the outstanding Series 1999A and Series 2001 bonds, TBF Series 2010-T1, and TBF Series 2010-T1, respectively.
- Other: All of the Authority's nonrevenue bond activity and accounts are aggregated in the Other Fund.

Within each of the bond funds, the Authority uses bond proceeds, federal capitalization grants, and state matching funds to make loans, pay for the costs of issuing debt, and to fund debt service reserve accounts when used. Federal capitalization grants and state matching grants within these funds are recognized as 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, 2011, 2010, and 2009.

Minnesota Public Facilities Authority - Condensed Financial Statement Information

Condensed Statements of Net Assets

June 30, 2011, 2010, and 2009

	2011	2010	2009
Assets:			
Cash, cash equivalents, and investments	\$ 420,468,659.57	\$ 249,598,893.96	\$ 333,928,070.21
Loans receivable	1,943,982,090.02	1,765,409,931.44	1,619,851,375.15
Other	24,212,416.42	22,422,261.22	29,931,778.42
Total assets	<u>2,388,663,166.01</u>	<u>2,037,431,086.62</u>	<u>1,983,711,223.78</u>
Liabilities:			
Interest payable on bonds	19,178,144.00	14,013,049.70	15,632,424.16
Bonds payable	1,246,376,549.25	987,707,236.10	988,489,521.19
Other	2,032,751.23	5,723,650.71	16,543,213.11
Total liabilities	<u>1,267,587,444.48</u>	<u>1,007,443,936.51</u>	<u>1,020,665,158.46</u>
Net Assets	<u>\$ 1,121,075,721.53</u>	<u>\$ 1,029,987,150.11</u>	<u>\$ 963,046,065.32</u>

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

Years ended June 30, 2011, 2010, and 2009

	2011	2010	2009
Operating Revenues:			
Interest on loans	\$ 44,666,152.57	\$ 44,762,308.84	\$ 40,613,027.97
Investment earnings	6,554,313.11	7,374,943.61	15,493,823.79
Grants, appropriations, and fees	42,254,343.38	71,290,117.32	35,989,105.19
Net incr(decr) in investment fair value	(2,182,516.78)	1,647,227.87	274,948.07
Total operating revenues	<u>91,292,292.28</u>	<u>125,074,597.64</u>	<u>92,370,905.02</u>
Operating Expenses:			
Interest on bonds	44,304,850.66	43,549,805.72	46,613,985.41
Other	44,621,328.58	73,657,865.17	42,419,497.69
Total operating expenses	<u>88,926,179.24</u>	<u>117,207,670.89</u>	<u>89,033,483.10</u>
Operating gain	2,366,113.04	7,866,926.75	3,337,421.92
Capital Contributions	88,722,458.38	59,074,158.04	52,018,921.15
Change in Net Assets	91,088,571.42	66,941,084.79	55,356,343.07
Net Assets at Beginning of Year	1,029,987,150.11	963,046,065.32	907,689,722.25
Net Assets at End of Year	<u>\$ 1,121,075,721.53</u>	<u>\$ 1,029,987,150.11</u>	<u>\$ 963,046,065.32</u>

Condensed Statements of Cash Flows,

Years ended June 30, 2011, 2010, and 2009

	2011	2010	2009
Operating Activities:			
Principal and interest received on loans	\$ 159,189,335.13	\$ 148,477,127.30	\$ 130,458,984.09
Operating grants, appropriations, and fees	43,635,257.84	79,799,960.85	25,753,275.45
Payments to grantees	(42,761,991.73)	(73,953,312.46)	(22,409,116.50)
Other	(3,473,823.71)	(8,801,634.52)	(9,083,988.36)
Net cash provided by operating activities	<u>156,588,777.53</u>	<u>145,522,141.17</u>	<u>124,719,154.68</u>
Non Capital Financing Activities:			
Capital contributions	88,722,457.71	59,074,158.71	52,018,921.15
Proceeds from sales of bonds	327,947,554.50	394,398,094.11	
Funds deposited in escrow for bond refunding		(343,031,679.08)	
Payments to make loans	(295,583,245.14)	(250,183,017.75)	(186,195,887.38)
Principal and interest paid on bonds	(108,048,013.42)	(96,097,272.50)	(109,066,199.86)
Other payments	(1,316,740.28)	(1,255,670.80)	(2,436.67)
Net cash used non capital financing activities	<u>11,722,013.37</u>	<u>(237,095,387.31)</u>	<u>(243,245,602.76)</u>
Investing Activities	14,060,102.84	(3,491,382.86)	68,105,938.46
Net increase (decrease) in cash+cash equivalents	182,370,893.74	(95,064,629.00)	(50,420,509.62)
Cash and cash equivalents at beginning of year	139,748,073.83	234,812,702.83	285,233,212.45
Cash and cash equivalents at end of year	<u>\$ 322,118,967.57</u>	<u>\$ 139,748,073.83</u>	<u>\$ 234,812,702.83</u>

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

The table below summarizes certain financial activities during the fiscal years 2011, 2010, and 2009:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues and capital contributions from federal grants and state appropriations:			
Clean Water Bond Fund (CWBF):			
Federal capitalization grants	\$ 40,622,438.26	\$ 34,408,344.00	\$ 12,507,165.00
Federal <i>Build America Bonds</i> revenue	\$ 619,249.17		
State appropriations	19,200,000.00		24,000,000.00
Drinking Water Bond Fund (DWBF):			
Federal capitalization grants	14,141,927.67	14,322,977.33	10,653,580.00
Federal <i>Build America Bonds</i> revenue	310,489.43		
State appropriations	10,800,000.00		1,012,895.44
Other Fund:			
Clean water federal grants	3,494,898.86	36,370,277.97	8,794,430.92
Drinking water federal grants	10,685,033.08	19,030,295.50	5,020,255.82
State appropriations and fees	31,102,765.29	26,232,380.56	26,019,699.16
	<u>\$ 130,976,801.76</u>	<u>\$ 130,364,275.36</u>	<u>\$ 88,008,026.34</u>
Bonds Payable (par):			
issued	299,315,000.00	343,105,000.00	
defeased		(311,965,000.00)	
redeemed	(59,325,000.00)	(49,200,000.00)	(59,150,000.00)
net change	<u>\$ 239,990,000.00</u>	<u>\$ (18,060,000.00)</u>	<u>\$ (59,150,000.00)</u>
Loans Receivable:			
disbursed	295,583,245.14	250,183,017.75	186,195,887.38
repaid	(117,011,086.56)	(104,624,461.46)	(90,320,976.12)
transferred out *			(66,016.00)
net increase	<u>\$ 178,572,158.58</u>	<u>\$ 145,558,556.29</u>	<u>\$ 95,808,895.26</u>

* during fiscal year 2009 the assets of the Methamphetamine Lab Cleanup loan program were

During the fiscal years ended June 30, 2011, 2010, and 2009, net assets changed by: \$91.1, \$66.9, and \$55.4 million, respectively. Volatility in this change is due largely to:

- Timing of federal and state capital contributions: \$88.7, \$59.1, and \$52.0 million, respectively.
- 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 \$6.6, \$7.4, and \$15.5 million, respectively.

The weighted average interest rate on outstanding loan balances at June 30, 2011, 2010, and 2009 were 2.52%, 2.62%, and 2.66%, respectively.

The weighted average investment earnings rate (earnings ÷ average daily cash and investments balance) during fiscal years 2011, 2010, and 2009 was 1.57%, 2.19%, and 3.56%.

Loan and grant approvals for the last three fiscal years were \$270 million (130 contracts) in fiscal year 2011, \$433 million (144 contracts) in fiscal year 2010, and \$241 million (87 contracts) in 2009.

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, 2011 was \$1,185,495,000.

During fiscal year 2011 the Authority issued State Revolving Fund Revenue Bonds (Clean Water and Drinking Water) of \$291,000,000 and Transportation Revenue Refunding Bonds of \$8,315,000. During 2010 the Authority issued State Revolving Fund Revenue Bonds of \$343,105,000. During 2009 the Authority issued no bonds.

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

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

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

Clean Water Bond Fund (CWBF): This pooled bond fund is a part of the Authority's Clean Water State Revolving Fund, operated under the federal Clean Water program, CFDA #66.458. Initiated in 1989, twenty four series of bonds have been issued for \$2.41 billion par, which includes \$945 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2011 were approximately \$762 million, net of nonpledged set-asides for administrative costs. The Authority has over the years transferred out approximately \$88.1 million from the CWBF for related but nonpledged programs known as non point-source programs. During fiscal years 2011, 2010, and 2009, the Authority transferred out \$2 million, \$0.87 million, and \$2.5 million, respectively, from net assets for these programs. The 2010 net amount reflects transfers-out of \$2 million, and transfers in, from the sunset non point-source program for Small Cities Septic Systems, of \$1.13 million. This activity 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 418 loan commitments to 252 borrowers for approximately \$2.38 billion. The largest borrower, at \$1.115 billion in cumulative loan commitments as of June 30, 2011, is the Metropolitan Council.

Drinking Water Bond Fund (DWBF): This pooled bond fund is a part of the Authority's Drinking Water State Revolving Fund, operated under the federal Safe Drinking Water program, CFDA #66.468. Initiated in 1998, seven series of bonds have been issued for \$307.2 million, which includes \$35.5 million for refunding prior issues. Federal capitalization grant awards and state match appropriations through June 30, 2011 were approximately \$284 million, net of nonpledged set-asides. The fund has made 291 loan commitments to 216 borrowers for approximately \$601 million. The largest borrower, at \$107.4 million in cumulative loan commitments as of June 30, 2011, is the City of Minneapolis.

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

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

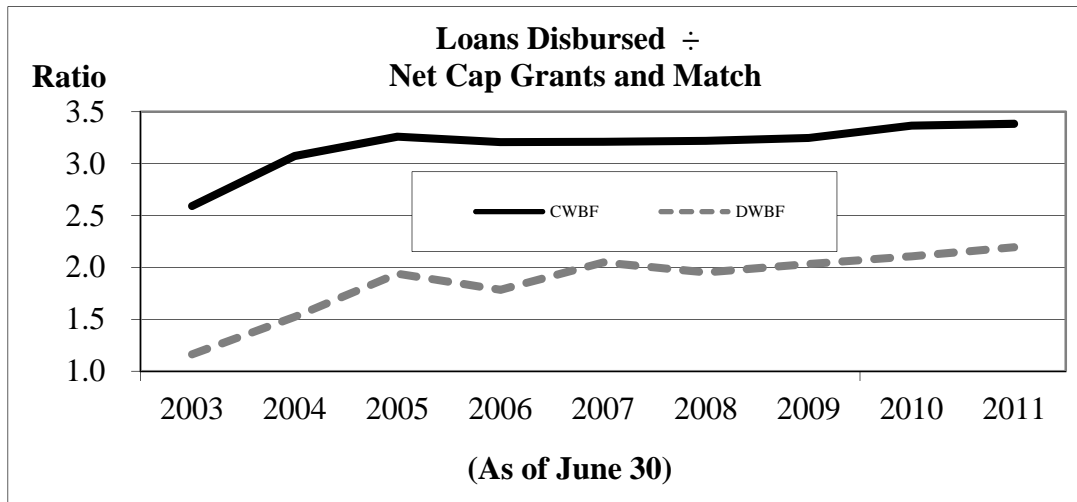
Criteria used in evaluating the financial results and conditions of the bond funds include:

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

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

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

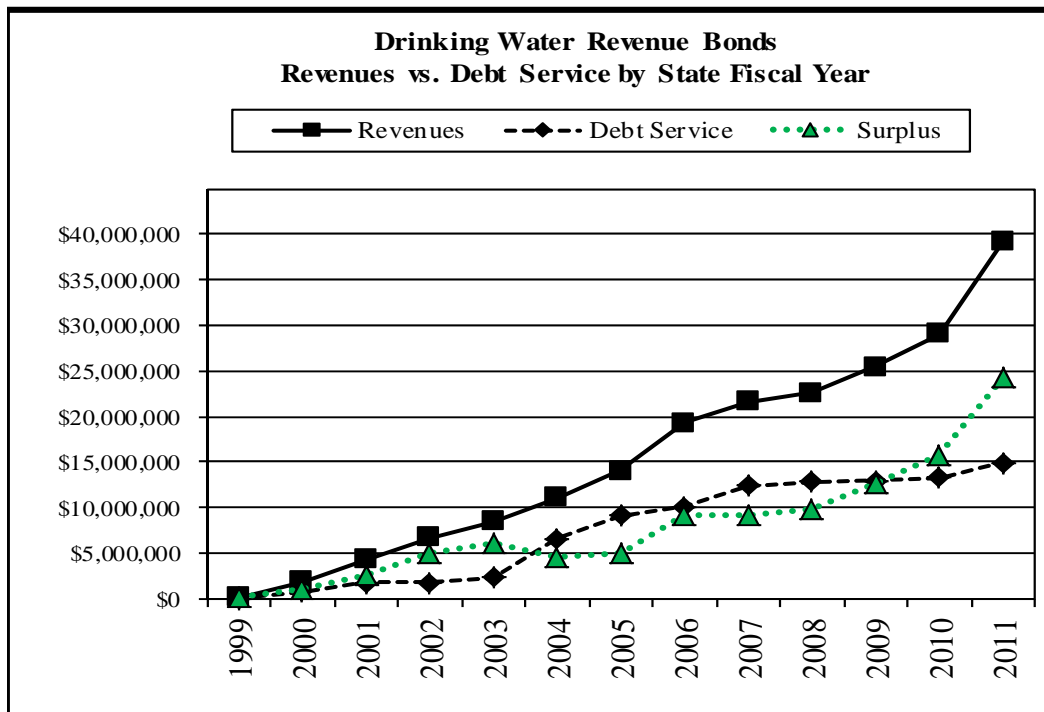
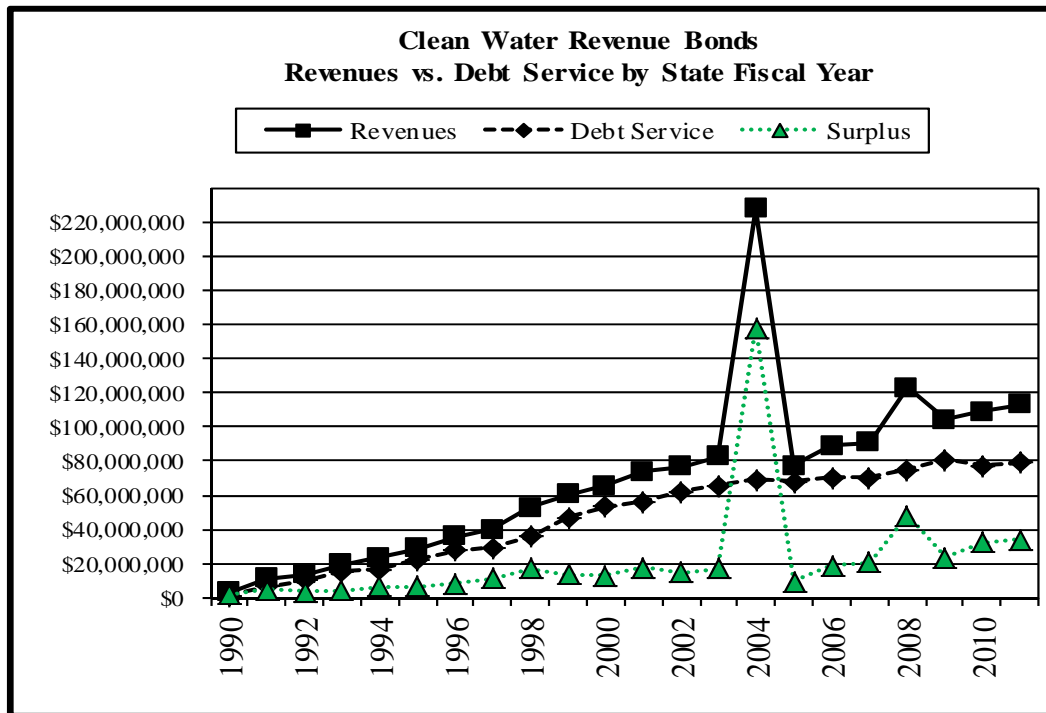
Clean Water and Drinking Water Bond Fund Programs
Leveraging of Federal Capitalization Grants and State Match

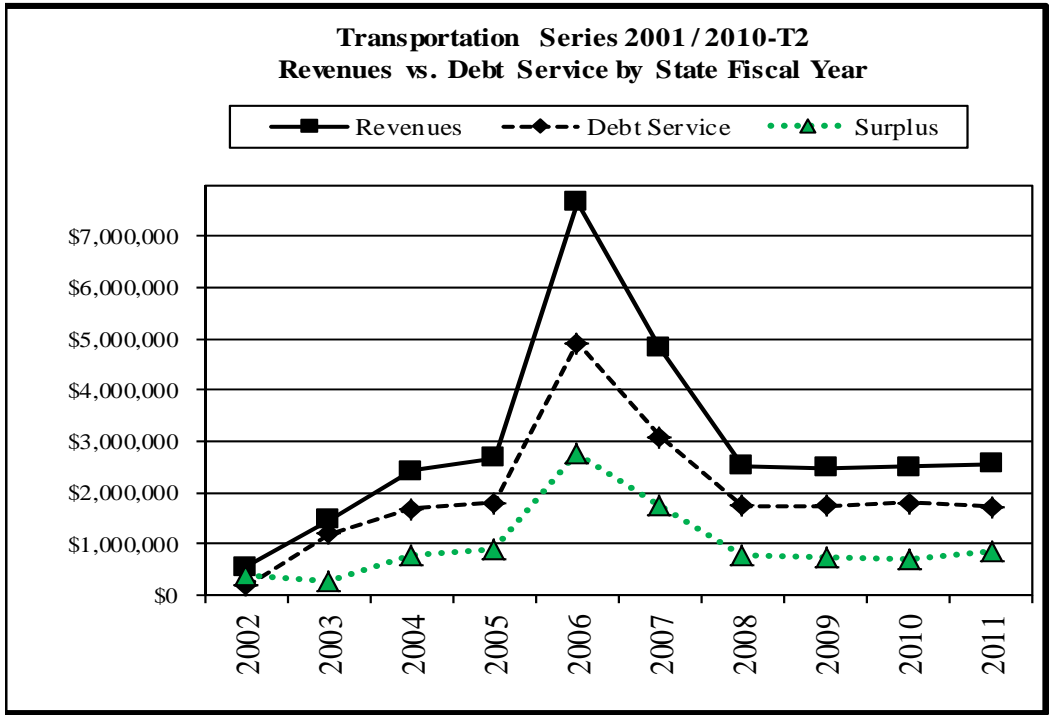
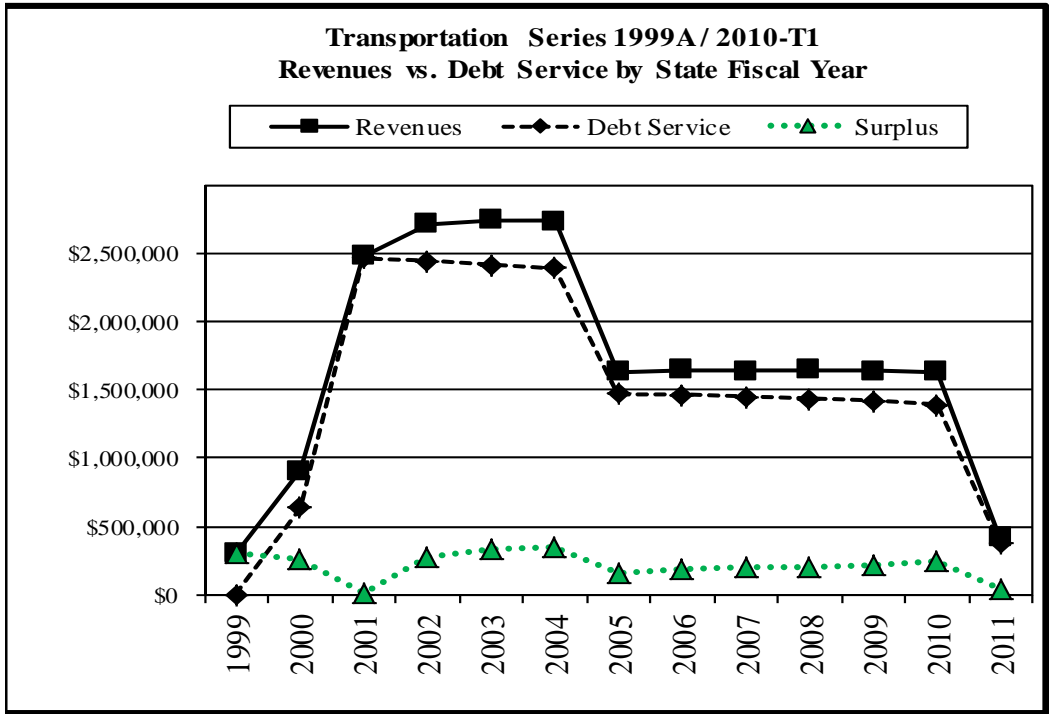


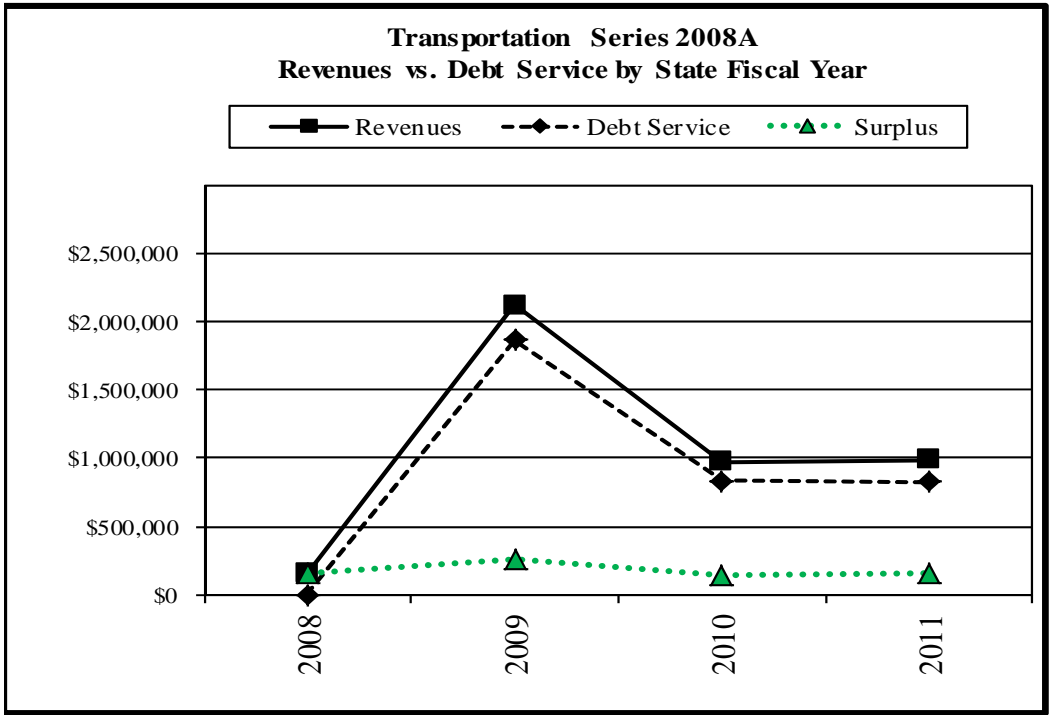
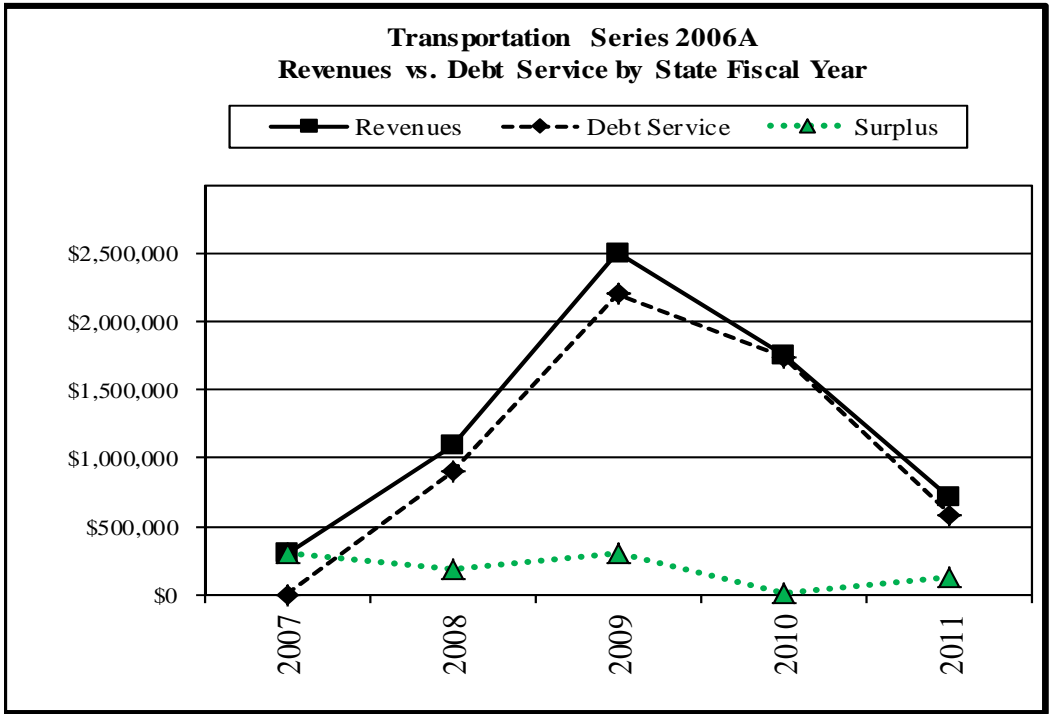
Analysis of historical cash flow sufficiency to make debt service payments:

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 / 2010-T1	Series 2001 / 2010-T2	Series 2006A	Series 2008A
Current ratios						
June 30, 2011	4.81	7.22	1.04	1.98	3.14	1.31
June 30, 2010	3.94	3.42	1.22	1.45	3.47	1.34
June 30, 2009	5.42	5.20	1.22	1.45	1.86	1.94
Debt ratios						
June 30, 2011	0.57	0.46	0.79	0.40	0.74	0.78
June 30, 2010	0.54	0.37	0.79	0.51	0.74	0.78
June 30, 2009	0.55	0.38	0.79	0.53	0.77	0.74
Operating Income ratios						
FY 2011	0.99	1.22	1.14	2.43	0.67	0.69
FY 2010	1.08	1.59	0.69	1.26	1.11	0.65
FY 2009	1.07	1.55	0.76	1.24	0.75	0.66
Debt Service Coverage						
FY 2011	1.44	2.64	1.02	1.64	1.02	1.19
FY 2010	1.43	2.19	1.17	1.40	1.01	1.19
FY 2009	1.30 ⁽¹⁾	1.98	1.16	1.43	1.14	1.14

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 the Authority called \$8.28 million of Clean Water bonds with available cash in the CWBF. The debt service coverage ratios do not include call redemptions with cash.

Even though operating income ratios for several of the Transportation Series are or have been 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 ratios, which includes principal repayments as well as interest. Principal repaid on the loans exceeds the bond principal requirements and more than overcome the lower interest earnings on the loans. These financings were structured such that projected repayments on the loans made are sufficient to pay debt service on the lesser amount of bonds issued.

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

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

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

Sub-Grants	MPCA Clean Water Partnership	Agriculture Best Mgmt Practices	Health Drinking Water Set-Asides
New allocations	\$ 1,000,000	\$ 1,000,000	\$ 2,733,120
Grant expense	858,272	1,000,000	2,657,171

The Small Cities program is sunset and during fiscal year 2010 returned to the CWBF the full amount allocated to it in 1996; this was netted out with the other pass-thru grant expenses during the year. The drinking water set-asides originated from federal capitalization grant awards.

State Appropriations – The Authority received multiple appropriations during the 2011 and 2010 legislative sessions. These appropriations are recognized as operating revenue or capital contributions 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, 2011

	Revenue Bond Funds				Totals
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 214,557,406.76	\$ 80,351,898.57	\$ 973,002.52	\$ 26,236,659.72	\$ 322,118,967.57
Investments	17,637,459.70				17,637,459.70
Loans receivable	97,378,032.00	23,191,398.00	3,679,049.00	3,545,735.00	127,794,214.00
Federal grants receivable				494,606.43	494,606.43
Accrued interest receivable:					
Investments	1,299,815.00	194,516.00	5,929.00		1,500,260.00
Loans	14,569,379.00	3,511,713.00	268,850.00	450,726.00	18,800,668.00
Total current assets	<u>345,442,092.46</u>	<u>107,249,525.57</u>	<u>4,926,830.52</u>	<u>30,727,727.15</u>	<u>488,346,175.70</u>
Noncurrent assets:					
Investments	65,546,237.30	14,628,995.00	537,000.00		80,712,232.30
Loans receivable	1,341,643,094.46	393,144,823.54	24,393,000.16	57,006,957.86	1,816,187,876.02
Deferred bond issuance costs	2,533,882.00	593,405.99	289,594.00		3,416,881.99
Total noncurrent assets	<u>1,409,723,213.76</u>	<u>408,367,224.53</u>	<u>25,219,594.16</u>	<u>57,006,957.86</u>	<u>1,900,316,990.31</u>
Total assets	<u>1,755,165,306.22</u>	<u>515,616,750.10</u>	<u>30,146,424.68</u>	<u>87,734,685.01</u>	<u>2,388,663,166.01</u>
LIABILITIES					
Current liabilities:					
Accounts payable & other				1,584,138.08	1,584,138.08
Interest payable on bonds	15,470,822.00	3,511,188.00	196,134.00		19,178,144.00
Arbitrage rebate liability					-
Compensated absences payable				42,609.00	42,609.00
Bonds payable	56,305,000.00	11,335,000.00	2,420,000.00		70,060,000.00
Total current liabilities	<u>71,775,822.00</u>	<u>14,846,188.00</u>	<u>2,616,134.00</u>	<u>1,626,747.08</u>	<u>90,864,891.08</u>
Noncurrent liabilities:					
Bonds payable	936,911,385.68	223,864,277.69	15,540,885.88		1,176,316,549.25
Arbitrage rebate liability	47,398.15				47,398.15
Compensated absences payable				358,606.00	358,606.00
Total liabilities	<u>1,008,734,605.83</u>	<u>238,710,465.69</u>	<u>18,157,019.88</u>	<u>1,985,353.08</u>	<u>1,267,587,444.48</u>
NET ASSETS					
Restricted by bond resolutions	746,430,700.39	276,906,284.41	11,989,404.80		1,035,326,389.60
Restricted by legislation				81,486,928.34	81,486,928.34
Unrestricted				4,262,403.59	4,262,403.59
Total net assets	<u>\$ 746,430,700.39</u>	<u>\$ 276,906,284.41</u>	<u>\$ 11,989,404.80</u>	<u>\$ 85,749,331.93</u>	<u>\$ 1,121,075,721.53</u>

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Net Assets
June 30, 2010

	Revenue Bond Funds				Totals
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 104,947,916.08	\$ 10,357,234.40	\$ 1,105,076.08	\$ 23,337,847.27	\$ 139,748,073.83
Investments	9,987,993.00				9,987,993.00
Loans receivable	76,670,616.00	19,864,296.00	3,603,463.00	4,374,910.00	104,513,285.00
Federal grants receivable				1,875,520.89	1,875,520.89
Accrued interest receivable:					
Investments	1,533,794.00	194,515.33	35,541.00		1,763,850.33
Loans	12,388,419.00	3,230,367.00	301,200.00	392,778.00	16,312,764.00
Total current assets	<u>205,528,738.08</u>	<u>33,646,412.73</u>	<u>5,045,280.08</u>	<u>29,981,056.16</u>	<u>274,201,487.05</u>
Noncurrent assets:					
Investments	82,930,823.88	15,035,262.25	1,896,741.00		99,862,827.13
Loans receivable	1,228,030,876.05	352,470,941.58	28,073,627.12	52,321,201.69	1,660,896,646.44
Deferred bond issuance costs	1,926,096.00	285,765.00	258,265.00		2,470,126.00
Total noncurrent assets	<u>1,312,887,795.93</u>	<u>367,791,968.83</u>	<u>30,228,633.12</u>	<u>52,321,201.69</u>	<u>1,763,229,599.57</u>
Total assets	<u>1,518,416,534.01</u>	<u>401,438,381.56</u>	<u>35,273,913.20</u>	<u>82,302,257.85</u>	<u>2,037,431,086.62</u>
LIABILITIES					
Current liabilities:					
Accounts payable & other				3,180,073.94	3,180,073.94
Interest payable on bonds	11,481,319.59	2,203,499.28	328,230.83		14,013,049.70
Arbitrage rebate liability	1,496,341.02	554,935.35			2,051,276.37
Compensated absences payable				39,752.00	39,752.00
Bonds payable	39,135,000.00	7,080,000.00	2,620,000.00		48,835,000.00
Total current liabilities	<u>52,112,660.61</u>	<u>9,838,434.63</u>	<u>2,948,230.83</u>	<u>3,219,825.94</u>	<u>68,119,152.01</u>
Noncurrent liabilities:					
Bonds payable	777,512,292.99	141,412,379.49	19,947,563.62		938,872,236.10
Arbitrage rebate liability	47,398.15		25,136.25		72,534.40
Compensated absences payable				380,014.00	380,014.00
Total liabilities	<u>829,672,351.75</u>	<u>151,250,814.12</u>	<u>22,920,930.70</u>	<u>3,599,839.94</u>	<u>1,007,443,936.51</u>
NET ASSETS					
Restricted by bond resolutions	688,744,182.26	250,187,567.44	12,352,982.50		951,284,732.20
Restricted by legislation				75,895,341.74	75,895,341.74
Unrestricted				2,807,076.17	2,807,076.17
Total net assets	<u>\$ 688,744,182.26</u>	<u>\$ 250,187,567.44</u>	<u>\$ 12,352,982.50</u>	<u>\$ 78,702,417.91</u>	<u>\$1,029,987,150.11</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, 2011

	Revenue Bond Funds				Totals
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	
Operating revenues:					
Interest on loans	\$ 31,278,070.74	\$ 8,864,661.54	\$ 758,180.79	\$ 3,765,239.50	\$ 44,666,152.57
Investment earnings	5,274,075.39	1,025,638.79	141,965.28	112,633.65	6,554,313.11
Net increase (decrease) , fair value of investments	(1,776,249.53)	(406,267.25)			(2,182,516.78)
Federal grants-operating	619,249.17	310,489.43		14,179,931.94	15,109,670.54
State appropriations and fees				27,144,672.84	27,144,672.84
Total operating revenues	<u>35,395,145.77</u>	<u>9,794,522.51</u>	<u>900,146.07</u>	<u>45,202,477.93</u>	<u>91,292,292.28</u>
Operating expenses:					
Interest on bonds	35,588,258.70	8,017,733.21	698,858.75		44,304,850.66
Salaries and employee benefits				2,524,395.33	2,524,395.33
Other general operating				975,908.73	975,908.73
Grants				41,121,024.52	41,121,024.52
Total operating expenses	<u>35,588,258.70</u>	<u>8,017,733.21</u>	<u>698,858.75</u>	<u>44,621,328.58</u>	<u>88,926,179.24</u>
Operating income (loss)	<u>(193,112.93)</u>	<u>1,776,789.30</u>	<u>201,287.32</u>	<u>581,149.35</u>	<u>2,366,113.04</u>
Capital Contributions:					
Federal Grants	40,622,438.26	14,141,927.67			54,764,365.93
State Match	19,200,000.00	10,800,000.00		3,958,092.45	33,958,092.45
Total capital contributions	<u>59,822,438.26</u>	<u>24,941,927.67</u>	<u>-</u>	<u>3,958,092.45</u>	<u>88,722,458.38</u>
Transfers in (out)	<u>(1,942,807.20)</u>		<u>(564,865.02)</u>	<u>2,507,672.22</u>	<u>-</u>
Change in net assets	57,686,518.13	26,718,716.97	(363,577.70)	7,046,914.02	91,088,571.42
Total net assets:					
Beginning of year	688,744,182.26	250,187,567.44	12,352,982.50	78,702,417.91	1,029,987,150.11
End of year	<u>\$ 746,430,700.39</u>	<u>\$ 276,906,284.41</u>	<u>\$ 11,989,404.80</u>	<u>\$ 85,749,331.93</u>	<u>\$ 1,121,075,721.53</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, 2010

	Revenue Bond Funds				Totals
	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	
Operating revenues:					
Interest on loans	\$ 32,057,066.13	\$ 8,365,597.89	\$ 880,272.71	\$ 3,459,372.11	\$ 44,762,308.84
Investment earnings	6,158,365.84	778,246.58	255,797.87	182,533.32	7,374,943.61
Net increase (decrease) , fair value of investments	1,112,384.11	534,843.76			1,647,227.87
Federal grants-operating				55,400,573.47	55,400,573.47
State appropriations and fees				15,889,543.85	15,889,543.85
Total operating revenues	<u>39,327,816.08</u>	<u>9,678,688.23</u>	<u>1,136,070.58</u>	<u>74,932,022.75</u>	<u>125,074,597.64</u>
Operating expenses:					
Interest on bonds	36,357,952.99	6,079,283.04	1,112,569.69		43,549,805.72
Salaries and employee benefits				3,217,457.76	3,217,457.76
Other general operating				1,352,459.25	1,352,459.25
Grants				69,087,948.16	69,087,948.16
Total operating expenses	<u>36,357,952.99</u>	<u>6,079,283.04</u>	<u>1,112,569.69</u>	<u>73,657,865.17</u>	<u>117,207,670.89</u>
Operating income (loss)	<u>2,969,863.09</u>	<u>3,599,405.19</u>	<u>23,500.89</u>	<u>1,274,157.58</u>	<u>7,866,926.75</u>
Capital Contributions:					
Federal Grants	34,408,344.00	14,322,977.33			48,731,321.33
State Match				10,342,836.71	10,342,836.71
Total capital contributions	<u>34,408,344.00</u>	<u>14,322,977.33</u>	<u>-</u>	<u>10,342,836.71</u>	<u>59,074,158.04</u>
Transfers in (out)	<u>(812,641.60)</u>		<u>(1,528,078.72)</u>	<u>2,340,720.32</u>	<u>-</u>
Change in net assets	36,565,565.49	17,922,382.52	(1,504,577.83)	13,957,714.61	66,941,084.79
Total net assets:					
Beginning of year	652,178,616.77	232,265,184.92	13,857,560.33	64,744,703.30	963,046,065.32
End of year	<u>\$ 688,744,182.26</u>	<u>\$ 250,187,567.44</u>	<u>\$ 12,352,982.50</u>	<u>\$ 78,702,417.91</u>	<u>\$1,029,987,150.11</u>

see accompanying notes to the financial statements

Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2011

Revenue Bond Funds

	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	\$ 29,097,110.74	\$ 8,583,315.54	\$ 790,530.79	\$ 3,707,291.50	\$ 42,178,248.57
Principal received on loans	79,225,225.69	29,805,910.20	3,605,040.96	4,374,909.71	117,011,086.56
Federal grants - operating	619,249.17	310,489.43		15,560,846.40	16,490,585.00
State appropriations, and fees				27,144,672.84	27,144,672.84
Payments to employees				(2,567,170.27)	(2,567,170.27)
Payments to vendors				(906,653.44)	(906,653.44)
Payments to grantees				(38,246,548.38)	(38,246,548.38)
Payments to sub-recipients				(4,515,443.35)	(4,515,443.35)
Net cash provided in operating activities	<u>108,941,585.60</u>	<u>38,699,715.17</u>	<u>4,395,571.75</u>	<u>4,551,905.01</u>	<u>156,588,777.53</u>
Non capital financing activities:					
Capital contributions - federal	40,622,438.26	14,141,927.00			54,764,365.26
Capital contributions - state	19,200,000.00	10,800,000.00		3,958,092.45	33,958,092.45
Proceeds from sale of bonds	224,275,040.70	94,989,882.90	8,682,630.90		327,947,554.50
Deposits to refunding escrow					-
Payments for bond issuance costs	(812,720.99)	(348,308.99)	(155,710.30)		(1,316,740.28)
Interest paid on bonds	(39,964,769.31)	(7,872,361.19)	(885,882.92)		(48,723,013.42)
Principal paid on bonds	(39,135,000.00)	(7,080,000.00)	(13,110,000.00)		(59,325,000.00)
Payments to make loans	(213,544,860.10)	(73,806,894.16)		(8,231,490.88)	(295,583,245.14)
Cash transfers	(1,942,807.20)		(564,865.02)	2,507,672.22	-
Net cash provided (used) in non capital financing activities:	<u>(11,302,678.64)</u>	<u>30,824,245.56</u>	<u>(6,033,827.34)</u>	<u>(1,765,726.21)</u>	<u>11,722,013.37</u>
Investing activities:					
Investment interest	5,591,228.78	1,046,430.78	419,235.21	112,633.65	7,169,528.42
Arbitrage payments to the IRS	(1,579,515.41)	(575,727.34)	(272,794.18)		(2,428,036.93)
Purchases of investments	(11,937,892.15)		(537,000.00)		(12,474,892.15)
Proceeds from sale & maturities	19,896,762.50		1,896,741.00		21,793,503.50
Net cash provided in investing activities	<u>11,970,583.72</u>	<u>470,703.44</u>	<u>1,506,182.03</u>	<u>112,633.65</u>	<u>14,060,102.84</u>
Net increase (decrease) in cash and cash equivalents	109,609,490.68	69,994,664.17	(132,073.56)	2,898,812.45	182,370,893.74
Cash and cash equivalents::					
Beginning of year	104,947,916.08	10,357,234.40	1,105,076.08	23,337,847.27	139,748,073.83
End of year	<u>\$ 214,557,406.76</u>	<u>\$ 80,351,898.57</u>	<u>\$ 973,002.52</u>	<u>\$ 26,236,659.72</u>	<u>\$ 322,118,967.57</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(193,112.93)	1,776,789.30	201,287.32	581,149.35	2,366,113.04
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Principal received on loans	79,225,225.69	29,805,910.20	3,605,040.96	4,374,909.71	117,011,086.56
Interest paid on bonds	39,964,769.31	7,872,361.19	885,882.92		48,723,013.42
Investment earnings	(5,591,228.78)	(1,046,430.78)	(419,235.21)	(112,633.65)	(7,169,528.42)
Arbitrage payments to the IRS	1,579,515.41	575,727.34	272,794.18		2,428,036.93
Net change, investment fair value	1,776,249.53	406,267.25			2,182,516.78
Net amortizations	(8,366,013.02)	(1,162,316.70)	(54,927.34)		(9,583,257.06)
Changes in assets and liabilities:					
Accrued revenues	(1,946,981.00)	(281,346.00)	61,962.00	1,322,966.46	(843,398.54)
Accrued expenses	2,493,161.39	752,753.37	(157,233.08)	(1,614,486.86)	1,474,194.82
Net cash provided in operating activities	<u>\$ 108,941,585.60</u>	<u>\$ 38,699,715.17</u>	<u>\$ 4,395,571.75</u>	<u>\$ 4,551,905.01</u>	<u>\$ 156,588,777.53</u>

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority
Statement of Cash Flows
for the Year Ended June 30, 2010**

Revenue Bond Funds

	Clean Water Bond Fund	Drinking Water Bond Fund	Transportation Bond Fund	Other	Totals
Operating activities:					
Interest received on loans	\$ 31,164,682.13	\$ 8,252,296.89	\$ 933,215.71	\$ 3,502,471.11	\$ 43,852,665.84
Principal received on loans	73,170,600.95	20,285,993.78	5,794,178.65	5,373,688.08	104,624,461.46
Federal grants - operating				63,910,417.00	63,910,417.00
State appropriations, and fees				15,889,543.85	15,889,543.85
Payments to employees				(3,056,546.72)	(3,056,546.72)
Payments to vendors				(1,148,930.19)	(1,148,930.19)
Payments to grantees				(73,953,312.46)	(73,953,312.46)
Payments to sub-recipients				(4,596,157.61)	(4,596,157.61)
Net cash provided in operating activities	<u>104,335,283.08</u>	<u>28,538,290.67</u>	<u>6,727,394.36</u>	<u>5,921,173.06</u>	<u>145,522,141.17</u>
Non capital financing activities:					
Capital contributions - federal	34,408,344.00	14,322,978.00			48,731,322.00
Capital contributions - state				10,342,836.71	10,342,836.71
Proceeds from sale of bonds	382,352,804.36	12,045,289.75			394,398,094.11
Deposits to refunding escrow	(343,031,679.08)				(343,031,679.08)
Payments for bond issuance costs	(1,210,381.05)	(45,289.75)			(1,255,670.80)
Interest paid on bonds	(39,256,075.00)	(6,458,445.00)	(1,182,752.50)		(46,897,272.50)
Principal paid on bonds	(37,845,000.00)	(6,785,000.00)	(4,570,000.00)		(49,200,000.00)
Payments to make loans	(184,681,841.09)	(45,832,640.56)		(19,668,536.10)	(250,183,017.75)
Cash transfers	(812,641.60)		(1,528,078.72)	2,340,720.32	-
Net cash used in non capital financing activities:	<u>(190,076,469.46)</u>	<u>(32,753,107.56)</u>	<u>(7,280,831.22)</u>	<u>(6,984,979.07)</u>	<u>(237,095,387.31)</u>
Investing activities:					
Investment interest	5,914,687.58	505,086.99	140,903.86	182,533.32	6,743,211.75
Arbitrage payments to the IRS	(1,103,140.48)	(43,229.25)			(1,146,369.73)
Purchases of investments	(26,985,405.39)	(9,994,594.59)			(36,979,999.98)
Proceeds from sale & maturities	22,918,090.00	4,973,685.10			27,891,775.10
Net cash provided (used) in investing activities	<u>744,231.71</u>	<u>(4,559,051.75)</u>	<u>140,903.86</u>	<u>182,533.32</u>	<u>(3,491,382.86)</u>
Net decrease in cash and cash equivalents	(84,996,954.67)	(8,773,868.64)	(412,533.00)	(881,272.69)	(95,064,629.00)
Cash and cash equivalents:					
Beginning of year	<u>189,944,870.75</u>	<u>19,131,103.04</u>	<u>1,517,609.08</u>	<u>24,219,119.96</u>	<u>234,812,702.83</u>
End of year	<u>\$ 104,947,916.08</u>	<u>\$ 10,357,234.40</u>	<u>\$ 1,105,076.08</u>	<u>\$ 23,337,847.27</u>	<u>\$ 139,748,073.83</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income	2,969,863.09	3,599,405.19	23,500.89	1,274,157.58	7,866,926.75
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Principal received on loans	73,170,600.95	20,285,993.78	5,794,178.65	5,373,688.08	104,624,461.46
Interest paid on bonds	39,256,075.00	6,458,445.00	1,182,752.50		46,897,272.50
Investment earnings	(5,914,687.58)	(505,086.99)	(140,903.86)	(182,533.32)	(6,743,211.75)
Arbitrage payments to the IRS	1,103,140.48	43,229.25			1,146,369.73
Net change, investment fair value	(1,112,384.11)	(534,843.76)			(1,647,227.87)
Net amortizations	(1,294,083.27)	(429,846.24)	(4,162.81)		(1,728,092.32)
Changes in assets and liabilities:					
Accrued revenues	(832,037.00)	(229,269.00)	52,943.00	8,552,942.53	7,544,579.53
Accrued expenses	(3,011,204.48)	(149,736.56)	(180,914.01)	(9,097,081.81)	(12,438,936.86)
Net cash provided in operating activities	<u>\$ 104,335,283.08</u>	<u>\$ 28,538,290.67</u>	<u>\$ 6,727,394.36</u>	<u>\$ 5,921,173.06</u>	<u>\$ 145,522,141.17</u>

see accompanying notes to the financial statements

**Minnesota Public Facilities Authority
Notes to the Financial Statements
Years Ended June 30, 2011 and 2010**

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 Management and Budget, the Commissioner of the Minnesota Pollution Control Agency (MPCA), the Commissioner of Agriculture, the Commissioner of Health, and the Commissioner of Transportation. The Commissioner of Employment and Economic Development serves as chair and chief executive officer of the Authority. These members serve as a result of their respective positions as commissioners, and their terms as members of the Authority coincide with their terms as commissioners. Pursuant to state law, commissioners may delegate and have delegated their duties as a member of the Authority in the event that the commissioner is unable to attend a meeting of the Authority.

The 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 noncurrent) 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 were issued. In November 2010, The outstanding Series 1999A and Series 2001 bonds were redeemed with proceeds of the Revenue Refunding Bonds Series 2010-T1 and Series 2010-T2.
- *Other Fund* - In addition to the pledged bond funds, the Authority manages various legislative appropriations for similar purposes. One of the programs included in the Other Fund is the Wastewater Infrastructure Funding Program (WIF). The Authority receives appropriations from the Minnesota Legislature to fund the program, and in conjunction with any particular loan from the CWBF or financing from the U.S. Department of Agriculture’s Rural Development Office, WIF Supplemental Assistance grants are given to eligible municipalities with high-cost wastewater projects. The Other Fund also includes the accounts and activities related to management of the State Revolving Fund programs.

Federal Grants and State Appropriations - The Authority receives federal capitalization grants from the Environmental Protection Agency and, through MnDOT, the Authority has received federal highway money. This money is used primarily for funding of loans and has also been used as security on bonds, and a portion may be expended for administrative and other set-aside costs. The Authority also receives

state appropriations as match to the federal grants and for other Authority loan and grant programs. These federal and state monies are recognized in the financial statements when the associated expenditure obligations have met the eligibility requirement. When used to capitalize the revolving loan funds they are recorded as capital contributions; when used for administrative costs or grants they are recorded as operating revenue.

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

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

Investments - The Authority reports investments at fair value in the statement of net 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 a discreetly presented component unit 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 and Investments*

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, 2011 and 2010, \$ 321,102,408 and \$138,186,166, respectively, of cash deposits were interest-bearing and \$1,016,560 and \$1,561,908 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 notes and bills of the U.S. Government and its agencies, guaranteed investment contracts, and municipal securities. Information regarding the Authority’s investments is provided below to give an indication of the risk level assumed at year-end.

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

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

Credit Risk - Excluding U.S. Government backed securities, the Authority's investments at June 30, 2011 and 2010 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, 2011 and 2010, 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: Issuer	June 30, 2011		June 30, 2010	
	Fair Value	% of Investments	Fair Value	% of Investments
Federal Farm Credit Banks	\$ 43,856,302	45%	\$ 55,063,553	50%
Federal Home Loan Mortgage Corporation	16,905,555	17%	17,161,275	16%
Federal National Mortgage Association	13,435,850	14%	13,796,874	13%
Guaranteed Investment Contracts:Societe Generale	11,225,760	11%	11,225,760	10%
Federal Home Loan Banks	6,411,699	7%	6,670,125	6%

At June 30, 2011, 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	\$ 537,000	\$ -	\$ -	\$ 537,000	\$ -	9.29
Federal Home Loan Banks	6,411,699	6,411,699				0.37
Federal Farm Credit Banks	43,856,302		3,212,130	3,015,912	37,628,260	12.35
Federal National Mortgage Association	13,435,850		13,435,850			1.24
Federal Home Loan Mortgage Corporation	16,905,555		10,626,700	6,278,855		2.99
Guaranteed Investment Contracts	14,491,260	11,225,760		3,265,500		2.01
State & municipal securities	2,712,025				2,712,025	16.28
totals	\$ 98,349,691	\$ 17,637,459	\$ 27,274,680	\$ 13,097,267	\$ 40,340,285	7.04

At June 30, 2010, 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	\$ -	6.66
Federal Home Loan Banks	6,670,125		6,670,125			1.37
Federal Farm Credit Banks	55,063,553	9,987,993	3,275,640	2,996,170	38,803,750	10.98
Federal National Mortgage Association	13,796,874		13,796,874			2.24
Federal Home Loan Mortgage Corporation	17,161,275		10,884,400	6,276,875		3.99
Guaranteed Investment Contracts	14,491,260		11,225,760	3,265,500		3.01
State & municipal securities	770,992				770,992	15.41
totals	\$ 109,850,820	\$ 9,987,993	\$ 45,852,799	\$ 14,435,286	\$ 39,574,742	7.12

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

3. Loans Receivable

Loans receivable at June 30, 2011 and 2010 consisted of the following:

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund:						
Aitkin, City of-01st	10/15/97	02/20/18	2.240%	\$ 525,000	\$ 210,845	\$ 238,371
Aitkin, City of-02nd	07/15/03	08/20/23	1.000%	1,009,719	725,000	777,000
Albany, City of	04/21/03	02/20/22	3.490%	1,296,061	859,000	922,000
Albertville, City of	10/19/93	08/20/14	3.320%	1,454,514	327,346	414,239
Alborn Township	07/07/08	08/20/20	1.000%	280,571	201,364	225,364
Alexandria Lake Area Service Reg	08/13/07	08/20/27	1.240%	4,968,093	4,336,784	4,564,784
Alvarado, City of	10/16/98	02/20/20	1.000%	677,980	321,800	355,813
Annandale, City of	08/17/07	08/20/26	2.220%	16,036,613	14,869,000	15,636,000
Appleton, City of	07/13/06	08/20/25	1.070%	1,331,574	1,141,000	1,211,000
Arlington, City of	06/23/11	08/20/31	1.000%	4,365,546	-	-
Atwater, City of	06/15/11	08/20/30	1.776%	522,000	56,607	-
Aurora, City of	06/24/08	08/20/27	1.277%	2,700,000	2,418,000	2,545,388
Avon, City of	11/18/02	08/20/22	1.000%	7,943,904	5,123,415	5,420,724
Bagley, City of	07/01/98	08/20/19	1.000%	1,654,075	733,565	816,010
Barnesville, City of	07/31/06	08/20/25	1.560%	4,137,640	3,539,000	3,747,000
Battle Lake, City of	06/18/03	08/20/22	1.000%	1,698,073	1,182,000	1,274,000
Baxter, City of	07/24/91	02/20/12	3.530%	875,607	54,430	112,202
Beaver Bay, City of	10/13/10	08/20/40	1.000%	440,099	131,268	-
Beaver Creek, City of	09/23/94	08/20/15	3.600%	103,102	29,777	35,782
Belle Plaine, City of	01/27/03	08/20/22	1.990%	10,565,764	7,101,000	7,621,000
Benson, City of	07/26/04	08/20/24	1.980%	4,296,201	3,315,000	3,519,000
Big Lake, City of	09/24/09	08/20/29	2.414%	13,470,120	12,379,631	4,573,268
Bird Island, City of	11/13/06	08/20/26	1.000%	4,194,000	3,951,000	4,178,000
Blooming Prairie, City of	10/12/10	08/20/30	1.000%	2,219,779	779,621	-
Blue Earth, City of-01st	03/30/00	08/20/20	1.290%	3,290,170	1,832,000	2,003,000
Blue Earth, City of-02nd	07/03/07	08/20/26	1.400%	716,592	656,000	692,592
Blue Earth, City of-03rd	07/20/09	08/20/29	2.603%	741,656	554,969	299,989
Blue Earth, City of-04th	07/06/10	08/20/25	1.448%	1,987,000	1,539,330	-
Brainerd, City of-01st	03/12/08	08/20/17	2.230%	1,965,098	1,421,000	1,607,000
Brainerd, City of-02nd	06/24/09	08/20/28	3.233%	25,966,788	25,066,788	21,972,974
Breckenridge, City of	07/22/08	08/20/27	2.802%	1,530,402	1,269,472	1,333,472
Brooten, City of	08/27/07	08/20/27	1.000%	1,892,040	1,709,000	1,800,330
Browerville, City of-01st	03/06/90	08/20/11	2.420%	552,000	17,273	51,217
Browerville, City of-03rd	11/19/04	08/20/24	1.000%	493,048	366,000	390,685
Brownnton, City of	01/06/10	08/20/30	1.000%	849,990	781,301	289,471
Buffalo Lake, City of	01/26/98	02/20/19	2.750%	615,750	284,805	316,549
Butterfield, City of	08/02/10	08/20/30	1.536%	2,210,104	1,402,824	-
Caledonia, City of	02/07/94	02/20/15	3.440%	606,675	155,496	191,167
Cambridge, City of-01st	10/16/92	02/20/14	3.090%	10,477,205	1,973,554	2,592,080
Canby, City of	07/20/10	08/20/39	1.349%	4,860,517	3,205,600	-
Cannon Falls, City of-01st	06/27/01	08/20/21	3.070%	4,529,000	2,984,000	3,209,000
Cannon Falls, City of-02nd	11/20/01	08/20/22	2.860%	8,021,909	5,429,909	5,804,909
Canosia Township-01st	09/10/99	08/20/20	1.290%	2,517,810	1,340,000	1,465,000
Canosia Township-02nd	06/11/01	08/20/20	1.290%	207,000	14,000	18,314
Carver, City of	02/16/00	08/20/19	2.860%	1,188,000	635,000	696,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund (continued):						
Cass County	06/23/97	02/20/19	1.130%	1,366,190	635,733	711,245
Cass Lake, City of	02/14/94	02/20/15	1.940%	276,364	63,759	78,951
Cedar Lake Area WSSDB-01st	07/26/01	08/20/21	1.570%	3,225,000	1,544,055	1,741,542
Chandler, City of	09/24/02	08/20/23	1.000%	1,348,589	914,490	980,490
Chisago Lakes JSTC-01st	11/01/04	08/20/24	2.230%	13,019,689	8,564,999	9,051,371
Chisago Lakes JSTC-02nd	07/20/06	08/20/25	1.000%	3,917,643	3,216,000	3,414,000
Chisholm, City of-01st	05/17/94	02/20/15	3.820%	2,150,644	569,071	698,382
Chisholm, City of-02nd	03/01/10	08/20/25	1.366%	353,454	-	-
Clara City, City of	08/19/97	08/20/18	2.740%	2,138,045	759,419	849,555
Clear Lake, City of-01st	07/30/97	02/20/19	3.080%	223,506	105,946	117,466
Clear Lake, City of-02nd	01/12/09	08/20/28	1.153%	2,295,425	1,858,752	1,882,348
Clear Lake, City of-03rd	08/03/09	08/20/39	1.000%	95,301	93,000	53,495
Clearwater, City of-01st	07/23/97	02/20/19	2.080%	1,654,550	744,557	829,259
Clearwater, City of-02nd	11/18/08	08/20/27	1.697%	7,700,145	7,254,086	7,674,470
Clearwater, City of-03rd	11/03/09	08/20/29	1.000%	13,753	8,586	10,000
Cokato, City of	10/26/94	02/20/16	3.320%	2,760,000	868,503	1,025,695
Cold Spring, City of	02/24/04	08/20/23	2.490%	7,802,416	4,915,000	5,232,000
Cologne, City of	01/03/97	02/20/18	3.320%	1,538,699	638,235	720,500
Comfrey, City of	06/23/10	08/20/39	1.000%	675,130	289,888	-
Cottonwood Township-01st	03/12/99	08/20/20	1.290%	391,546	207,707	226,707
Cottonwood Township-02nd	09/22/99	08/20/20	1.290%	140,296	76,000	83,000
Cottonwood, City of	05/03/04	08/20/24	2.230%	895,920	695,000	737,000
Courtland, City of	05/22/98	08/20/19	1.540%	889,935	-	456,785
Cross Lake Area WSSD	07/09/97	02/20/19	2.880%	2,035,802	955,764	1,060,584
Dassel, City of	07/30/02	08/20/22	1.380%	1,610,153	1,073,000	1,155,000
Dawson, City of	08/10/04	08/20/24	1.730%	1,788,670	1,374,000	1,460,000
Dayton, City of	08/16/00	08/20/21	3.250%	986,395	402,000	432,000
Delano, City of-01st	05/24/95	08/20/16	4.620%	2,480,000	918,990	1,062,847
Delano, City of-02nd	10/16/98	02/20/20	2.980%	1,150,000	601,707	659,229
Delano, City of-03rd	07/22/03	08/20/22	2.090%	11,054,217	7,892,000	8,465,000
Detroit Lakes, City of-01st	09/10/93	08/20/14	2.820%	2,552,820	537,874	682,116
Detroit Lakes, City of-02nd	12/19/95	02/20/17	2.930%	3,754,889	1,362,106	1,566,897
Dilworth, City of	03/22/00	08/20/20	3.070%	1,849,510	1,086,000	1,178,000
Dover Eyota Saint Charles SD	05/30/02	08/20/21	3.293%	1,573,871	1,040,000	1,117,000
Duluth, City of-01st	07/24/02	08/20/18	1.000%	364,195	205,000	229,000
Duluth, City of-02nd	10/17/03	08/20/18	1.340%	1,179,115	711,000	795,000
Duluth, City of-03rd	06/11/07	08/20/22	1.150%	1,973,033	1,767,000	1,903,000
Duluth, City of-04th	06/17/09	08/20/24	1.969%	796,835	630,124	97,614
Duluth, City of-05th	12/10/09	08/20/24	2.017%	2,414,150	2,388,000	1,258,676
Duluth, City of-06th	08/31/10	08/20/25	1.258%	9,087,385	4,400,728	-
Duluth, City of-07th	08/31/10	08/20/25	1.258%	3,753,059	246,817	-
Duluth/NSSD-03rd	07/01/02	08/20/23	1.630%	7,952,500	5,402,058	5,726,058
Dundas, City of-01st	03/21/97	02/20/18	2.880%	927,469	386,235	435,375
East Grand Forks, City of	09/17/08	08/20/28	2.687%	4,012,598	3,790,000	3,673,396
East Gull Lake, City of-01st	10/23/91	02/20/13	3.640%	2,226,861	-	441,881
East Gull Lake, City of-02nd	08/03/04	08/20/24	1.000%	6,416,500	4,943,000	5,270,000
Eden Valley, City of	10/13/09	08/20/29	1.744%	660,457	608,432	576,706
Elbow Lake, City of	07/07/09	08/20/39	1.993%	219,302	158,972	72,715
Ely, City of	01/02/01	08/20/21	1.070%	4,699,982	1,559,000	1,692,000
Elysian, City of	07/31/97	08/20/18	2.130%	1,163,536	494,918	555,162

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund (continued):						
Evansville, City of	12/11/97	02/20/19	1.250%	673,073	289,305	323,486
Eveleth, City of-01st	06/12/92	02/20/13	4.730%	500,000	72,894	106,863
Eveleth, City of-02nd	09/14/04	08/20/24	1.340%	3,522,034	2,679,000	2,852,000
Eveleth, City of-03rd	11/10/05	08/20/24	1.340%	34,182	20,000	21,000
Fairfax, City of	08/18/95	08/20/16	2.950%	1,506,773	504,578	587,904
Fairmont, City of	05/25/04	08/20/24	1.730%	13,248,347	10,148,000	10,784,000
Faribault, City of	07/28/09	08/20/29	2.550%	24,086,798	18,398,275	2,936,092
Farmington, City of	04/04/95	08/20/16	4.630%	764,377	281,880	325,961
Fayal Township-01st	09/22/99	08/20/20	2.110%	4,851,756	2,660,000	2,897,000
Fayal Township-02nd	06/22/01	08/20/21	1.570%	341,468	175,000	190,000
Fayal Township-03rd	10/04/01	08/20/20	2.110%	855,267	406,000	442,000
Fergus Falls, City of-02nd	10/07/96	02/20/17	3.740%	450,000	171,349	196,391
Foley, City of	07/21/94	08/20/15	3.320%	1,080,000	308,261	370,794
Forest Prairie Township	04/12/01	08/20/21	1.800%	711,095	431,000	466,000
Fountain, City of	08/06/09	08/20/29	1.303%	1,034,122	1,010,000	963,009
Garfield, City of-01st	05/09/97	02/20/18	3.080%	100,000	42,089	47,404
Garfield, City of-02nd	06/29/98	08/20/19	1.040%	450,489	199,504	221,843
Garrison, Kathio, WMLL SSD-01st	01/09/01	08/20/21	1.620%	500,000	296,000	320,000
Garrison, Kathio, WMLL SSD-02nd	06/04/07	08/20/26	1.000%	6,530,900	5,338,382	5,641,112
Gilbert, City of	07/14/10	08/20/30	1.000%	1,337,076	1,337,000	-
Glyndon, City of-01st	08/14/91	02/20/13	3.640%	671,323	84,020	124,038
Glyndon, City of-02nd	08/09/10	08/20/30	1.089%	1,170,000	904,718	-
Good Thunder, City of	10/15/99	08/20/19	1.290%	1,010,545	533,000	589,000
Goodhue County	04/29/97	02/20/18	1.580%	141,175	54,494	61,801
Grand Lake Township-01st	09/02/99	08/20/20	1.290%	1,131,190	601,000	657,000
Grand Lake Township-02nd	05/29/01	08/20/20	1.290%	93,000	22,000	25,506
Grand Rapids, City of	11/10/09	08/20/29	2.900%	28,509,779	24,055,117	16,527,192
Grey Eagle, City of	02/03/97	02/20/18	1.220%	410,000	116,373	132,216
Hackensack, City of	11/21/97	02/20/18	1.250%	287,844	108,094	122,785
Hancock, City of	06/29/93	02/20/14	2.210%	367,116	65,743	86,748
Hanover, City of	08/18/99	08/20/20	2.290%	1,909,275	935,000	1,017,380
Harmony, City of-01st	02/25/93	02/20/14	3.340%	1,216,700	228,542	302,921
Harmony, City of-02nd	05/13/04	08/20/23	1.000%	625,465	443,000	475,000
Harris, City of	12/11/06	08/20/26	1.000%	4,995,642	4,795,239	4,905,239
Hawley, City of-01st	07/12/06	08/20/25	1.060%	1,010,111	855,000	907,000
Hawley, City of-02nd	06/17/08	08/20/27	2.293%	132,955	122,000	127,955
Hector, City of	12/14/94	02/20/16	3.920%	1,914,260	622,944	733,956
Henderson, City of	08/27/07	08/20/27	1.490%	3,713,099	3,445,000	3,622,000
Hendrum, City of-01st	11/15/07	08/20/27	2.279%	220,661	198,000	207,000
Hendrum, City of-02nd	07/31/08	08/20/27	1.530%	320,703	223,755	238,755
Henning, City of (1)	09/15/92	02/20/14	0.389%	606,500	94,115	125,216
Hewitt, City of-01st	09/05/90	02/20/11	0.000%	75,000	-	3,500
Hewitt, City of-02nd	12/04/91	08/20/12	0.000%	335,000	25,125	41,875
Hibbing, City of-01st	12/16/02	08/20/22	1.740%	9,847,450	6,661,000	7,156,000
Hibbing, City of-02nd	12/11/10	08/20/25	1.340%	1,726,575	1,161,703	-
Hinckley, City of-01st	09/25/92	02/20/14	2.090%	1,850,839	143,091	188,840
Hinckley, City of-02nd	07/28/99	08/20/20	2.110%	2,435,641	1,333,000	1,452,000
Hoffman, City of	10/02/97	02/20/19	1.990%	263,440	118,021	131,502
Howard Lake, City of-01st	06/09/09	08/20/28	1.076%	3,998,476	3,267,898	2,864,816
Howard Lake, City of-02nd	06/17/11	08/20/40	1.000%	2,508,122	532,165	-

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund (continued):						
Hudson Township	05/02/07	08/20/27	1.000%	3,025,426	2,688,565	2,850,060
Hutchinson, City of	06/26/07	08/20/26	2.150%	13,696,602	12,664,000	13,321,002
Ida Township	03/28/01	08/20/21	1.980%	7,536,190	3,574,980	4,133,000
Isanti, City of	09/18/96	08/20/17	2.630%	4,682,145	1,588,820	1,810,258
Jasper, City of	08/25/95	08/20/16	2.440%	778,200	252,847	295,305
Jordan, City of	05/30/00	08/20/21	2.290%	6,850,120	4,224,000	4,558,000
Kandiyohi County-01st	09/22/99	08/20/20	2.250%	7,188,360	4,124,000	4,488,000
Kandiyohi County-02nd	11/30/00	08/20/21	2.250%	3,648,450	2,247,000	2,425,000
Kandiyohi County-03rd	10/10/01	08/20/21	2.140%	651,000	399,000	431,000
Kandiyohi County-04th	10/17/06	08/20/26	1.000%	3,761,876	3,216,000	3,400,000
Kandiyohi, City of	07/20/09	08/20/29	1.000%	541,212	309,289	50,000
Kasson, City of-01st	08/17/01	08/20/21	3.070%	7,632,919	4,933,000	5,305,000
Knife River Larsmont SSD	10/25/05	08/20/25	1.310%	882,212	709,212	752,212
Koochiching County	08/09/05	08/20/25	1.000%	4,430,839	3,491,044	3,719,018
Lake Benton, City of	11/21/91	08/20/12	2.660%	169,000	15,977	26,297
Lake City, City of-01st	08/25/93	08/20/14	3.740%	1,442,000	335,057	423,078
Lake City, City of-02nd	11/24/96	02/20/17	3.320%	1,500,000	557,443	640,106
Lake City, City of-03rd	08/18/99	08/20/20	2.860%	1,226,667	684,000	742,000
Lake City, City of-04th	09/30/02	08/20/23	2.990%	4,800,000	3,467,000	3,683,000
Lake Crystal, City of	10/30/03	08/20/23	2.340%	1,571,616	1,156,000	1,231,000
Lake Lillian, City of	02/13/07	08/20/26	1.000%	226,216	194,016	207,016
Lake Mary Township-01st	05/05/98	08/20/19	1.540%	2,120,212	505,617	723,584
Lake Mary Township-02nd	09/11/00	08/20/20	1.360%	377,951	140,451	159,000
Lake Park, City of-01st	11/14/03	08/20/23	1.590%	424,520	295,520	315,520
Lake Shore, City of	04/22/91	02/20/12	3.420%	504,690	-	66,331
Lake Washington SD	06/23/04	08/20/24	1.480%	6,490,000	4,329,019	4,657,752
Lakefield, City of	05/03/96	08/20/17	2.630%	1,143,940	438,864	500,032
Laketown Township	08/12/98	08/20/19	1.790%	1,020,000	262,509	301,000
Landfall, City of	01/26/94	02/20/15	1.940%	1,088,007	252,349	312,468
Lanesboro, City of	08/15/96	08/20/17	2.680%	492,733	189,437	215,802
Le Center, City of-01st	07/01/94	08/20/15	2.960%	2,315,710	644,880	777,099
Le Center, City of-02nd	08/10/04	08/20/24	1.980%	2,595,136	1,999,286	2,122,286
Le Sueur, City of	08/27/07	08/20/27	1.000%	16,353,395	14,970,000	15,589,194
Leota SD	08/10/99	08/20/19	1.000%	256,598	127,000	140,000
Lester Prairie, City of	07/10/06	08/20/25	1.560%	4,387,680	3,795,000	4,018,000
Lewiston, City of	07/17/01	08/20/21	2.320%	1,630,000	1,043,000	1,126,000
Lismore, City of	08/07/95	02/20/16	2.070%	550,000	159,407	189,365
Litchfield, City of-01st	12/27/01	08/20/22	2.680%	10,963,561	7,388,000	7,904,000
Litchfield, City of-02nd	09/01/09	08/20/29	2.652%	7,086,048	4,837,276	1,623,313
Little Falls, City of-01st	02/03/03	08/20/22	1.240%	4,248,645	2,830,000	3,048,000
Little Falls, City of-02nd	07/11/05	08/20/22	1.240%	1,998,468	1,453,000	1,565,000
Little Falls, City of-03rd	07/11/05	08/20/22	1.240%	631,555	436,000	470,000
Lonsdale, City of	11/03/03	08/20/23	2.340%	6,644,792	4,882,792	5,200,792
Mabel, City of	08/13/03	08/20/23	1.090%	1,562,875	1,107,000	1,186,000
Madelia, City of-01st	01/25/93	02/20/14	2.010%	2,415,000	426,453	563,051
Madelia, City of-02nd	11/14/06	08/20/26	1.000%	4,732,813	4,161,000	4,400,000
Madison Lake, City of-01st	11/01/95	02/20/17	0.000%	301,512	90,454	105,529
Madison Lake, City of-02nd	06/01/09	08/20/29	1.883%	320,500	307,000	240,322
Mahnomen, City of	08/07/08	08/20/27	1.786%	718,929	654,000	686,467
Mankato, City of-01st	05/21/98	08/20/19	3.070%	24,682,000	12,341,431	13,594,286

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund (continued):						
Mankato, City of-02nd	11/09/00	08/20/19	3.070%	678,000	370,000	405,000
Mankato, City of-03rd	06/13/09	08/20/29	1.882%	1,194,071	1,024,679	1,070,750
Mankato, City of-04th	10/01/10	08/20/30	1.656%	5,520,000	636,440	-
Mantorville, City of	08/18/10	08/20/30	1.802%	284,929	250,542	-
Martin County	08/11/09	08/20/29	1.000%	628,307	572,057	558,053
Mayer, City of	01/14/00	08/20/20	2.570%	689,274	395,000	429,000
Medford, City of	08/02/07	08/20/26	2.240%	1,355,197	1,250,000	1,315,197
Metropolitan Council-09th	10/03/97	08/20/17	3.405%	40,000,000	22,200,000	24,050,000
Metropolitan Council-10th	12/31/98	08/20/19	3.140%	60,000,000	38,310,000	41,310,000
Metropolitan Council-11th	07/27/00	08/20/20	3.757%	60,000,000	44,410,000	47,030,000
Metropolitan Council-12th	11/14/01	08/20/21	3.543%	75,000,000	57,000,000	59,000,000
Metropolitan Council-13th	12/20/02	02/20/22	3.383%	100,000,000	76,460,000	80,675,000
Metropolitan Council-14th	11/26/03	08/20/23	3.090%	100,000,000	83,000,000	87,500,000
Metropolitan Council-15th	10/31/03	02/20/16	0.000%	0	973,593	1,272,018
Metropolitan Council-16th	10/20/04	02/20/25	2.536%	50,000,000	35,000,000	37,000,000
Metropolitan Council-17th	11/10/05	02/20/25	2.840%	40,000,000	34,800,000	35,400,000
Metropolitan Council-18th	09/13/06	08/20/26	2.730%	50,000,000	42,500,000	44,500,000
Metropolitan Council-19th	10/11/07	08/20/27	3.181%	80,000,000	77,200,000	79,450,000
Metropolitan Council-20th	08/31/09	08/20/29	2.449%	30,588,750	30,205,000	21,287,495
Metropolitan Council-21st	09/22/09	08/20/29	2.830%	49,411,250	48,795,000	29,613,752
Metropolitan Council-22nd	01/12/11	08/20/30	1.767%	70,000,000	44,946,326	-
Middle River, City of	08/11/10	08/20/30	1.000%	224,669	44,765	-
Midway Township	09/28/10	08/20/30	1.000%	704,584	44,984	-
Minneota, City of	07/26/10	08/20/30	1.329%	864,500	817,481	-
Montevideo, City of	06/17/09	08/20/29	2.890%	10,379,466	8,292,768	7,065,041
Montgomery, City of	02/05/03	08/20/22	1.000%	8,507,628	5,544,998	5,977,998
Montrose, City of-02nd	08/27/02	08/20/22	2.740%	4,209,000	2,953,000	3,159,000
Montrose, City of-03rd	02/21/03	08/20/22	2.740%	1,566,000	1,084,000	1,159,000
Moorhead, City of-01st	09/23/94	02/20/15	4.100%	2,478,112	662,366	811,826
Moorhead, City of-02nd	05/23/95	08/20/16	4.100%	1,601,443	574,189	665,503
Moorhead, City of-03rd	09/29/97	02/20/18	3.290%	426,290	180,839	203,463
Moorhead, City of-04th	05/06/02	08/20/22	3.130%	3,389,288	2,308,000	2,465,000
Moorhead, City of-05th	06/21/04	08/20/23	1.980%	6,598,073	4,834,099	5,158,099
Moorhead, City of-06th	07/18/07	08/20/26	1.990%	12,407,226	11,495,511	11,836,222
Moose Lake, City of-01st	10/13/94	08/20/15	2.920%	2,250,000	625,428	753,676
Moose Lake, City of-02nd	02/25/97	08/20/15	2.845%	175,813	51,414	61,978
Moose Lake, City of-03rd	01/14/09	08/20/28	1.139%	2,962,416	2,788,000	2,927,000
Moose Lake, City of-04th	04/14/10	08/20/29	1.000%	4,260,248	529,708	223,625
Morgan, City of-01st	09/23/93	08/20/14	2.570%	131,280	28,044	35,608
Morgan, City of-02nd	09/30/94	02/20/16	2.570%	640,309	191,807	227,316
Morris, City of	10/19/93	02/20/15	3.320%	2,146,672	-	673,961
Morristown, City of	11/19/98	02/20/20	1.810%	1,229,797	608,367	670,083
Motley, City of	01/18/11	08/20/30	1.000%	2,800,000	2,185,023	-
Mountain Iron, City of	10/20/09	08/20/29	2.248%	599,250	575,000	599,250
Murray County	08/25/06	08/20/26	1.010%	10,568,836	8,794,381	9,383,058
New London, City of	06/15/11	08/20/30	1.000%	1,668,210	175,277	-
New Munich, City of	12/10/10	08/20/30	1.027%	702,473	515,343	-
New Prague, City of	12/01/08	08/20/28	3.127%	33,136,888	31,166,178	31,043,102
New Ulm, City of-02nd	06/19/07	08/20/26	2.650%	3,943,632	3,655,000	3,840,732
New York Mills, City of-01st	11/15/06	08/20/26	1.000%	3,563,645	3,109,000	3,287,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Clean Water Bond Fund (continued):						
New York Mills, City of-02nd	06/22/09	08/20/29	1.000%	130,134	124,000	92,979
New York Mills, City of-03rd	12/14/10	08/20/30	1.000%	99,331	78,143	-
Nicollet, City of	08/03/95	02/20/17	3.200%	1,260,000	464,740	533,984
Nisswa, City of-01st	08/10/90	02/20/12	3.670%	2,634,561	179,557	353,856
Nisswa, City of-02nd	05/02/00	08/20/19	2.020%	288,760	-	165,000
North Branch, City of	08/05/03	08/20/23	2.340%	11,500,000	8,470,000	8,470,000
North Mankato, City of-01st	11/25/97	02/20/19	3.405%	1,032,679	498,453	551,613
North Mankato, City of-02nd	09/30/99	08/20/19	3.140%	442,988	238,000	261,000
Northfield, City of	05/02/00	08/20/21	3.040%	18,390,072	11,624,000	12,503,000
Oak Grove, City of	04/01/10	08/20/29	1.694%	490,429	460,000	490,429
Olivia, City of	09/26/97	02/20/19	3.490%	1,122,092	541,590	599,438
Ortonville, City of	05/05/08	08/20/27	2.290%	553,407	422,429	446,429
Owatonna, City of	07/06/10	08/20/25	1.423%	7,929,333	7,929,333	-
Park Rapids, City of-01st	08/23/95	02/20/17	3.200%	11,203,311	-	4,747,766
Park Rapids, City of-02nd	12/31/97	02/20/17	3.200%	1,205,000	-	513,124
Pelican Rapids, City of-02nd	10/13/08	08/20/27	1.257%	6,152,869	5,159,482	5,352,829
Pemberton, City of	02/03/97	02/20/18	1.580%	372,136	143,718	162,989
Pillager, City of	11/21/91	02/20/13	2.530%	500,000	61,950	91,825
Pine Island, City of	07/14/92	08/20/13	3.480%	2,254,355	333,309	476,903
Pipestone, City of-02nd	04/04/11	08/20/30	2.063%	2,503,328	491,761	-
Plato, City of-01st	04/20/99	08/20/19	1.290%	107,025	52,000	57,000
Plato, City of-02nd	03/27/00	08/20/21	1.860%	857,047	509,000	550,000
Proctor, City of	07/26/07	08/20/22	1.240%	104,119	86,000	93,000
Ramsey Washington MWD-01st	06/13/97	08/20/17	3.824%	540,835	222,481	252,103
Ramsey Washington MWD-02nd	09/24/98	08/20/18	3.340%	711,431	328,751	366,733
Red Wing, City of-01st	12/20/96	08/20/17	3.824%	750,000	305,854	346,966
Red Wing, City of-02nd	12/02/97	02/20/18	3.405%	700,000	299,868	337,246
Red Wing, City of-03rd	05/22/98	08/20/18	3.340%	2,500,000	1,051,732	1,185,609
Red Wing, City of-04th	10/11/02	08/20/22	3.740%	1,494,594	1,038,000	1,106,000
Red Wing, City of-05th	08/24/04	08/20/24	2.340%	5,283,360	4,111,000	4,357,000
Redwood Falls, City of	12/11/96	08/20/17	2.490%	133,900	50,924	58,063
Renville, City of-01st	08/22/96	02/20/17	2.470%	794,818	280,118	322,936
Renville, City of-02nd	04/12/10	08/20/17	1.000%	712,962	559,487	397,387
Rice, City of	10/13/04	08/20/24	1.980%	1,153,293	879,000	933,000
Richmond, City of	11/01/06	08/20/26	1.000%	7,264,863	6,545,000	6,850,000
Rockford, City of	08/14/97	02/20/19	3.990%	1,694,279	797,994	883,584
Rockville, City of-01st	12/19/95	02/20/17	0.000%	869,580	260,874	304,353
Rockville, City of-02nd	04/22/04	08/20/24	1.340%	9,182,090	6,261,000	6,665,327
Rogers, City of-01st	08/03/92	08/20/13	3.200%	1,023,299	165,501	228,167
Rogers, City of-02nd	12/23/94	02/20/16	4.170%	2,710,873	897,702	1,056,179
Rollingstone, City of	04/12/00	08/20/20	2.790%	532,035	314,000	341,000
Roseau, City of-01st	05/09/94	08/20/14	2.990%	237,000	49,202	63,056
Roseau, City of-02nd	11/01/95	02/20/17	2.950%	950,000	345,263	397,149
Rush City, City of	03/05/99	08/20/19	1.040%	4,097,542	1,951,000	2,157,000
Rushford Village, City of	05/30/96	02/20/17	3.180%	168,403	60,796	70,031
Rushford, City of-01st	06/04/96	08/20/17	3.430%	1,101,488	442,605	502,441
Rushford, City of-02nd	03/28/11	08/20/30	1.077%	1,414,400	32,591	-
Rushmore, City of	10/03/05	08/20/24	1.210%	424,101	320,000	341,000
Russell, City of	08/08/90	02/20/12	2.920%	155,450	10,043	19,851
Sacred Heart, City of	07/17/97	08/20/18	1.580%	1,441,093	594,082	668,136

Program Borrower	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
	Loan	Maturity	Rate	Commitment	2011	2010
Clean Water Bond Fund (continued):						
Saint Augusta, City of-01st	09/02/03	08/20/23	2.090%	4,389,732	3,073,000	3,277,000
Saint Augusta, City of-02nd	10/06/10	08/20/40	1.000%	1,849,729	1,839,044	-
Saint Clair, City of	09/28/98	08/20/19	1.480%	2,653,226	1,222,531	1,356,548
Saint Cloud, City of-01st	07/23/97	08/20/18	3.630%	4,812,000	2,218,161	2,471,230
Saint Cloud, City of-02nd	04/06/10	08/20/30	1.771%	43,599,900	33,755,960	890,564
Saint Hilaire, City of-01st	03/27/98	02/20/19	2.250%	15,641	6,342	7,062
Saint Hilaire, City of-02nd	09/29/08	08/20/28	1.058%	807,912	738,591	649,359
Saint Hilaire, City of-03rd	06/22/09	08/20/29	1.000%	25,589	25,000	25,589
Saint James, City of-02nd	06/03/10	08/20/29	1.799%	7,157,954	5,526,334	330,448
Saint Michael, City of-02nd	01/28/00	08/20/19	3.540%	586,927	-	352,000
Saint Paul, City of-01st	08/23/93	08/20/14	2.570%	1,072,837	229,224	291,058
Saint Paul, City of-02nd	11/10/94	08/20/15	3.600%	600,000	174,412	209,526
Saint Paul, City of-03rd	12/20/95	08/20/16	3.200%	600,000	204,469	237,969
Saint Paul, City of-04th	06/21/96	02/20/17	2.880%	4,269,844	1,545,585	1,778,372
Saint Paul, City of-05th	01/17/97	02/20/18	3.820%	1,500,000	657,554	738,065
Saint Paul, City of-06th	01/13/98	02/20/19	3.250%	3,100,000	1,482,977	1,642,879
Saint Paul, City of-07th	02/18/99	08/20/19	2.790%	4,600,000	2,385,000	2,615,000
Saint Paul, City of-08th	09/12/00	08/20/20	3.870%	8,965,000	5,606,000	6,058,000
Saint Peter, City of-01st	12/29/00	08/20/21	2.040%	11,733,250	7,178,000	7,755,000
Saint Peter, City of-02nd	09/17/02	08/20/22	2.040%	7,260,850	3,603,000	3,866,000
Saint Peter, City of-03rd	12/15/03	08/20/22	3.480%	2,240,000	1,652,000	1,762,000
Sauk Centre, City of-01st	10/30/95	08/20/16	3.200%	1,407,000	479,586	558,138
Sauk Centre, City of-02nd	07/07/10	08/20/30	1.911%	7,058,050	5,367,346	-
Shafer, City of-01st	03/17/95	08/20/16	2.240%	174,000	55,756	65,190
Shafer, City of-02nd	09/24/02	08/20/23	1.630%	1,167,000	806,000	861,000
Sherburn, City of	11/18/10	08/20/30	1.000%	1,372,500	1,173,622	-
Shingobee Township	01/24/00	08/20/20	1.000%	60,240	30,000	33,000
Shorewood Park SD / Rush Lake S	12/19/95	02/20/17	0.000%	625,000	187,500	218,750
Silver Bay, City of	09/23/94	02/20/16	2.820%	1,490,796	454,217	537,675
Silver Creek Township-01st	03/23/99	08/20/20	2.290%	1,700,000	944,000	1,027,000
Skyline, City of	07/12/04	08/20/24	1.000%	1,179,511	809,140	872,241
Spring Lake Township-01st	06/11/01	08/20/21	1.290%	1,263,000	537,000	582,000
Spring Lake Township-02nd	11/22/04	08/20/24	1.000%	1,100,000	833,000	888,000
Springsteel Island SD	09/04/07	08/20/27	1.000%	811,946	727,148	782,510
Stewart, City of	10/02/98	02/20/19	1.000%	150,000	63,610	71,210
Sturgeon Lake, City of-01st	02/21/07	08/20/26	1.000%	4,495,958	4,345,000	4,425,000
Sturgeon Lake, City of-02nd	11/07/08	02/20/26	1.142%	669,849	599,000	544,225
Thief River Falls, City of	07/16/98	08/20/19	2.790%	925,525	455,909	502,833
Tracy, City of	06/30/00	08/20/20	2.110%	1,434,769	808,000	880,000
Trimont, City of	11/17/04	08/20/24	1.000%	1,699,869	1,285,000	1,370,000
Truman, City of	12/21/10	08/20/30	1.317%	417,500	360,434	-
Twin Lakes Township-01st	10/25/93	02/20/15	2.070%	1,165,729	-	336,368
Twin Lakes Township-02nd	08/17/01	08/20/21	1.640%	286,842	-	186,000
Two Harbors, City of	03/11/94	02/20/15	2.440%	2,200,000	528,372	652,868
Verndale, City of-01st	07/10/97	02/20/18	1.130%	155,809	58,395	66,371
Verndale, City of-02nd	06/18/09	08/20/29	1.393%	48,111	46,000	48,111
Verndale, City of-03rd	05/31/11	08/20/30	1.000%	339,300	61,249	-
Wabasha, City of	07/22/03	08/20/22	1.590%	5,866,644	4,089,000	4,396,000
Walker, City of	04/03/95	08/20/16	2.600%	2,182,510	715,537	835,061
Walnut Grove, City of (2)	04/15/93	02/20/14	0.604%	767,041	106,779	141,986

Program Borrower	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
	Loan	Maturity	Rate	Commitment	2011	2010
Clean Water Bond Fund (continued):						
Warren, City of	06/24/11	08/20/30	1.223%	362,774	-	-
Waseca, City of	07/10/09	08/20/29	2.627%	9,603,499	7,705,024	3,903,657
Watertown, City of	05/11/93	08/20/14	3.490%	3,300,000	751,549	950,680
Watkins, City of	01/03/07	08/20/25	1.270%	1,631,700	1,382,000	1,465,000
Waverly, City of	11/27/91	08/20/11	2.640%	623,933	19,753	58,479
Wells, City of	10/29/04	08/20/24	1.960%	1,560,000	1,205,000	1,279,000
West Concord, City of-01st	09/20/96	02/20/18	3.990%	281,777	124,515	139,674
West Concord, City of-02nd	06/10/04	08/20/24	1.000%	2,231,649	1,690,000	1,802,000
Western Lake Superior SD-01st	10/10/91	08/20/12	4.780%	5,078,000	665,008	1,082,877
Western Lake Superior SD-02nd	03/06/97	02/20/13	4.330%	4,400,000	762,089	1,119,337
Western Lake Superior SD-03rd	10/21/98	02/20/20	3.980%	4,517,000	2,473,353	2,697,856
Western Lake Superior SD-04th	09/02/99	08/20/14	3.560%	835,800	278,000	342,000
Western Lake Superior SD-05th	10/13/99	08/20/20	4.270%	21,053,000	13,056,000	14,086,000
Western Lake Superior SD-06th	10/06/00	08/20/21	4.870%	7,023,372	4,723,006	5,042,006
Western Lake Superior SD-07th	10/29/02	08/20/18	3.240%	3,149,184	1,884,000	2,087,000
Western Lake Superior SD-08th	07/17/06	08/20/21	2.820%	3,847,077	3,115,000	3,354,077
Western Lake Superior SD-09th	04/08/08	08/20/23	2.611%	2,367,407	2,085,000	2,219,407
Western Lake Superior SD-10th	06/16/09	08/20/24	2.700%	1,889,541	1,880,000	1,628,347
Western Lake Superior SD-11th	08/31/10	08/20/25	1.586%	151,866	151,866	-
Western Lake Superior SD-12th	08/31/10	08/20/25	1.591%	364,072	342,262	-
Western Lake Superior SD-13th	08/31/10	08/20/25	1.590%	678,748	480,811	-
Western Lake Superior SD-14th	08/31/10	08/20/25	1.589%	3,351,540	731,751	-
Wheaton, City of-01st	06/26/03	08/20/22	2.240%	2,505,000	1,715,000	1,838,000
Wheaton, City of-02nd	07/15/09	08/20/29	1.331%	1,623,390	1,550,390	1,383,151
Wheaton, City of-03rd	10/01/09	08/20/29	1.067%	878,761	837,761	863,543
Willmar, City of-01st	06/28/96	08/20/17	3.130%	4,300,000	1,697,597	1,929,891
Willmar, City of-02nd	09/09/08	08/20/28	3.275%	42,001,362	41,733,000	42,000,362
Willmar, City of-03rd	09/21/09	08/20/29	2.457%	1,711,867	1,642,151	1,240,690
Willmar, City of-04th	11/18/09	08/20/38	3.440%	36,238,638	26,330,030	18,115,204
Windom, City of-01st	01/26/94	02/20/14	2.440%	352,380	61,739	82,227
Windom, City of-02nd	05/17/94	08/20/15	2.710%	3,886,970	1,065,096	1,284,768
Windom, City of-03rd	12/20/95	02/20/11	2.450%	298,884	-	23,498
Winnebago, City of-02nd	06/27/11	08/20/30	1.247%	3,644,141	-	-
Woodland, City of	06/12/97	08/20/18	2.580%	698,775	262,330	297,360
Zimmerman, City of-03rd	04/09/99	08/20/20	2.040%	4,173,493	2,393,000	2,607,000
Zimmerman, City of-04th	10/05/09	08/20/29	2.368%	2,500,000	2,203,371	1,895,050
Clean Water Bond Fund				2,011,744,981	1,439,021,126	1,304,701,492

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Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Drinking Water Bond Fund:						
Ada, City of-01st	06/25/04	08/20/23	1.090%	2,380,000	1,684,000	1,804,000
Ada, City of-02nd	12/06/05	08/20/23	1.090%	264,245	204,000	219,000
Adrian, City of	10/30/98	08/20/18	3.320%	259,660	128,000	142,000
Albany, City of	05/17/06	08/20/25	1.960%	4,697,058	3,925,874	4,148,874
Alexandria, City of-01st	07/30/02	08/20/22	3.380%	1,050,117	721,000	769,000
Alexandria, City of-02nd	09/01/09	08/20/29	2.445%	3,768,480	3,310,529	2,625,152
Alvarado, City of	05/24/10	08/20/29	1.000%	662,133	583,109	310,737
Annandale, City of-01st	01/13/04	08/20/23	2.819%	3,273,194	2,327,000	2,474,000
Annandale, City of-02nd	05/31/11	08/20/30	1.959%	1,217,500	183,318	-
Argyle, City of	09/30/98	08/20/19	2.570%	229,655	120,000	132,000
Arlington, City of	02/21/03	08/20/17	2.990%	110,000	59,000	66,000
Askov, City of	09/30/98	08/20/19	1.000%	479,781	224,000	248,000
Atwater, City of	06/15/11	08/20/30	1.777%	964,000	104,533	-
Avon, City of	10/08/03	08/20/23	2.840%	666,554	377,680	402,287
Babbitt, City of	08/29/01	08/20/21	2.820%	1,316,806	827,000	890,000
Backus, City of	07/14/08	08/20/27	2.270%	164,195	151,000	128,995
Bagley, City of	08/10/04	08/20/23	1.730%	1,074,120	771,120	824,120
Barnum, City of	10/28/09	08/20/29	1.325%	841,135	644,003	74,553
Battle Lake, City of	06/18/03	08/20/22	1.490%	1,377,006	927,000	997,000
Baudette, City of-01st	11/09/04	08/20/24	2.460%	337,729	256,000	271,000
Baudette, City of-02nd	09/17/09	08/20/29	1.925%	750,760	473,296	282,247
Beardsley, City of	07/14/10	08/20/29	1.261%	111,100	111,100	-
Beaver Bay, City of	07/29/08	08/20/27	1.061%	869,658	781,233	826,233
Becker County	09/22/03	08/20/22	1.680%	135,430	91,000	98,000
Belgrade, City of	07/26/10	08/20/39	1.095%	699,000	405,860	-
Big Lake, City of	11/04/04	08/20/24	2.530%	9,111,996	6,763,000	7,161,996
Bird Island, City of	11/09/09	08/20/29	1.000%	150,632	142,905	94,462
Blue Earth, City of-01st	09/05/06	08/20/26	2.570%	305,456	258,000	271,000
Blue Earth, City of-02nd	03/19/07	08/20/26	2.400%	1,174,600	1,040,000	1,093,000
Braham, City of-01st	03/25/04	08/20/23	1.590%	1,468,370	1,050,000	1,122,000
Braham, City of-02nd	04/06/10	08/20/29	1.000%	1,015,970	888,193	507,310
Breitung Township-01st	11/01/01	08/20/21	2.070%	94,177	57,000	62,000
Breitung Township-02nd	12/16/02	08/20/22	2.490%	117,500	78,000	84,000
Brooten, City of	12/05/00	08/20/20	3.410%	373,401	217,000	235,000
Browerville, City of-01st	10/21/98	08/20/18	2.040%	213,876	100,000	111,000
Browerville, City of-02nd	06/10/10	08/20/29	1.000%	385,244	373,127	-
Brownton, City of	11/03/99	08/20/19	2.980%	188,100	102,000	112,000
Buffalo Lake, City of	08/18/99	08/20/19	2.540%	754,776	394,000	432,000
Butterfield, City of	02/11/02	08/20/21	2.070%	246,972	149,000	161,000
Callaway, City of	07/11/06	08/20/25	1.310%	375,811	303,000	321,000
Cambridge, City of	09/17/01	08/20/21	4.050%	2,080,000	1,364,000	1,461,000
Canby, City of-01st	11/10/98	08/20/18	1.790%	2,020,499	930,000	1,038,000
Canby, City of-02nd	07/20/10	08/20/39	1.088%	3,970,711	3,354,782	-
Cannon Falls, City of	06/27/01	08/20/21	4.070%	5,331,000	-	3,747,000
Carlton, City of	05/01/07	08/20/26	1.490%	1,567,709	1,372,000	1,447,000
Carver, City of	12/15/03	08/20/23	2.819%	2,522,966	1,780,000	1,892,000
Cass Lake, City of	05/20/03	08/20/22	1.990%	626,693	433,000	465,000
Chokio, City of	01/26/06	08/20/25	1.310%	704,658	558,658	594,658
Clara City, City of	11/13/01	08/20/21	2.320%	2,472,224	1,512,000	1,632,000
Claremont, City of	08/10/10	08/20/39	1.000%	137,893	102,341	-

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Drinking Water Bond Fund (continued):						
Clearwater, City of-01st	11/23/02	08/20/22	2.130%	667,320	435,000	466,000
Clearwater, City of-02nd	07/22/03	08/20/22	2.680%	183,957	127,000	136,000
Cloquet, City of	10/08/02	08/20/22	3.380%	1,913,773	1,303,768	1,390,768
Cokato, City of-01st	06/14/00	08/20/15	3.910%	613,137	270,000	318,000
Cokato, City of-02nd	01/13/04	08/20/23	3.180%	4,410,593	3,187,000	3,383,000
Coleraine, City of	12/12/02	08/20/22	2.380%	1,572,375	1,045,000	1,119,000
Comfrey, City of	10/16/98	08/20/18	2.040%	149,107	69,000	77,000
Cosmos, City of-01st	06/15/05	08/20/24	1.720%	912,706	696,706	740,706
Cosmos, City of-02nd	05/09/08	08/20/27	1.092%	515,815	463,299	489,299
Cosmos, City of-03rd	10/15/09	08/20/29	1.000%	243,200	204,213	210,183
Cromwell, City of	04/12/99	08/20/19	1.000%	62,361	32,000	35,000
Crosby, City of	07/12/10	08/20/39	1.107%	4,833,732	4,000,400	-
Dalton, City of-01st	04/14/03	08/20/22	2.680%	118,819	79,000	85,000
Dalton, City of-02nd	08/27/08	08/20/27	1.112%	115,950	105,000	111,000
Dassel, City of-01st	07/02/99	08/20/19	2.040%	1,768,142	918,000	1,010,000
Dassel, City of-02nd	10/06/08	08/20/28	1.016%	1,238,014	1,101,710	1,107,443
Dassel, City of-03rd	07/09/09	08/20/29	1.283%	352,662	340,481	326,744
Dawson, City of	09/20/02	08/20/22	3.320%	914,497	625,000	667,000
Dayton, City of-01st	08/16/00	08/20/20	3.750%	2,269,906	1,363,000	1,474,000
Dayton, City of-02nd	04/19/10	08/20/29	1.654%	750,449	747,449	698,267
Deer River, City of-01st	10/29/02	08/20/22	1.630%	303,062	195,000	210,000
Deer River, City of-02nd	08/10/09	08/20/29	1.000%	50,193	48,000	50,193
Detroit Lakes, City of	01/13/10	08/20/29	2.186%	2,100,745	2,057,698	1,596,179
Dover, City of	12/11/00	08/20/20	3.410%	464,776	273,000	296,000
Duluth, City of-01st	07/31/03	08/20/18	2.819%	970,000	576,000	639,000
Duluth, City of-02nd	07/02/04	08/20/18	2.530%	1,971,532	1,160,000	1,289,000
Duluth, City of-03rd	10/28/09	08/20/19	1.077%	1,698,450	1,508,363	1,294,285
Duluth, City of-04th	08/31/10	08/20/25	1.258%	1,371,653	920,481	-
Duluth, City of-05th	12/07/10	08/20/25	1.076%	3,534,265	1,201,292	-
Dumont, City of	05/05/10	08/20/39	1.000%	227,751	222,549	157,283
Eagle Bend, City of	08/17/09	08/20/28	1.850%	296,036	283,000	284,288
Eagle Lake, City of	10/07/10	08/20/30	1.643%	576,256	502,819	-
East Bethel, City of	02/17/10	08/20/29	1.000%	69,190	68,589	36,340
Eden Valley, City of-01st	08/21/00	08/20/20	3.160%	1,881,057	1,099,000	1,191,000
Eden Valley, City of-02nd	06/27/01	08/20/21	2.320%	644,890	396,000	427,000
Eden Valley, City of-03rd	10/13/09	08/20/29	1.000%	286,461	265,075	251,502
Edgerton, City of	07/11/02	08/20/22	3.380%	395,035	268,000	286,000
Elbow Lake, City of	07/07/09	08/20/39	1.567%	167,982	85,915	65,323
Elgin, City of	05/16/11	08/20/30	1.538%	973,695	256,904	-
Elizabeth, City of	07/17/07	08/20/26	1.000%	627,450	547,000	578,000
Ellendale, City of-01st	08/28/06	08/20/26	1.570%	1,628,000	1,384,000	1,460,000
Ellendale, City of-02nd	06/26/08	08/20/27	1.000%	1,113,204	1,003,696	1,057,696
Ely, City of	12/13/00	08/20/20	3.410%	1,177,302	694,000	751,000
Elysian, City of	09/18/03	08/20/23	1.990%	478,520	335,000	357,000
Evansville, City of	10/03/06	08/20/26	1.760%	131,203	110,000	116,000
Eveleth, City of	09/26/07	08/20/27	2.400%	2,086,370	1,829,000	1,916,089
Fairfax, City of	08/06/99	08/20/19	2.040%	1,265,806	654,000	720,000
Fertile, City of	01/27/03	08/20/22	1.130%	1,087,739	683,000	736,000
Finlayson, City of	11/28/00	08/20/20	1.910%	211,828	117,000	128,000
Fisher, City of	09/07/04	08/20/24	1.000%	2,077,920	1,496,000	1,595,000

Program Borrower	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
	Loan	Maturity	Rate	Commitment	2011	2010
Drinking Water Bond Fund (continued):						
Fosston, City of	07/11/05	08/20/24	1.470%	1,454,455	1,107,231	1,178,231
Frost, City of	01/09/06	08/20/25	1.310%	378,126	299,000	317,000
Fulda, City of	07/30/98	08/20/18	2.320%	503,117	228,000	254,000
Gilbert, City of	04/30/03	08/20/23	2.880%	157,764	113,000	120,000
Glenwood, City of-01st	05/30/00	08/20/19	1.980%	1,081,126	581,000	639,000
Glenwood, City of-02nd	11/09/04	08/20/24	2.210%	675,000	506,000	537,000
Glyndon, City of	10/29/02	08/20/22	2.380%	867,071	566,071	607,071
Goodview, City of	09/22/08	08/20/28	2.627%	4,277,500	3,926,817	4,098,817
Grand Marais, City of-01st	04/27/99	08/20/19	2.560%	484,112	258,000	283,000
Grand Marais, City of-02nd	08/11/04	02/20/24	2.530%	812,229	583,000	620,000
Grand Rapids, City of	01/03/00	08/20/19	3.040%	1,079,657	582,000	638,000
Greenbush, City of-01st	11/19/09	08/20/39	1.005%	1,459,111	1,412,476	1,459,111
Greenbush, City of-02nd	07/09/10	08/20/39	1.146%	817,590	769,795	-
Grove City, City of	07/08/08	08/20/27	1.258%	1,400,120	1,235,395	1,288,149
Hamburg, City of-01st	07/22/03	08/20/22	2.490%	225,640	155,000	166,000
Hamburg, City of-02nd	07/27/04	08/20/24	2.340%	950,709	708,000	750,000
Harris, City of-01st	10/26/99	08/20/19	3.290%	142,000	78,000	85,000
Harris, City of-02nd	08/29/06	08/20/26	1.535%	1,333,450	1,132,000	1,190,000
Hawley, City of-01st	06/27/01	08/20/21	3.320%	660,000	418,000	449,000
Hawley, City of-02nd	07/10/06	08/20/25	1.560%	2,565,987	2,092,000	2,215,000
Hawley, City of-03rd	06/17/08	08/20/27	1.290%	150,011	135,000	142,011
Hendrum, City of	10/12/10	08/20/30	1.000%	229,684	229,684	-
Henning, City of	12/06/05	08/20/25	1.000%	539,404	424,000	450,000
Hibbing, City of-01st	07/19/01	08/20/20	3.050%	1,434,777	867,000	940,000
Hibbing, City of-02nd	08/16/10	08/20/20	1.000%	948,350	787,844	-
Hinckley, City of-01st	11/17/00	08/20/20	4.160%	542,777	328,000	354,000
Hinckley, City of-02nd	10/05/01	08/20/21	2.820%	1,367,480	852,000	917,000
Hitterdal, City of	03/13/06	08/20/25	1.810%	157,957	129,000	136,000
Hoffman, City of-01st	08/14/04	08/20/24	1.480%	833,461	606,000	645,000
Hoffman, City of-02nd	07/06/09	08/20/29	1.384%	112,000	55,076	60,076
Howard Lake, City of-01st	10/13/99	08/20/19	3.060%	287,662	156,000	171,000
Howard Lake, City of-02nd	06/17/11	08/20/40	1.217%	2,059,069	446,564	-
Hutchinson, City of-01st	08/01/05	08/20/24	2.530%	5,696,371	3,030,371	3,030,371
Hutchinson, City of-02nd	08/07/06	08/20/25	2.629%	12,216,000	10,325,000	10,881,000
Ironton, City of	07/27/04	08/20/23	1.090%	405,300	287,300	307,300
Isanti, City of-01st	07/10/07	08/20/26	2.630%	965,000	848,000	890,000
Isanti, City of-02nd	10/07/08	08/20/28	3.042%	5,064,256	4,750,056	4,875,227
Isle, City of	05/18/11	08/20/30	1.482%	256,500	41,357	-
Jordan, City of-01st	11/05/98	08/20/18	3.540%	307,917	155,000	171,000
Jordan, City of-02nd	06/30/03	08/20/23	2.819%	1,052,939	752,000	799,000
Kandiyohi County-01st	08/18/99	08/20/19	3.540%	4,446,000	2,460,000	2,689,000
Kandiyohi County-02nd	12/29/99	08/20/19	3.540%	2,262,450	1,246,450	1,362,450
Kandiyohi County-03rd	11/30/00	08/20/20	3.540%	1,012,260	602,000	652,000
Kandiyohi County-04th	10/10/01	08/20/21	3.540%	233,000	148,000	159,000
Keewatin, City of	08/28/02	08/20/22	2.880%	500,000	340,000	363,000
Kenyon, City of	12/16/02	08/20/22	3.240%	224,000	68,000	78,000
Kiester, City of	10/15/01	08/20/21	3.070%	228,636	141,000	152,000
Lake Lillian, City of	09/13/06	08/20/26	1.000%	610,355	505,955	538,955
Lake Park, City of	09/08/03	08/20/23	2.090%	397,006	277,000	295,000
Lakefield, City of	09/26/02	08/20/22	2.880%	2,272,080	1,525,000	1,630,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Drinking Water Bond Fund (continued):						
Lamberton, City of	08/06/99	08/20/19	1.860%	262,182	89,000	98,000
Le Center, City of-01st	08/11/06	08/20/26	1.820%	3,470,601	2,956,000	3,114,001
Le Center, City of-02nd	08/14/07	08/20/27	1.650%	511,861	487,000	511,861
Lester Prairie, City of	06/14/11	08/20/30	1.780%	1,864,817	108,879	-
Lewiston, City of-01st	12/20/99	08/20/19	3.790%	312,934	172,000	188,000
Lewiston, City of-02nd	05/29/01	08/20/20	3.820%	270,000	168,000	182,000
Lismore, City of	08/17/01	08/20/21	2.570%	174,060	109,000	117,000
Litchfield, City of-PUC	05/24/99	08/20/19	3.540%	4,092,166	2,267,000	2,478,000
Littlefork, City of	07/28/99	08/20/19	1.810%	181,277	93,000	102,000
Long Prairie, City of	04/06/01	08/20/20	3.910%	1,098,586	678,000	733,000
Lonsdale, City of	06/09/11	08/20/30	1.756%	1,255,380	-	-
Loretto, City of	05/09/06	08/20/25	2.310%	761,704	643,000	678,000
Lyle, City of	06/27/00	08/20/20	3.000%	311,040	180,000	195,000
Madison Lake, City of-01st	05/17/10	08/20/29	1.858%	596,692	563,419	140,337
Mahnomen, City of	07/30/08	08/20/27	1.518%	390,054	359,000	377,000
Mankato, City of-01st	12/12/05	08/20/25	2.310%	2,309,300	1,865,300	1,968,300
Mankato, City of-02nd	04/09/07	08/20/26	2.630%	37,729,870	30,754,274	32,099,376
Maple Plain, City of	07/09/07	08/20/26	2.150%	3,468,767	3,051,767	3,216,767
Marble, City of	10/08/01	08/20/21	2.570%	128,210	79,000	85,000
Mayer, City of-01st	12/21/00	08/20/20	3.910%	347,000	209,000	226,000
Mayer, City of-02nd	08/28/06	08/20/26	2.070%	2,560,768	2,158,000	2,271,000
McIntosh, City of-01st	05/31/07	08/20/26	1.900%	222,736	194,000	204,000
McIntosh, City of-02nd	10/24/07	08/20/27	1.341%	858,730	760,000	799,000
Medford, City of	10/04/10	08/20/30	1.000%	2,825,000	2,335,771	-
Melrose, City of-02nd	04/13/99	08/20/19	3.480%	2,500,000	1,385,700	1,514,700
Milaca, City of	07/19/06	08/20/26	1.070%	3,060,114	2,557,000	2,703,000
Minneapolis, City of-01st	12/16/02	08/20/22	2.819%	27,400,000	23,000,000	24,000,000
Minneapolis, City of-02nd	02/26/04	08/20/23	2.800%	25,000,000	22,750,000	23,250,000
Minneapolis, City of-03rd	03/21/05	08/20/19	2.530%	12,500,000	11,525,000	11,675,000
Minneapolis, City of-04th	12/07/06	08/20/26	2.600%	13,500,000	12,375,000	12,750,000
Minneapolis, City of-05th	12/10/09	08/20/27	2.688%	21,959,908	15,731,953	2,005,333
Minneapolis, City of-06th	03/02/10	08/20/21	1.000%	7,055,000	5,861,225	4,932,911
Minnetrissa, City of	04/05/10	08/20/24	1.189%	719,813	659,847	342,892
Montevideo, City of	03/27/00	08/20/20	4.250%	1,658,080	1,005,000	1,084,000
Montgomery, City of-01st	09/18/03	08/20/23	3.180%	642,162	467,000	496,000
Montgomery, City of-02nd	05/24/04	08/20/23	2.840%	358,044	266,044	283,044
Montrose, City of	01/11/10	08/20/29	1.619%	426,000	408,043	410,068
Mora, City of	07/27/10	08/20/30	1.862%	1,627,300	1,542,550	-
Morgan, City of	06/21/99	08/20/19	2.480%	481,289	257,000	282,000
Morris, City of	10/26/99	08/20/19	2.540%	1,251,423	660,000	725,000
Mountain Lake, City of	09/16/03	08/20/23	1.430%	2,985,751	2,046,000	2,188,000
Nashwauk, City of	06/08/99	08/20/19	1.980%	966,092	503,000	554,000
New Auburn, City of	08/03/06	08/20/25	1.000%	1,069,002	626,000	664,000
New Hope, City of	03/22/10	08/20/29	1.703%	418,644	411,739	-
New London, City of	06/15/11	08/20/30	1.000%	850,825	94,165	-
New Prague, City of	10/15/02	08/20/22	3.630%	2,885,942	1,972,000	2,101,000
New Richland, City of	07/15/03	08/20/22	2.740%	1,327,522	910,522	975,522
New York Mills, City of-01st	06/09/09	08/20/28	1.296%	695,668	660,000	622,441
New York Mills, City of-02nd	09/23/10	08/20/30	1.000%	206,096	165,100	-
Nielsville, City of	12/06/04	08/20/24	1.210%	30,563	20,000	22,000

Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2011	2010
Drinking Water Bond Fund (continued):						
Northome, City of	03/04/04	08/20/23	1.730%	241,826	174,000	186,000
Norwood Young America, City of	07/21/10	08/20/39	2.461%	2,149,375	1,410,518	-
Onamia, City of	10/19/00	08/20/20	3.000%	420,000	244,000	265,000
Oronoco, City of	10/07/09	08/20/29	1.000%	1,508,922	1,152,061	918,215
Osakis, City of	01/14/03	08/20/22	2.920%	666,377	444,000	475,000
Ottertail, City of	01/14/03	08/20/22	1.170%	1,488,000	940,000	1,013,000
Park Rapids, City of	06/15/06	08/20/25	2.570%	859,259	712,000	750,000
Pelican Rapids, City of	10/13/08	08/20/28	2.351%	280,648	258,000	269,000
Perham, City of-01st	11/19/99	08/20/19	2.790%	606,790	324,000	355,000
Perham, City of-02nd	01/22/09	08/20/28	2.743%	2,422,209	2,301,136	2,328,789
Pine River, City of	09/20/02	08/20/22	1.630%	167,260	107,000	115,000
Plainview, City of	06/15/06	08/20/21	2.630%	807,893	630,000	679,000
Princeton, City of-PUC-01st	09/08/99	08/20/19	3.290%	670,000	367,000	402,000
Princeton, City of-PUC-02nd	06/10/04	08/20/23	2.530%	847,422	637,000	678,000
Red Lake Falls, City of	09/30/09	08/20/39	1.000%	360,901	348,819	301,783
Red Wing, City of	04/12/04	08/20/23	2.819%	15,283,450	11,283,000	11,994,000
Redwood Falls, City of	10/22/09	08/20/39	2.936%	6,526,070	5,735,447	756,614
Remer, City of	06/25/09	08/20/39	1.982%	79,748	78,000	71,879
Renville, City of	08/23/04	08/20/24	1.980%	266,453	198,000	210,000
Rock County-01st	09/30/99	08/20/19	1.790%	1,460,000	745,000	821,000
Rock County-02nd	04/03/07	08/20/26	1.020%	533,000	464,000	491,000
Rothsay, City of	11/04/03	08/20/23	1.990%	378,740	265,000	283,000
Royalton, City of	09/27/99	08/20/19	1.000%	458,452	219,000	242,000
Rush City, City of	03/05/99	08/20/18	1.540%	3,889,693	1,775,000	1,982,000
Rushford, City of-01st	09/10/99	08/20/19	3.040%	765,000	411,000	450,000
Rushford, City of-02nd	05/15/08	08/20/27	1.352%	1,212,760	1,189,000	1,203,000
Rushford, City of-03rd	06/29/10	08/20/29	1.000%	1,450,000	1,118,796	-
Sabin, City of	07/19/05	08/20/24	2.720%	871,267	678,267	717,267
Saint Augusta, City of	07/14/03	08/20/22	2.819%	1,849,591	1,309,000	1,400,000
Saint Bonifacius, City of	02/17/10	08/20/29	1.709%	664,864	662,899	428,381
Saint Clair, City of	08/20/07	08/20/26	1.900%	1,246,721	1,090,000	1,147,721
Saint Cloud, City of-01st	03/01/04	08/20/23	2.590%	1,381,672	1,017,672	1,082,672
Saint Cloud, City of-02nd	01/05/05	08/20/24	2.530%	2,527,278	1,925,350	2,039,350
Saint Cloud, City of-03rd	05/08/09	08/20/28	2.481%	7,015,400	5,858,069	5,905,504
Saint Cloud, City of-04th	08/24/10	08/20/30	1.656%	7,736,790	5,436,259	-
Saint Francis, City of	12/18/07	08/20/27	2.563%	9,013,468	8,447,000	8,728,660
Saint James, City of-01st	01/08/02	08/20/21	3.570%	2,230,000	1,435,000	1,540,000
Saint James, City of-02nd	05/19/10	08/20/29	2.104%	1,088,699	1,077,952	624,315
Saint Paul, City of-01st	11/05/98	12/01/18	3.480%	16,500,000	-	7,395,000
Saint Paul, City of-02nd	07/13/10	12/01/30	1.963%	5,960,000	1,100,448	-
Saint Paul, City of-03rd	07/13/10	12/01/30	1.962%	23,107,000	5,627,267	-
Saint Peter, City of-01st	03/12/09	08/20/28	2.482%	1,509,483	1,320,936	1,298,323
Saint Peter, City of-02nd	08/28/09	08/20/29	2.745%	16,731,458	15,341,874	8,359,585
Saint Peter, City of-03rd	03/29/10	08/20/29	1.710%	896,750	839,729	24,429
Sandstone, City of	07/28/99	08/20/19	2.110%	401,331	209,000	230,000
Sauk Centre, City of	11/05/98	08/20/18	3.540%	2,121,231	1,065,000	1,179,000
Savage, City of	08/06/99	08/20/19	3.620%	8,984,395	4,979,395	5,440,395
Sebeka, City of	10/15/02	08/20/22	1.130%	262,242	167,942	180,942
Silver Bay, City of-01st	11/19/98	08/20/18	2.560%	642,000	308,000	342,000
Silver Bay, City of-02nd	06/04/07	08/20/26	1.650%	726,450	638,000	673,000

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Drinking Water Bond Fund (continued):						
Sleepy Eye, City of	08/11/09	08/20/29	2.550%	3,592,533	3,445,533	2,410,657
South Saint Paul, City of	02/16/10	08/20/29	1.709%	2,801,051	2,355,266	1,936,766
Spring Lake Park, City of	07/08/03	08/20/23	2.819%	3,846,216	2,705,000	2,875,000
Staples, City of	03/24/03	08/20/22	1.490%	1,400,000	933,000	1,003,000
Stewart, City of	08/08/05	08/20/24	2.220%	719,342	558,000	592,000
Sturgeon Lake, City of-01st	03/10/05	08/20/24	1.220%	2,476,541	1,884,541	2,007,541
Sturgeon Lake, City of-02nd	03/02/06	08/20/24	1.220%	248,165	196,165	209,165
Swanville, City of	07/07/09	08/20/29	1.544%	647,312	620,000	647,312
Taylor Falls, City of	08/28/07	08/20/26	1.150%	1,015,254	982,000	1,003,323
Thomson, City of	09/08/03	08/20/23	2.680%	105,104	46,000	49,000
Tower, City of	01/20/00	08/20/19	1.860%	892,659	454,000	500,000
Trosky, City of	11/03/99	08/20/19	3.290%	131,670	71,000	78,000
Two Harbors, City of-01st	06/30/99	08/20/19	3.040%	835,000	454,000	497,000
Two Harbors, City of-02nd	12/21/09	08/20/29	2.528%	2,387,496	1,891,216	-
Two Harbors, City of-03rd	05/11/10	08/20/29	1.665%	2,262,255	1,599,182	-
Tyler, City of	06/15/11	08/20/40	1.000%	5,196,397	444,775	-
Underwood, City of	11/13/01	08/20/21	2.570%	660,878	397,000	428,000
Utica, City of	09/19/01	08/20/21	2.070%	173,000	106,000	114,000
Verndale, City of-01st	12/18/98	08/20/18	1.310%	75,572	32,000	36,000
Verndale, City of-02nd	06/18/09	08/20/29	2.056%	190,933	182,000	190,933
Virginia, City of	11/08/99	08/20/19	3.040%	6,127,973	3,319,000	3,636,000
Wadena, City of	07/30/02	08/20/22	2.670%	2,617,891	1,759,000	1,882,000
Walker, City of	08/18/99	08/20/19	1.810%	1,877,758	958,000	1,055,000
Wanamingo, City of	08/29/01	08/20/21	1.810%	1,660,000	1,005,000	1,087,000
Warren, City of	06/24/11	08/20/30	1.000%	394,424	-	-
Watertown, City of	12/27/01	08/20/21	3.570%	2,456,978	1,582,000	1,697,000
West Concord, City of	10/09/03	08/20/23	2.819%	234,105	168,000	179,000
Wilmont, City of	07/20/10	08/20/39	1.052%	727,376	681,841	-
Windom, City of-01st	03/12/99	08/20/18	2.570%	3,151,838	1,036,440	1,204,440
Windom, City of-02nd	06/28/99	08/20/19	2.290%	1,319,714	692,000	761,000
Winnebago, City of	09/19/00	08/20/20	2.160%	1,910,364	1,072,000	1,167,000
Winsted, City of	03/06/06	08/20/25	2.560%	573,926	475,000	501,000
Wrenshall, City of	01/21/10	08/20/29	1.000%	420,000	375,617	117,741
Wykoff, City of-01st	05/10/04	08/20/23	2.340%	278,806	205,000	218,000
Wykoff, City of-02nd	05/14/07	08/20/26	1.400%	470,195	409,000	432,000
Zimmerman, City of	01/08/07	08/20/26	2.520%	2,009,068	1,700,000	1,786,000
Drinking Water Bond Fund				599,458,009	416,336,222	372,335,238

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Program	Date of	Final	Interest	Loan	Outstanding Principal at June 30,	
Borrower	Loan	Maturity	Rate	Commitment	2011	2010
Transportation Bond Fund:						
Transportation Bond Fund Series 1999A / 2010-T1:						
Metropolitan Council-1999A	03/12/99	02/15/20	2.710%	21,025,000	3,300,000	3,620,000
Transportation Bond Fund Series 2001 / 2010-T2:						
Benton County	10/23/01	08/20/11	2.150%	469,000	52,000	103,000
Mazeppa, City of	10/26/99	08/20/14	2.480%	535,000	167,000	206,000
Newport, City of	11/28/01	08/20/15	1.390%	1,625,600	597,000	712,000
Ramsey County-01st	05/04/01	08/20/30	3.590%	6,872,000	5,522,000	5,712,000
Robbinsdale, City of	10/23/01	08/20/12	2.290%	927,843	215,000	319,000
Rochester, City of	11/14/01	08/20/21	2.830%	2,500,000	1,606,000	1,729,000
Waite Park, City of	06/27/01	08/20/21	3.190%	2,100,000	1,316,000	1,414,000
Woodbury, City of-01st	06/28/01	08/20/17	2.700%	13,049,400	3,792,049	5,037,090
Transportation Bond Fund Series 2001 / 2010-T2				28,078,843	13,267,049	15,232,090
Transportation Bond Fund Series 2006A:						
Stearns County	12/12/06	02/20/20	2.346%	10,240,155	5,205,000	5,665,000
Transportation Bond Fund Series 2008A:						
Metropolitan Council-2008A	01/24/08	02/15/18	1.794%	10,000,000	6,300,000	7,160,000
Other Fund:						
Transportation Revolving Loan Fund Direct Loans:						
Big Lake, City of	03/10/10	08/20/29	1.726%	2,465,000	1,730,258	-
East Grand Forks, City of	11/06/08	08/20/38	3.645%	3,467,000	3,403,899	1,497,089
Elk River, City of	07/07/08	08/20/13	1.311%	2,431,500	1,477,000	1,877,756
Hubbard County	09/25/07	08/20/18	2.477%	1,780,163	1,300,000	1,461,163
Jeffers, City of	04/12/10	08/20/29	1.660%	329,687	329,687	-
MN Dept of Transportation-01st	04/18/00	12/01/10	3.490%	15,000,000	-	696,320
MN Dept of Transportation-02nd	01/02/02	12/01/16	2.550%	24,200,000	10,770,929	12,428,558
MN Dept of Transportation-04th	11/19/06	12/01/21	2.210%	3,030,150	2,085,805	2,252,035
MN Dept of Transportation-05th	01/29/09	12/01/28	2.600%	3,100,837	2,818,830	2,950,112
MN Dept of Transportation-06th	12/04/08	12/01/28	3.229%	2,325,000	2,152,873	2,240,817
MN Dept of Transportation-07th	12/04/08	12/01/28	3.230%	1,078,587	989,844	807,786
Minnetonka, City of	11/08/10	08/20/40	2.129%	5,000,000	-	-
Pennington County	08/29/01	08/20/21	3.140%	1,731,285	1,069,000	1,149,000
Pine County-01st	05/29/01	08/20/16	3.000%	1,434,459	551,000	633,000
Rochester, City of	11/05/08	08/20/28	3.415%	2,500,000	2,322,000	2,414,000
Woodbury, City of-02nd	06/28/01	08/20/15	2.690%	4,589,700	1,125,000	1,755,000
Transportation Revolving Loan Fund Direct Loans				74,463,367	32,126,124	32,162,635

Program Borrower	Date of Loan	Final Maturity	Interest Rate	Loan Commitment	Outstanding Principal at June 30,	
					2011	2010
Other Fund (continued):						
Wastewater Infrastructure (Wif) Loans:						
Alborn Township	07/07/08	02/20/40	0.000%	480,000	446,321	446,321
Alexandria Lake Area Service Reg	08/13/07	08/20/30	0.000%	842,770	842,770	842,770
Brooten, City of	08/27/07	02/20/32	0.000%	419,503	419,503	419,503
Chisago Lakes JSTC-02nd	07/20/06	02/20/27	0.000%	236,319	236,319	236,319
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
Litchfield, City of-02nd	09/01/09	08/20/42	0.000%	6,000,000	6,000,000	5,637,079
Madelia, City of-02nd	11/14/06	02/20/27	0.000%	89,587	89,587	89,587
Moose Lake, City of-04th	04/14/10	08/20/31	0.000%	422,641	422,641	188,570
Murray County	08/25/06	02/20/32	0.000%	3,589,451	3,589,451	3,589,451
Renville, City of-02nd	04/12/10	08/20/37	0.000%	3,414,622	2,679,156	132,210
Richmond, City of	12/21/06	08/20/29	0.000%	1,051,299	1,051,299	1,051,299
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	0.000%	282,304	282,304	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	6,990,500	6,516,936
Wastewater Infrastructure (WIF) Loans				28,288,639	27,509,994	23,772,741
Small Community Wastewater Loans:						
Doran, City of	02/22/11	08/20/22	1.000%	35,000	30,817	-
Forest City Township	08/20/10	08/20/20	1.000%	57,326	43,268	-
Red Rock Township	07/07/10	08/20/26	1.000%	148,186	146,755	-
Taopi, City of	06/28/07	08/20/18	1.000%	135,411	85,735	98,735
Small Community Wastewater Loans:				375,923	306,575	98,735
Special Appropriation Direct Loans:						
Stewart, City of	04/22/02	08/20/21	1.000%	1,000,000	610,000	662,000
MPFA Totals				<u>\$ 2,784,674,918</u>	<u>\$ 1,943,982,090</u>	<u>\$ 1,765,409,931</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 five percent of the Clean Water loan portfolio. At June 30, 2011 and 2010, the Metropolitan Council made up 44.2% and 45.1%, respectively, of the outstanding Clean Water loan balances.

Borrower concentration, Drinking Water Bond Fund: only two borrower's loan balances exceed five percent of the Drinking Water loan portfolio. At June 30, 2011 and 2010, the City of Minneapolis made up 21.9% and 21.1%, respectively, of the outstanding Drinking Water loan balances, and the City of Mankato made up 7.8% and 9.2%.

Projected loan repayments:

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

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

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

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Schedules of Future Loan Repayments – At June 30, 2011, 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
2012	34,865,443	97,378,032	9,775,866	23,191,398
2013	35,934,539	85,164,277	10,140,586	24,700,709
2014	33,749,628	86,264,213	9,646,900	25,477,000
2015	31,452,636	92,567,021	9,034,831	25,944,000
2016	28,985,405	98,252,107	8,399,968	27,935,000
2017 - 2021	102,699,120	546,312,478	31,224,323	156,013,985
2022 - 2026	41,163,482	363,885,378	13,783,445	125,170,140
2027 - 2031	9,919,289	158,064,157	3,029,616	56,817,631
2032 - 2036	2,086,064	14,179,789	673,752	6,026,000
2037 - 2041	365,752	8,411,000	179,721	5,261,476
2042 - 2046				
	<u>\$ 321,221,358</u>	<u>\$ 1,550,478,452</u>	<u>\$ 95,889,008</u>	<u>\$ 476,537,339</u>
Less: undisbursed loan commitments:		<u>111,457,326</u>		<u>60,201,117</u>
Outstanding principal:		<u><u>\$ 1,439,021,126</u></u>		<u><u>\$ 416,336,222</u></u>

Fiscal Year(s) Ending	TBF Series 1999A / 2010-T1		TBF Series 2001/ 2010-T2	
	Interest	Principal	Interest	Principal
2012	83,433	330,000	379,582	1,994,049
2013	1,423	335,000	334,742	1,309,000
2014	4,225	345,000	301,129	1,131,000
2015	2,175	355,000	269,733	1,125,000
2016	399	365,000	238,917	1,080,000
2017 - 2021	15,677	1,570,000	858,822	3,095,000
2022 - 2026			455,035	1,781,000
2027 - 2031			161,514	1,752,000
2032 - 2036				
2037 - 2041				
2042 - 2046				
	<u>\$ 107,332</u>	<u>\$ 3,300,000</u>	<u>\$ 2,999,474</u>	<u>\$ 13,267,049</u>
Less: undisbursed loan commitments:				
Outstanding principal:		<u><u>\$ 3,300,000</u></u>		<u><u>\$ 13,267,049</u></u>

Scheduled future loan repayments (continued):

Fiscal Year(s) Ending	TBF Series 2006A		TBF Series 2008A	
	Interest	Principal	Interest	Principal
2012	121,582	475,000	112,035	880,000
2013	110,438	485,000	96,293	895,000
2014	99,119	505,000	80,282	910,000
2015	87,330	515,000	64,001	935,000
2016	75,307	530,000	47,317	950,000
2017 - 2021	155,423	2,695,000	43,639	1,730,000
2022 - 2026				
2027 - 2031				
2032 - 2036				
2037 - 2041				
2042 - 2046				
	\$ 649,198	\$ 5,205,000	\$ 443,567	\$ 6,300,000

Less: undisbursed loan commitments:

Outstanding principal:	\$ 5,205,000	\$ 6,300,000
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Fiscal Year(s) Ending	Other - Nonpledged		MPFA Totals	
	Interest	Principal	Interest	Principal
2012	918,438	3,545,735	46,256,378	127,794,215
2013	935,668	3,632,166	47,553,690	116,521,153
2014	838,671	3,865,990	44,719,952	118,498,203
2015	741,027	3,464,013	41,651,733	124,905,035
2016	643,855	3,563,968	38,391,167	132,676,075
2017 - 2021	2,195,663	8,852,466	137,192,667	720,268,929
2022 - 2026	1,377,713	6,272,716	56,779,675	497,109,234
2027 - 2031	707,408	21,498,376	13,817,827	238,132,163
2032 - 2036	351,398	7,554,677	3,111,213	27,760,467
2037 - 2041	91,738	4,303,322	637,211	17,975,798
2042 - 2046	-	595,000	-	595,000
	\$ 8,801,578	\$ 67,148,430	\$ 430,111,514	\$ 2,122,236,271

Less: undisbursed loan commitments:

Outstanding principal:	\$ 60,552,693	\$ 1,943,982,090
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4 *Bonds Payable*

Bonds payable at June 30, 2011 and 2010 consist of:

Series	Interest Rates	Date Issued	Final Maturity ¹	Original Principal	Outstanding Principal, June 30	
					2011	2010
Clean Water						
Thirteen series of bonds no longer outstanding:				1,002,962,117	-	-
2002A	3.00 - 5.25	12/19/02	03/01/21	100,000,000	16,500,000	20,750,000
2004BC	3.00 - 5.25	10/21/04	03/01/24	218,000,000	73,600,000	84,600,000
2004D	3.25 - 5.00	12/02/04	03/01/16	101,000,000	80,970,000	91,890,000
2005B	3.00 - 5.00	10/20/05	03/01/21	148,375,000	145,405,000	147,365,000
2005C	5.00	12/07/05	03/01/25	134,000,000	18,500,000	26,500,000
2007A	4.00 - 5.00	07/11/07	03/01/27	90,000,000	20,500,000	21,250,000
2007B	4.00 - 5.00	10/25/07	03/01/28	80,000,000	53,000,000	53,400,000
2010A	2.00 - 5.00	04/01/10	03/01/27	310,065,000	308,210,000	310,065,000
2010B_cw	4.25 - 5.25	04/01/10	03/01/28	20,990,000	20,990,000	20,990,000
2010C_cw	3.25 - 5.00	11/18/10	03/01/26	140,000,000	140,000,000	
2010D_cw	4.77 - 4.90	11/18/10	03/01/31	63,700,000	63,700,000	
Clean Water bonds				2,409,092,117	941,375,000	776,810,000
Plus: Remaining unamortized net premium (discount)					81,258,561	73,846,305
Less: Unamortized portion of the amount deferred in refunding ²					(29,417,175)	(34,009,012)
Net bonds payable reflected on the statement of net assets					993,216,386	816,647,293
Drinking Water						
1999B	4.60 - 5.125	07/14/99	03/01/19	21,500,000		
2002B	2.00 - 5.25	12/19/02	03/01/21	50,000,000	7,500,000	10,000,000
2004A	2.00 - 5.00	03/04/04	03/01/24	53,000,000	45,700,000	47,400,000
2005A	2.00 - 5.00	10/20/05	03/01/25	83,365,000	73,950,000	76,830,000
2010B_dw	4.25 - 5.25	04/01/10	03/01/28	12,050,000	12,050,000	12,050,000
2010C_dw	3.25 - 5.00	11/18/10	03/01/26	60,000,000	60,000,000	
2010D_dw	4.77 - 4.90	11/18/10	03/01/31	27,300,000	27,300,000	
Drinking Water bonds				307,215,000	226,500,000	146,280,000
Plus: Remaining unamortized net premium (discount)					9,508,299	3,152,996
Less: Unamortized portion of the amount deferred in refunding ²					(809,021)	(940,617)
Net bonds payable reflected on the statement of net assets					235,199,278	148,492,379
Transportation Series 1999A						
1999A	4.00 - 4.75	03/18/99	03/01/20	17,080,000	-	2,940,000
Plus: Remaining unamortized net premium (discount)					-	(15,082)
Net bonds payable reflected on the statement of net assets					-	2,924,918
Transportation Series 2001						
2001	3.50 - 5.00	12/13/01	03/01/21	20,450,000	-	8,865,000
Plus: Remaining unamortized net premium (discount)					-	31,749
Net bonds payable reflected on the statement of net assets					-	8,896,749

Bonds payable (continued):

Series	Interest Rates	Date Issued	Final Maturity ¹	Original Principal	Outstanding Principal, June 30	
					2011	2010
Transportation Series 2006A						
2006A	3.75 - 4.00	12/20/06	03/01/20	8,900,000	4,660,000	5,050,000
Plus: Remaining unamortized net premium (discount)					22,973	30,267
Net bonds payable reflected on the statement of net assets					4,682,973	5,080,267
Transportation Series 2008A						
2008A	3.50 - 4.00	01/24/08	03/01/18	7,700,000	4,940,000	5,560,000
Plus: Remaining unamortized net premium (discount)					81,349	105,629
Net bonds payable reflected on the statement of net assets					5,021,349	5,665,629
Transportation Series 2010-T1						
2010-T1	2.00 - 3.00	11/18/10	03/01/20	2,945,000	2,650,000	
Plus: Remaining unamortized net premium (discount)					67,453	
Less: Unamortized portion of the amount deferred in refunding ²					(36,487)	
Net bonds payable reflected on the statement of net assets					2,680,966	-
Transportation Series 2010-T2						
2010-T2	3.00	11/18/10	03/01/21	5,370,000	5,370,000	
Plus: Remaining unamortized net premium (discount)					231,246	
Less: Unamortized portion of the amount deferred in refunding ²					(25,648)	
Net bonds payable reflected on the statement of net assets					5,575,598	-
Transportation Bond Fund totals				62,445,000	17,620,000	22,415,000
Plus: Remaining unamortized net premium (discount)					403,021	152,564
Less: Unamortized portion of the amount deferred in refunding ²					(62,135)	-
					17,960,886	22,567,564
MPFA Totals						
Original and outstanding principal				2,778,752,117	1,185,495,000	945,505,000
Plus: Remaining unamortized net premium (discount)					91,169,880	77,151,865
Less: Unamortized portion of the amount deferred in refunding ²					(30,288,331)	(34,949,629)
Net bonds payable reflected on the statement of net assets					1,246,376,549	987,707,236

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. See *Advanced and Current Refunding of Debt* below for information on use of proceeds for refundings.

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

Bonding Authority - The Authority bonds do not constitute a debt of the State of Minnesota or any agency or political subdivision thereof (other than the Authority). The Authority's outstanding debt limit is \$1,500,000,000. The principal amount of bonds outstanding at June 30, 2011 was \$1,185,495,000.

Advanced and Current Refunding of Debt - The Authority has, on eleven occasions to date, issued bonds the partial proceeds of which were used to defease or call certain prior debt issuances. In each case of defeasance, the Authority established an irrevocable escrow fund pursuant to an escrow agreement between the Authority, the Minnesota State Board of Investment, and an escrow agent. The escrow funds are pledged solely to the repayment of principal, premium, and interest on the refunded bonds. Under the agreements, the refunded bonds will be called for redemption at each series' applicable optional redemption dates. As these bonds have, in effect, been redeemed under the defeasance, they are no longer outstanding under the Authority's applicable bond resolutions and therefore, they are not entitled to the pledge of the applicable resolution. Accordingly, these bonds and the related escrow funds are not reflected in these basic financial statements as of June 30, 2011.

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

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

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

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

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

The following table lists all bonds defeased and not yet redeemed as of June 30, 2011:

CUSIP #	Series	Maturity	Call Date	Refunded 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
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
604114NV6	2004C	03/01/17	03/01/14	04/01/10	3,500,000
604114NW4	2004C	03/01/18	03/01/14	04/01/10	4,000,000
604114NX2	2004C	03/01/19	03/01/14	04/01/10	3,000,000
604114NY0	2004C	03/01/20	03/01/14	04/01/10	18,000,000
604114NZ7	2004C	03/01/21	03/01/14	04/01/10	24,000,000
604114PA0	2004C	03/01/22	03/01/14	04/01/10	30,000,000
604114PB8	2004C	03/01/23	03/01/14	04/01/10	17,000,000
604114PC6	2004C	03/01/24	03/01/14	04/01/10	10,500,000
604114RC4	2005C	03/01/18	03/01/15	04/01/10	8,000,000
604114RD2	2005C	03/01/19	03/01/15	04/01/10	9,000,000
604114RE0	2005C	03/01/20	03/01/15	04/01/10	8,000,000
604114RF7	2005C	03/01/21	03/01/15	04/01/10	8,000,000
604114RG5	2005C	03/01/22	03/01/15	04/01/10	6,000,000
604114RH3	2005C	03/01/23	03/01/15	04/01/10	5,000,000
604114RJ9	2005C	03/01/24	03/01/15	04/01/10	5,000,000
604114RK6	2005C	03/01/25	03/01/15	04/01/10	7,000,000
60411KAN2	2007A	03/01/20	03/01/17	04/01/10	5,000,000
60411KAP7	2007A	03/01/21	03/01/17	04/01/10	5,000,000
60411KAQ5	2007A	03/01/22	03/01/17	04/01/10	6,000,000
60411KAR3	2007A	03/01/23	03/01/17	04/01/10	7,000,000
60411KAS1	2007A	03/01/24	03/01/17	04/01/10	8,000,000
60411KAT9	2007A	03/01/25	03/01/17	04/01/10	12,000,000
60411KAU6	2007A	03/01/26	03/01/17	04/01/10	13,000,000
60411KAV4	2007A	03/01/27	03/01/17	04/01/10	12,000,000
60411KBH4	2007B	03/01/20	03/01/17	04/01/10	7,500,000
60411KBJ0	2007B	03/01/21	03/01/17	04/01/10	7,500,000
60411KBK7	2007B	03/01/22	03/01/17	04/01/10	6,500,000
60411KBN1	2007B	03/01/25	03/01/17	04/01/10	5,000,000
					\$345,500,000

Schedule of Maturities - At June 30, 2011 debt service on outstanding bonds is payable as follows:

Fiscal Year(s)	Clean Water		Drinking Water					
	Ending	Interest	Principal	Interest	Principal			
2012	\$	46,412,467	\$	56,305,000	\$	10,533,563	\$	11,335,000
2013		43,726,704		57,290,000		10,068,869		11,220,000
2014		40,936,304		59,750,000		9,554,969		12,050,000
2015		37,941,804		63,020,000		8,968,219		12,525,000
2016		34,746,804		68,945,000		8,363,969		12,775,000
2017 - 2021		123,059,133		344,680,000		31,585,408		76,530,000
2022 - 2026		47,833,150		198,835,000		14,152,051		59,805,000
2027 - 2031		10,535,219		92,550,000		3,795,341		30,260,000
	\$	385,191,584	\$	941,375,000	\$	97,022,388	\$	226,500,000
Plus: Remaining premium				81,258,561				9,508,299
Less: Remaining refunding deferrals				(29,417,175)				(809,021)
Net bonds payable				<u>\$ 993,216,386</u>				<u>\$ 235,199,278</u>

Fiscal Year(s)	TBF Series 2006A		TBF Series 2008A					
	Ending	Interest	Principal	Interest	Principal			
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		135,000		460,000		113,150		730,000
2016		116,600		485,000		87,600		760,000
2017 - 2021		231,200		2,430,000		82,800		1,430,000
2022 - 2026		-		-		-		-
2027 - 2031		-		-		-		-
	\$	985,675	\$	4,660,000	\$	766,150	\$	4,940,000
Plus: Remaining premium				22,973				81,349
Less: Remaining refunding deferrals								
Net bonds payable				<u>\$ 4,682,973</u>				<u>\$ 5,021,349</u>

Schedule of revenue bond maturities (continued):

Fiscal Year(s) Ending	TBF Series 2010-T1		TBF Series 2010-T2	
	Interest	Principal	Interest	Principal
2012	\$ 60,263	\$ 330,000	\$ 161,100	\$ 1,030,000
2013	53,663	250,000	130,200	695,000
2014	48,663	265,000	109,350	610,000
2015	43,363	275,000	91,050	610,000
2016	37,863	280,000	72,750	590,000
2017 - 2021	88,175	1,250,000	157,200	1,835,000
2022 - 2026	-	-	-	-
2027 - 2031	-	-	-	-
	<u>\$ 331,988</u>	<u>\$ 2,650,000</u>	<u>\$ 721,650</u>	<u>\$ 5,370,000</u>
Plus: Remaining premium		67,453		231,246
Less: Remaining refunding deferrals		(36,487)		(25,648)
Net bonds payable		<u>\$ 2,680,966</u>		<u>\$ 5,575,598</u>

Fiscal Year(s) Ending	MPFA Totals	
	Interest	Principal
2012	\$ 57,534,429	\$ 70,060,000
2013	54,308,348	70,550,000
2014	50,938,811	73,825,000
2015	47,292,586	77,620,000
2016	43,425,586	83,835,000
2017 - 2021	155,203,915	428,155,000
2022 - 2026	61,985,201	258,640,000
2027 - 2031	14,330,560	122,810,000
	<u>\$ 485,019,435</u>	<u>\$ 1,185,495,000</u>
Plus: Remaining premium		91,169,880
Less: Remaining refunding deferrals		(30,288,331)
Net bonds payable		<u>\$ 1,246,376,549</u>

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2011:

Bond Fund	Beginning	New	Redemptions	Defeased	Ending
	Balance (par)	Issues (par)			Balance (par)
CWBF	\$ 776,810,000	\$ 203,700,000	\$ (39,135,000)	\$ -	\$ 941,375,000
DWBF	146,280,000	87,300,000	(7,080,000)		226,500,000
TR-1999A	2,940,000		(2,940,000)		-
TR-2001	8,865,000		(8,865,000)		-
TR-2006A	5,050,000		(390,000)		4,660,000
TR-2008A	5,560,000		(620,000)		4,940,000
TR-2010-T1	-	2,945,000	(295,000)		2,650,000
TR-2010-T2	-	5,370,000	-		5,370,000
Totals	\$ 945,505,000	\$ 299,315,000	\$ (59,325,000)	\$ -	\$ 1,185,495,000
plus: remaining unamortized premium					91,169,880
less: unamortized portion of the amount deferred in refunding					(30,288,331)
					<u>\$ 1,246,376,549</u>

Table of changes during the fiscal year: The following table summarizes the change in reported bonds payable during the year ended June 30, 2010:

Bond Fund	Beginning	New	Redemptions	Defeased	Ending
	Balance (par)	Issues (par)			Balance (par)
CWBF	\$ 795,565,000	\$ 331,055,000	\$ (37,845,000)	\$ (311,965,000)	\$ 776,810,000
DWBF	141,015,000	12,050,000	(6,785,000)		146,280,000
TR-1999A	4,145,000		(1,205,000)		2,940,000
TR-2001	10,150,000		(1,285,000)		8,865,000
TR-2006A	6,530,000		(1,480,000)		5,050,000
TR-2008A	6,160,000	-	(600,000)		5,560,000
Totals	\$ 963,565,000	\$ 343,105,000	\$ (49,200,000)	\$ (311,965,000)	\$ 945,505,000
plus: remaining unamortized premium					77,151,865
less: unamortized portion of the amount deferred in refunding					(34,949,629)
					<u>\$ 987,707,236</u>

5. *Arbitrage Rebate Payments*

The bonds issued by the Authority are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of investment income that may be earned on certain funds to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the related bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. During fiscal years 2011 and 2010 the Authority paid approximately \$2.4 million and \$1.1 million, respectively.

6. *Related-Party Transactions*

Administrative Services – The Authority, DEED, MPCA, and the Department of Health provide administrative staff and services to Authority programs. During fiscal 2011 and 2010, the Authority paid approximately \$3.5 million and \$4.6 million, respectively, for these services.

Transfers - The Authority has transferred out, from CWBF net assets to the Other Fund, sub grant awards for non point-source programs administered by the Minnesota Department of Agriculture, the MPCA, and DEED. Such transfers during fiscal 2011 and 2010 were \$2.0 million and \$0.87 million, respectively. In fiscal year 2011 and 2010, approximately \$0.56 million and \$1.5 million, respectively, were transferred from the TBF Funds to the Other Fund, from excess bond year pledged revenues over bond year debt service in the TBF Funds.

State Appropriations:

- The Legacy Fund appropriations bill of 2011 (First special session, chapter 6, article 2, section 4) made the following appropriations:
 - \$11,185,000 for state fiscal year 2012 and \$11,185,000 for 2013 for the Total Maximum Daily Load grant program under Minnesota Statutes, section 446A.073.
 - \$4,275,000 for 2012 and \$4,275,000 for 2013 for the Clean Water Legacy Phosphorus Reduction grant program under Minnesota Statutes, section 446A.074.
 - \$1,250,000 for 2012 and \$1,250,000 for 2013 for the Small Community Wastewater Treatment Program under Minnesota Statutes 446A.075.
- The Capital Improvements bill of 2011 (First special session, chapter 12, section 19) appropriated \$20.0 million to the Authority for the WIF program.
- The Capital Improvements bill of 2010 (chapter 189, section 22) appropriated \$30.0 million to the Authority for state match to the federal clean water and drinking water capitalization grants, and \$27 million for the WIF program.
- 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 Legacy Fund appropriations 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.

7. *Commitments*

At June 30, 2011 the Authority had committed approximately \$178 million for the origination or disbursement of future loans, and \$15 million for grants.



Independent Auditor's Report on the Supplementary Information

Minnesota Public Facilities Authority
St. Paul, Minnesota

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic 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 31, 2011

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Net Assets
June 30, 2011

	<u>Series 2006A</u>	<u>Series 2008A</u>	<u>Series 2010-T1</u>	<u>Series 2010-T2</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 961,565	\$ 11,437	\$ -	\$ -	\$ 973,002
Loans receivable	475,000	880,000	330,000	1,994,049	3,679,049
Accrued interest receivable:					
Investments				5,929	5,929
Loans	44,434	42,697	33,785	147,934	268,850
Total current assets	<u>1,480,999</u>	<u>934,134</u>	<u>363,785</u>	<u>2,147,912</u>	<u>4,926,830</u>
Noncurrent assets:					
Investments				537,000	537,000
Loans receivable	4,730,000	5,420,000	2,970,000	11,273,000	24,393,000
Deferred bond issuance costs	83,554	59,259	64,985	81,796	289,594
Total noncurrent assets	<u>4,813,554</u>	<u>5,479,259</u>	<u>3,034,985</u>	<u>11,891,796</u>	<u>25,219,594</u>
Total assets	<u>6,294,553</u>	<u>6,413,393</u>	<u>3,398,770</u>	<u>14,039,708</u>	<u>30,146,424</u>
LIABILITIES					
Current liabilities:					
Interest payable on bonds	61,063	61,283	20,088	53,700	196,134
Bonds payable	410,000	650,000	330,000	1,030,000	2,420,000
Total current liabilities	<u>471,063</u>	<u>711,283</u>	<u>350,088</u>	<u>1,083,700</u>	<u>2,616,134</u>
Noncurrent liabilities:					
Bonds payable	4,272,973	4,371,349	2,350,966	4,545,598	15,540,886
Arbitrage rebate liability					-
Total liabilities	<u>4,744,036</u>	<u>5,082,632</u>	<u>2,701,054</u>	<u>5,629,298</u>	<u>18,157,020</u>
NET ASSETS					
Restricted by bond resolutions	1,550,517	1,330,762	697,716	8,410,410	11,989,405
Total net assets	<u>\$ 1,550,517</u>	<u>\$ 1,330,762</u>	<u>\$ 697,716</u>	<u>\$ 8,410,410</u>	<u>\$ 11,989,405</u>

**Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Year Ended June 30, 2011**

	<u>Series 1999A</u>	<u>Series 2001</u>	<u>Series 2006A</u>	<u>Series 2008A</u>	<u>Series 2010-T1</u>	<u>Series 2010-T2</u>	<u>Total</u>
Operating revenues:							
Interest on loans	\$ 11,990	\$ 62,560	\$ 128,387	\$ 121,590	\$ 82,430	\$ 351,224	\$ 758,181
Investment earnings	136	117,764	6,340	11,782	3	5,940	141,965
Total operating revenues	<u>12,126</u>	<u>180,324</u>	<u>134,728</u>	<u>133,372</u>	<u>82,432</u>	<u>357,164</u>	<u>900,146</u>
Operating expenses:							
Interest on bonds	<u>51,742</u>	<u>169,912</u>	<u>202,412</u>	<u>192,241</u>	<u>30,959</u>	<u>51,592</u>	<u>698,858</u>
Total operating expenses	<u>51,742</u>	<u>169,912</u>	<u>202,412</u>	<u>192,241</u>	<u>30,959</u>	<u>51,592</u>	<u>698,858</u>
Operating income (loss)	<u>(39,616)</u>	<u>10,412</u>	<u>(67,684)</u>	<u>(58,869)</u>	<u>51,473</u>	<u>305,572</u>	<u>201,288</u>
Transfers in (out)							
Change in net assets	<u>(671,911)</u>	<u>(8,360,671)</u>	<u>(123,613)</u>	<u>(159,751)</u>	<u>646,242</u>	<u>8,104,839</u>	<u>(564,865)</u>
Total net assets:							
Beginning of year	<u>711,527</u>	<u>8,350,259</u>	<u>1,741,814</u>	<u>1,549,382</u>	<u>697,715</u>	<u>8,410,411</u>	<u>12,352,982</u>
End of year	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 1,550,517</u>	<u>\$ 1,330,762</u>	<u>\$ 697,715</u>	<u>\$ 8,410,411</u>	<u>\$ 11,989,405</u>

Minnesota Public Facilities Authority
Transportation Bond Fund – Individual Bond Series
Statement of Cash Flows
for the Year Ended June 30, 2011

	Series 1999A	Series 2001	Series 2006A	Series 2008A	Series 2010-T1	Series 2010-T2	Total
Operating activities:							
Interest rcvd on loans	\$ 49,051	\$ 229,812	\$ 132,314	\$ 127,419	\$ 48,645	\$ 203,290	\$ 790,531
Principal rcvd on loans	30,000	1,963,463	460,000	860,000	290,000	1,578	3,605,041
Net cash provided in operating activities	79,051	2,193,275	592,314	987,419	338,645	204,868	4,395,572
Non capital financing activities:							
Bond sale proceeds					3,026,299	5,656,332	8,682,631
Bond issuance costs					(68,690)	(87,020)	(155,710)
Interest on bonds	(96,736)	(317,662)	(197,813)	(208,650)	(18,930)	(46,093)	(885,884)
Principal on bonds	(2,940,000)	(8,865,000)	(390,000)	(620,000)	(295,000)		(13,110,000)
Cash transfers	2,956,658	4,935,266	(123,613)	(159,751)	(2,982,326)	(5,191,099)	(564,865)
Net cash provided (used) in capital and related financing activities	(80,078)	(4,247,396)	(711,426)	(988,401)	(338,647)	332,120	(6,033,828)
Investing activities:							
Investment interest	80	412,429	6,340	372	3	11	419,235
Investment purchases						(537,000)	(537,000)
Investment sales		1,896,741					1,896,741
Arbitrage payments to the IRS	(13,670)	(259,124)					(272,794)
Net cash provided (used) in investing activities	(13,590)	2,050,046	6,340	372	3	(536,989)	1,506,182
Net incr (decr) in cash and cash equivalents	(14,617)	(4,075)	(112,772)	(611)	-	-	(132,075)
Cash and cash equivalents:							
Beginning of year	14,617	4,075	1,074,336	12,048			1,105,076
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 961,564</u>	<u>\$ 11,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973,001</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (39,616)	\$ 10,412	\$ (67,684)	\$ (58,869)	\$ 51,473	\$ 305,572	\$ 201,288
Adjustments to reconcile operating income to net cash provided in operating activities:							
Principal rcvd on loans	30,000	1,963,463	460,000	860,000	290,000	1,578	3,605,041
Interest paid on bonds	96,736	317,662	197,813	208,650	18,930	46,093	885,884
Investment earnings	(79)	(412,429)	(6,340)	(372)	(3)	(11)	(419,234)
Arbitrage payments	13,670	259,124					272,794
Net amortizations			9,474	(8,142)	(8,059)	(48,200)	(54,927)
Changes in assets and liabilities:							
Accrued revenues	37,061	202,793	3,927	5,829	(33,785)	(153,863)	61,962
Accrued expenses	(58,720)	(147,750)	(4,875)	(19,677)	20,088	53,700	(157,234)
Net cash provided in operating activities	<u>\$ 79,052</u>	<u>\$ 2,193,275</u>	<u>\$ 592,315</u>	<u>\$ 987,419</u>	<u>\$ 338,644</u>	<u>\$ 204,869</u>	<u>\$ 4,395,574</u>