

Minnesota

Annual Comprehensive Financial Report

For the year ended June 30, 2024



Produced by Minnesota
Management and Budget





Annual Comprehensive Financial Report

For the Year Ended JUNE 30, 2024

Prepared by Minnesota
Management and Budget
Erin Campbell, Commissioner
400 Centennial Office Building
658 Cedar Street
Saint Paul, Minnesota 55155-1489



State of Minnesota

The State of Minnesota Annual Comprehensive Financial Report can be made available in alternative formats upon request, to ensure that it is accessible to people with disabilities. To obtain this document in an alternate format, contact:

Minnesota Management and Budget
400 Centennial Office Building
658 Cedar Street
Saint Paul, Minnesota 55155-1489
651-201-8000

The Minnesota Relay service phone number is 1-800-627-3529.

The State of Minnesota Annual Comprehensive Financial Report is available at the following website:
<http://www.mn.gov/mmb/accounting/reports/>

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State of Minnesota

Introduction

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2024 Annual Comprehensive Financial Report**Transmittal Letter from the Commissioner of Minnesota Management and Budget**

December 13, 2024

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
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(800) 627-3529
Fax: (651) 296-8685

The Honorable Tim Walz, Governor

Members of the Legislature and citizens of the state of Minnesota

In accordance with Minnesota Statutes 16A.50, Minnesota Management and Budget (MMB) is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the state of Minnesota for the fiscal year ended June 30, 2024. This report includes the financial statements for the state, and the disclosures necessary to accurately present the financial condition and results of operations for the fiscal year. We prepared the report in accordance with generally accepted accounting principles (GAAP) for governmental units.

The report is divided into three sections:

1. Introduction Section – Includes this letter of transmittal, the certificate of achievement, the state’s organization chart, and the list of principal officials.
2. Financial Section – Includes the auditor’s opinion, management’s discussion and analysis, basic financial statements, combining and individual fund statements for nonmajor funds, and the general obligation debt schedule. The Notes to the Financial Statements, in the basic financial statements, are necessary for an understanding of the information included in the statements. The notes include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.
3. Statistical Section – Includes mainly trend data and nonfinancial information useful in assessing a government’s financial condition.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent Office of the Legislative Auditor has issued an unmodified (clean) opinion on the state of Minnesota’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

In addition, the Office of the State Auditor is conducting a single audit of federal programs. This audit meets the requirements of the federal Single Audit Act and is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report the state's internal controls and legal requirements involving the administration of federal awards for the year ended June 30, 2024. The supplementary report, "Financial and Compliance Report on Federally Assisted Programs," will be available in March 2025.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements and is designed to complement this letter of transmittal and should be read in conjunction with it.

Financial Reporting Entity and Responsibilities

The financial reporting entity consists of all the funds of the primary government, as well as its discretely presented component units. Component units are legally separate organizations for which the state is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body, and either (a) the ability of the state to impose its will, or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government; the organization is fiscally dependent on the primary government; or the nature and relationship between the primary government and the organization is such that exclusion would cause the reporting entity's financial statements to be misleading. Component units meeting these criteria are considered discretely presented unless the boards are substantially the same as the state or the component unit provides services or benefits entirely, or almost entirely, to the state.

The Housing Finance Agency, Metropolitan Council, University of Minnesota, Agricultural and Economic Development Board, National Sports Center Foundation, Office of Higher Education, Public Facilities Authority, Rural Finance Authority, Workers' Compensation Assigned Risk Plan, Minnesota Sports Facilities Authority, and Minnesota Comprehensive Health Association are component units reported discretely. The state has the ability to either impose its will over these organizations, or provides, or will provide, substantial funding.

Minnesota Management and Budget is responsible for the Statewide Integrated Financial Tools (SWIFT), an Oracle PeopleSoft Enterprise Resource Planning System. The majority of the information related to these financial statements was prepared from information provided by SWIFT. SWIFT maintains two separate ledgers. One is maintained primarily on a modified cash basis of accounting with certain accrual information and represents the starting basis for the financial statements. As SWIFT does not maintain all accrual information, adjustments to accounting data are necessary to provide financial statements in accordance with GAAP. The second ledger tracks information on a budgetary basis and recognizes revenues and expenditures essentially on a cash basis, except that encumbrances at year-end are considered expenditures. These disparate bases result in budgetary fund balances, which often differ significantly from those calculated under GAAP.

Minnesota Management and Budget is also responsible for designing and applying the state's system of internal accounting controls. These controls provide reasonable assurance that the state's assets are protected against loss and that the accounting records from which the financial statements are prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

Budget Process

The state's period is a biennium. The Governor's biennial budget is presented to the Legislature in January (or February after a gubernatorial transition) of odd numbered years for the upcoming biennium. The state constitution and statutes require a balanced budget for the biennium. Specific legislative appropriations are required for several funds. These funds include the General, Trunk Highway, Highway User Tax Distribution,

State Airports, Petroleum Tank Cleanup, Natural Resources, Game and Fish, Environmental and Remediation, Heritage, Special Compensation, Workforce Development, and Renewable Development funds.

Budgetary control is provided primarily through SWIFT. Appropriations are established in the accounting system at the amounts provided in the appropriation laws. The accounting system does not permit expenditures in excess of these amounts.

Economic Condition and Outlook

The near-term economic outlook for Minnesota has moderated since MMB's Budget and Economic Forecast was prepared in February 2024. In the November 2024 Budget and Economic Forecast, slower employment and wage growth in Minnesota during 2024 lowers expectations compared to the February forecast. Beyond 2024, the forecasts for growth in Minnesota's wages and employment are expected to grow at a modest rate through 2029, reflecting indications of a cooling labor market. Since April, the Minnesota unemployment rate has increased by 0.7 percentage points, and employment growth has underperformed earlier projections. While the state's employers added an average of 6,000 jobs from January through April, they added an average of just 1,200 jobs per month from May through October. Data from the Quarter Census of Employment and Wages (QCEW) suggest that these numbers may be revised downward when the annual benchmark becomes available in January.

Looking ahead, Minnesota's aging population will continue to constrain employment growth. As a result, average wage growth—growth in wage and salary income per worker—is expected to be the primary driver of increases in total nominal wage income through the forecast horizon.

Minnesota's economic outlook is informed by the Standard & Poors Global Market Intelligence (SPGMI) forecasts for both the U.S. and Minnesota, data from the Minnesota Department of Economic and Employment Development (DEED), the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW), Minnesota tax revenues, and additional data from the BLS and the Bureau of Economic Analysis (BEA).

In October, Minnesota's unemployment rate was 3.4 percent, the 21st highest among U.S. states and 0.7 percentage points below the U.S. rate of 4.1 percent. The national unemployment rate has been trending upward this year, rising from 3.7 percent in January to a high of 4.3 percent in July. Subsequently, it has decreased to 4.1 percent in September and October. Since reaching 2.7 percent in April 2024, Minnesota's unemployment rate has increased proportionately more than the national rate, rising steadily to October's rate of 3.4 percent.

Minnesota's employment growth is expected to continue to slow. Payroll employment in Minnesota grew 1.8 percent in 2023 but is projected to expand by 0.8 percent in 2024. Payroll employment growth is expected to slow further to an average of 0.3 percent annually from 2025 to 2029, or approximately 10,200 jobs annually.

This subdued trajectory for Minnesota's employment growth can largely be attributed to an aging workforce and lower birth rates.

With only moderate growth in Minnesota employment in the November 2024 Budget and Economic Forecast, average wage growth (growth in wage and salary income per worker) is expected to be the primary driver of growth in total nominal wage income through our forecast horizon. From 2010-2019 average wage income per worker increased 2.8 percent per year on average. Growth in average wage income per worker is expected to rise 3.6 percent per year in years 2024-2029. This exceeds forecasted average rates of inflation over the same period (2.2 percent), implying improvements in real wages on average.

With high borrowing costs due to tight monetary policy, coupled with increasing inventory, price increases in Minnesota's housing market are slowing. Although home prices continue to increase, buyer activity has slowed, and an increase in available inventory gives purchasers more flexibility. Because of loosening monetary conditions, SPGMI projects that the 30-year fixed-rate mortgage (FRM) rate, the most popular home loan in

the U.S., will drop below 6.0 percent by the middle of 2025, the first time it will have been below 6 percent since September 2022. SPGMI expects the rate to reach 5.0 percent by the end of 2027 and remain at that level through the end of 2028.

Even with high mortgage rates and a decline in pending and closed sales, home prices in Minnesota remain at record highs. In October 2024, the median sales price statewide reached \$347,500, a 5.3 percent increase compared to the previous year. According to the Federal Housing Finance Agency (FHFA), Minnesota home prices were 2.9 percent higher in the second quarter of 2024 compared to the year prior. In the Twin Cities Metropolitan Area, the median price rose to \$382,000, 4.1 percent higher than a year earlier. On average, metro-area sellers received 97.8 percent of the original list price at closing, demonstrating the market's resilience despite shifting conditions.

Budget Condition and Outlook

The 2024-25 biennium is projected to have a \$3.752 billion surplus based on the November 2024 Budget and Economic Forecast. Structural imbalance in the 2024-25 biennium, where spending in the biennium exceeds revenues, is offset by a surplus from the 2022-23 biennium carried forward into the current biennium. Revenue and other current resources in the 2024-25 biennium budget period are expected to grow to \$61.434 billion, \$13 million (0.2 percent) higher than the 2022-23 biennium. Expenditures in the 2024-25 biennium are expected to reach \$70.670 billion, an increase of \$18.741 billion (36.1 percent) compared to the last biennium. The current budget reserve and cash flow account balance of \$3.527 billion in the 2024-25 biennium is \$325 million more than the 2022-23 biennium. Due to the large carryforward from the prior biennium, a significant portion of the 2024-25 biennium appropriated budget contains one-time expenditures that are not planned to continue beyond the current biennium.

The November 2024 Budget and Economic Forecast projects that the 2026-27 biennium has an available balance of \$616 million. Revenue and other current resources in the next biennium are projected to reach \$63.853 billion, \$2.420 billion (3.9 percent) more than the current biennium. Base level spending for the next biennium, before the 2025 legislature appropriates a budget, is projected to reach \$66.989 billion, a reduction of \$3.681 billion (5.2 percent) compared to the current biennium. The total spending estimate includes \$926 million to cover expected inflationary impacts on portions of the budget that do not include an allowance for inflation in their current law formulas. The remaining balance of \$3.752 billion in the current biennium is projected to carryforward into the 2026-27 biennium and remain available for appropriation. The projected budget reserve and cash flow account balance of \$3.527 billion in the 2026-27 biennium is unchanged from current biennium balances.

General Fund Condition

On a budgetary basis, the General Fund ended fiscal year 2024 with an unassigned fund balance of \$6.841 billion.

Minnesota budgets and manages its financial affairs on a budgetary basis, which primarily uses a cash basis of accounting. Revenues are recorded when received and expenditures are recorded when the payments are made with the exception that, at year-end, encumbered amounts are included in the expenditures of the year appropriated for budgetary reporting. GAAP requires that the modified accrual basis of accounting be used to prepare governmental fund statements. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. Expenditures are recognized when a liability occurs.

On a GAAP basis, the General Fund reported a balance of \$16.856 billion for fiscal year 2024, a difference of \$10.015 billion from the budgetary General Fund balance. The difference between the General Fund budgetary and GAAP fund balance results from two primary reasons. First, on a GAAP basis, the accruals of revenue and expenditures are required to be reported under the modified accrual basis of accounting. Second, several

funds are included in the GAAP fund balance which are not included in the budgetary fund balance. These additional funds reported a fund balance of \$4.681 billion. The difference between the GAAP basis and budgetary basis General Fund balance, excluding these additional funds not reported in the budgetary fund balance, was \$5.334 billion. For details of the budget to GAAP differences, see Note 17 – Budgetary Basis vs. GAAP in the Notes to the Financial Statements.

Budget Reserve

Minnesota's budget reserves at the close of fiscal year 2024 totaled nearly \$3.275 billion, which includes the \$2.925 billion budget reserve and the \$350 million cash flow account.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the state of Minnesota for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the thirty-eighth consecutive year that the state has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

Although Minnesota Management and Budget accepts final responsibility for this report, staff in many other state agencies and component units provided much of the data. Assistance from these organizations ranged from providing necessary data to actual preparation of financial statements. I appreciate the dedication of the people in Minnesota Management and Budget and in other agencies who helped in the preparation of this report. Without the efforts of all involved, this report would not have been possible.

Sincerely,



Erin Campbell
Commissioner



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of Minnesota

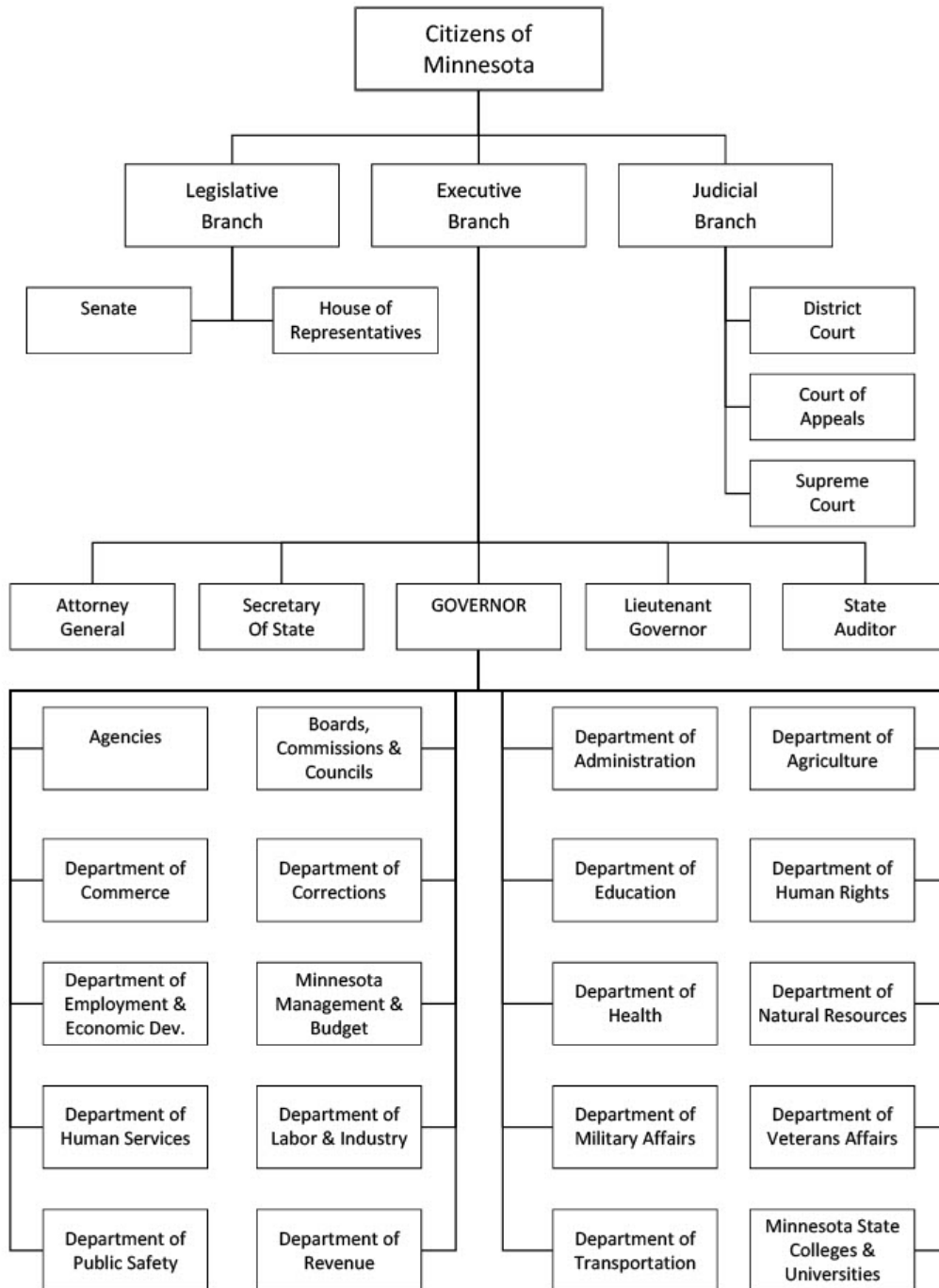
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

2024 Annual Comprehensive Financial Report
State Organization Chart



**2024 Annual Comprehensive Financial Report
State Principal Officials**

Executive Branch

Governor

Tim Walz

Lieutenant Governor

Peggy Flanagan

Attorney General

Keith M. Ellison

Secretary of State

Steve Simon

State Auditor

Julie A. Blaha

Legislative Branch

Speaker of the House of Representatives

Melissa Hortman

President of the Senate

David J. Osmeck

Judicial Branch

Chief Justice of the Supreme Court

Natalie E. Hudson



State of Minnesota

Financial Section

2024
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Financial Report



Independent Auditor's Report

Members of the Minnesota State Legislature

The Honorable Tim Walz, Governor

Ms. Erin Campbell, Commissioner, Minnesota Management and Budget

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Minnesota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the Table of Contents.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Minnesota as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Minnesota State Colleges and Universities, which is a major proprietary fund, and the Minnesota State Lottery, which is a nonmajor proprietary fund, and which cumulatively represent 55 percent, 45 percent, and 51 percent, respectively, of the total assets, total net position, and operating revenues of the primary government's business-type activities. We also did not audit the financial statements of the Housing Finance Agency, Metropolitan Council, University of Minnesota, Minnesota Sports Facilities Authority, Office of Higher Education, Public Facilities Authority, and Workers' Compensation Assigned Risk Plan, which cumulatively represent 99 percent, 99 percent, and 99 percent, respectively, of the total assets, total net position, and operating revenues of the total discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned major proprietary fund, business-type activities, and discretely presented component units, is based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnesota Management and Budget and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the State of Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities of the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Minnesota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Minnesota’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The financial statements of the Housing Finance Agency, the National Sports Center Foundation, and the Workers’ Compensation Assigned Risk Plan, which are discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The Combining and Individual Fund Statements – Nonmajor Funds and the General Obligation Debt Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introduction and the Statistical Section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the State of Minnesota’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Minnesota’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Minnesota’s internal control over financial reporting and compliance.



Lori Leysen, CPA
Deputy Legislative Auditor



Zach Yzermans, CPA
Audit Director

December 13, 2024

2024 Annual Comprehensive Financial Report
Management's Discussion and Analysis

Introduction

The following discussion and analysis of the state of Minnesota (state) financial performance provides an overview of the state's financial activities for the fiscal year ended June 30, 2024, and identifies changes in the financial position of the state that occurred during the fiscal year. This section should be read in conjunction with the preceding transmittal letter and the state's financial statements and notes to the financial statements, which follow.

Overview of the Financial Statements

The focus of Minnesota's financial reporting is on the state as a whole and on the individual funds that are considered to be major. This reporting focus presents a more comprehensive view of Minnesota's financial activities and financial position and makes the comparison of Minnesota's government to other governments easier.

The financial section of this annual report has four parts:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements – Nonmajor Funds

The report also includes statistical and economic information, which generally provides a ten-year history of various indicators.

The Basic Financial Statements include Government-wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements that provide more detailed information.

Government-wide Financial Statements

The Government-wide Financial Statements are located immediately following this discussion and analysis and provide an overall view of the state's operations in a manner similar to a private-sector business. Government-wide Financial Statements consist of the Statement of Net Position and the Statement of Activities that are prepared using the economic resources measurement focus and the full accrual basis of accounting. All current year revenues and expenses are included in the statements regardless of whether the related cash has been received or paid. Revenues and expenses are reported in the statement of activities for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes, accounts receivable, and earned but unused vacation leave). This reporting method produces a view of financial activities and position similar to that presented by most private-sector companies. The statements provide both short-term and long-term information about the state's financial position, which assists readers in assessing the state's economic condition at the end of the fiscal year.

The Statement of Net Position presents all of the state's financial resources along with capital assets, including right-to-use assets and long-term obligations. The statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the state. Net position is the difference

between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is one method to measure the state's financial condition.

- An increase or decrease in the state's net position from one year to the next indicates whether the financial position of the state is improving or worsening.
- Other indicators of the state's financial condition include the condition of its infrastructure and economic events and trends that affect future revenues and expenses.

The Statement of Activities presents the changes in net position and reports on the gross and net cost of various activities carried out by the state (governmental, business-type, and component units). These costs are paid by general taxes and other revenues generated by the state. This statement summarizes the cost of providing specific services by the government and includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities segregate the activities of the state into three types:

Governmental Activities

The governmental activities of the state include most basic services such as environmental resources, general government, transportation, education, health and human services, and public safety. Most of the costs of these activities are financed by taxes, fees, and federal grants.

Business-type Activities

The business-type activities of the state normally are intended to recover all, or a significant portion of, their costs through user fees and charges to external users of goods and services. The operations of the Family and Medical Benefit Insurance, Unemployment Insurance, the State Colleges and Universities, and the Lottery are examples of business-type activities.

Discretely Presented Component Units

Component units may be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the state's operations. Discretely presented component units are shown separately from the primary government. Component units are legally separate organizations for which the state is financially accountable, or the nature and significance of the unit's relationship with the state is such that exclusion of the unit would cause the state's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's governing body, and either a) the ability of the state to impose its will, or b) the potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government.

The state's 11 component units are reported as discretely presented component units and reported in two categories: major and nonmajor. This categorization is based on the relative size of an individual component unit's assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses in relation to the total of all component units and the primary government.

The state's three major component units are:

- Housing Finance Agency
- Metropolitan Council
- University of Minnesota

The state's eight nonmajor component units are combined into a single column for reporting in the Fund Financial Statements. These nonmajor component units are:

- Agricultural and Economic Development Board
- Minnesota Comprehensive Health Association
- Minnesota Sports Facilities Authority
- National Sports Center Foundation
- Office of Higher Education
- Public Facilities Authority
- Rural Finance Authority
- Workers' Compensation Assigned Risk Plan

State Fund and Component Unit Financial Statements

A fund is a grouping of related self-balancing accounts used to maintain control over resources that have been segregated for specific activities or objectives. The state of Minnesota, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements focus on individual parts of the state, reporting the state's operations in more detail than in the Government-wide Statements. Fund Financial Statements focus on the most significant funds within the state.

The state's funds are divided into three categories:

Governmental Funds

Governmental funds record most of the basic services provided by the state and account for essentially the same functions as reported in the governmental activities in the Government-wide Financial Statements. Unlike the Government-wide Financial Statements, the Fund Financial Statements focus on how money flows in and out of the funds during a fiscal year and spendable resources available at the end of the fiscal year.

Governmental funds are accounted for using the modified accrual basis of accounting, which recognizes revenues when they are available and measurable. Expenditures are generally recognized in the accounting period when the fund liability is incurred, if measurable. This approach is known as the flow of current financial resources measurement focus. These statements provide a detailed short-term view of the state's finances that assist in determining whether there are more or less resources available and whether these financial resources will be adequate to meet the current needs of the state. Governmental funds include the General, special revenue, capital projects, Debt Service, and Permanent funds.

The focus of governmental funds is narrower than that of the Government-wide Financial Statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By comparing this financial information, readers may better understand the long-term impact of the state's short-term financing decisions.

The basic financial statements include a reconciliation of governmental funds to governmental activities. These reconciliations follow the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances.

The state maintains 23 individual state governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General and Federal funds, which are reported as major funds. Information from the remaining funds is combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements included in this report.

The state adopts a biennial budget with annual appropriations for the majority of the activity reported in the General Fund. A budgetary comparison statement has been provided for the General Fund activity with appropriations included in the biennial budget to demonstrate compliance with this budget.

Proprietary Funds

When the state charges customers for the services it provides, whether to outside customers or to other agencies within the state, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) use full accrual accounting which is the same method used by private-sector businesses. Proprietary fund financial statements provide the same type of information as the Government-wide Financial Statements, only in more detail.

Enterprise funds, a type of proprietary fund, are used to report activities that provide goods and services to outside (non-government) customers, including the general public. Internal service funds are used to accumulate and allocate costs internally for goods and services provided by one program of the state to another. Because the activities reported by internal service funds predominantly benefit governmental functions rather than business-type functions, the internal service funds have been included within governmental activities in the Government-wide Financial Statements.

The state maintains 18 individual proprietary funds. The Family and Medical Benefit Insurance, State Colleges and Universities and Unemployment Insurance funds, which are considered major funds, are presented separately in the proprietary funds Statement of Net Position and in the proprietary funds Statement of Revenues, Expenses, and Changes in Net Position. Information from the nine nonmajor enterprise funds and the six internal service funds are combined into two separate aggregated columns. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements presented in this report.

Fiduciary Funds

Fiduciary funds are used to report activities when the state acts as a trustee or fiduciary to hold resources for the benefit of parties outside the state. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting used for proprietary funds. The Government-wide Financial Statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and cannot be used by the state to finance its operations. The state must ensure that the assets reported in fiduciary funds are used for their intended purposes.

The state maintains 20 individual fiduciary funds. The state's fiduciary funds are the pension trust funds, the investment trust funds (which account for the transactions, assets, liabilities, and fund equity of the external investment pools), and the Custodial Fund (which accounts for the assets held for distribution by the state as an agent for other governmental units, other organizations, or individuals). Individual fund detail is included in the combining financial statements in this report.

Component Units

Component units are legally separate organizations for which the state is financially accountable. The Government-wide Financial Statements present information for the discretely presented component units in a single column on the Statement of Net Position. Also, some information on the Statement of Changes in Net Position is aggregated for component units. The discretely presented component units' statements of net position and statements of changes in net position provide detail for each major discretely presented component unit and aggregate the detail for nonmajor discretely presented component units. Individual nonmajor discretely presented component unit detail can be found in the Combining and Individual Fund Financial Statements included in this report.

Notes to the Financial Statements

The notes provide additional narrative and financial information that are essential to a full understanding of the data provided in the Government-wide Financial Statements and the Fund Financial Statements. The notes to the financial statements are located immediately following the component unit financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. This section includes maintenance data regarding certain portions of the state's infrastructure, actuarial measures of pension and other postemployment benefits, and public employees insurance program development information.

Other Supplementary Information

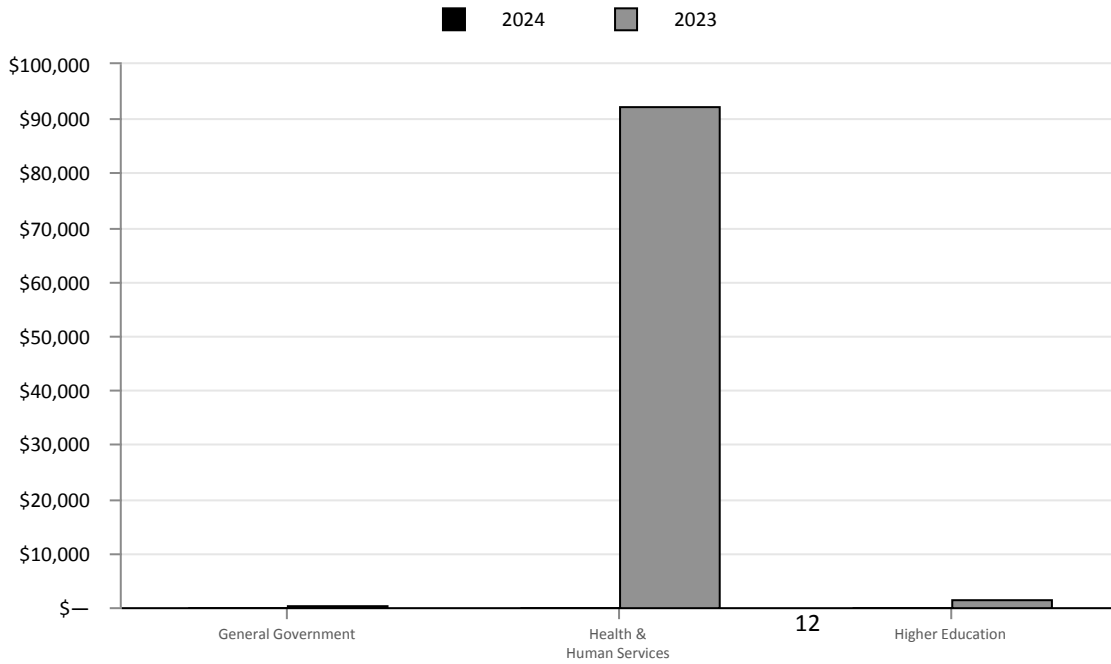
Other supplementary information includes Combining and Individual Fund Financial Statements for nonmajor governmental, proprietary, and fiduciary funds and nonmajor discretely presented component units. These funds are added together by fund type and presented in single columns in the basic financial statements.

COVID-19 Pandemic Impact on Current Year Governmental Financial Activity

The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has had a material impact on global, national, and state economies. The President declared a national emergency and the Governor declared a Peacetime Emergency related to COVID-19 on March 13, 2020. The Peacetime Emergency ended July 1, 2021 and the national emergency ended on May 11, 2023. The COVID-19 pandemic significantly disrupted economic activity and increased public and private health emergency response costs during this time. The impacts of COVID-19 are diminishing, but pandemic-related response activities still have had impacts in the Federal Fund during fiscal year 2024.

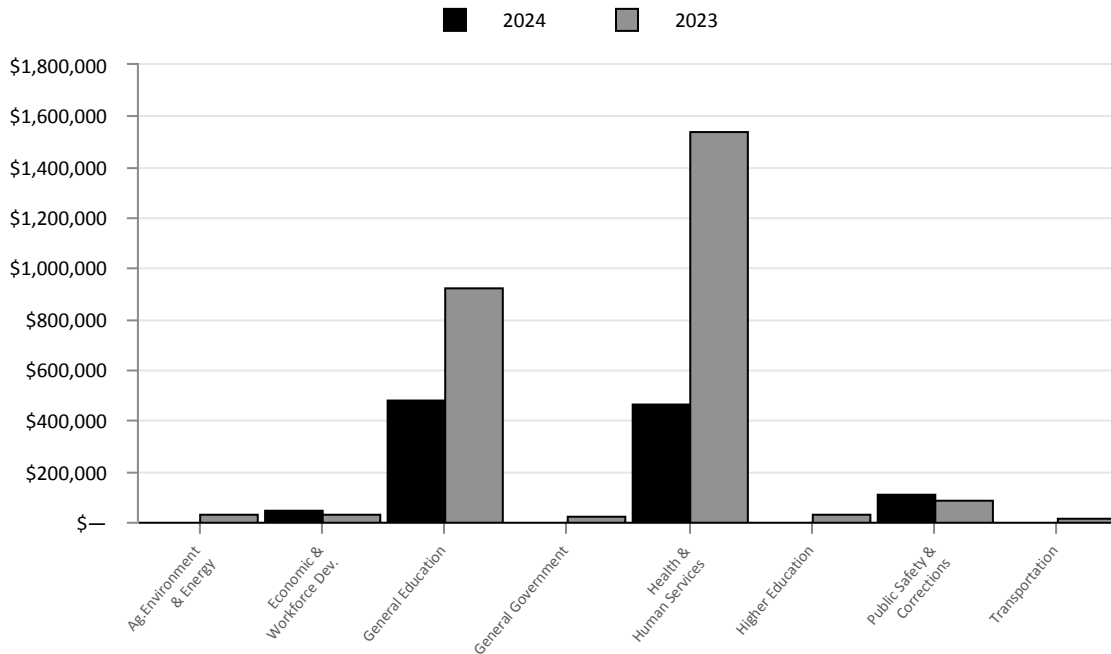
The following graphs show the majority of the functional expenditures in governmental funds related to the impacts of COVID-19. The Federal Fund expenditures are reimbursed by the federal government and are recorded as federal revenue in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and operating grants and contributions in the governmental activities in the Statement of Activities.

**Functional Expenditures by Fund Related to COVID-19
 Governmental Funds - General Fund
 Fiscal Years Ended June 30, 2024 and 2023
 (In Thousands)**



No additional expenditures were incurred in the General Fund during fiscal year 2024 related to COVID-19. Expenditures in the prior year primarily related to health and human services and were focused on recovery and preparedness.

Functional Expenditures by Fund Related to COVID-19
Governmental Funds - Federal Fund
Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)



The Federal Fund expenditures related to COVID-19 decreased in most functions. The largest decrease related to health and human services is due to the reduction in the first two quarters and the complete elimination in the last two quarters of 2024 of the enhanced federal participation rate for medical assistance, which caused the expenditures to shift back to the state. In addition, there were significant reductions in expenditures for vaccines, vaccine incentives, testing, and emergency hospital staff. Federal expenditures for general education decreased due to a reduction in aid to school districts as schools in the prior year made investments related to COVID-19 recovery and rebuilding efforts to prevent, prepare for, and respond to the coronavirus impacts on education for students. The decrease in agricultural, environmental and energy resources expenditures was the result of a reduction in enhanced federal participation under the American Rescue Plan Act (ARP) for the Low-Income Home Energy Assistance Program (LIHEAP), while the decrease in transportation expenditures related to a reduction in federal funding for airports. These decreases were slightly offset by an increase in economic and workforce development expenditures due to investments in broadband under the Infrastructure Investment and Jobs Act, and public safety and corrections due to an increase in grants to hospitals related to COVID-19 funding under Federal Emergency Management Agency (FEMA).

The COVID-19 impacts on business-type activities are explained in the Government-wide Financial Analysis section.

Government-wide Financial Analysis

Net position serves as a useful indicator of a government's financial position over time. The state's combined net position (governmental and business-type activities) totaled \$44.6 billion at the end of fiscal year 2024, compared to \$43.5 billion at the beginning of the year.

Net Position June 30, 2024 and 2023 (In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 37,992,690	\$ 38,116,453	\$ 4,033,550	\$ 3,614,021	\$ 42,026,240	\$ 41,730,474
Noncurrent Assets:						
Capital Assets, including Right-to-Use Assets	21,766,887	21,053,357	2,028,861	2,048,318	23,795,748	23,101,675
Other Assets	1,171,530	1,039,186	57,293	73,599	1,228,823	1,112,785
Total Assets	<u>\$ 60,931,107</u>	<u>\$ 60,208,996</u>	<u>\$ 6,119,704</u>	<u>\$ 5,735,938</u>	<u>\$ 67,050,811</u>	<u>\$ 65,944,934</u>
Deferred Outflows of Resources	<u>\$ 2,180,162</u>	<u>\$ 2,127,434</u>	<u>\$ 213,753</u>	<u>\$ 245,665</u>	<u>\$ 2,393,915</u>	<u>\$ 2,373,099</u>
Current Liabilities ⁽¹⁾	\$ 9,299,428	\$ 8,922,250	\$ 587,189	\$ 693,783	\$ 9,886,617	\$ 9,616,033
Noncurrent Liabilities ⁽¹⁾	12,253,779	12,683,834	997,513	1,063,439	13,251,292	13,747,273
Total Liabilities	<u>\$ 21,553,207</u>	<u>\$ 21,606,084</u>	<u>\$ 1,584,702</u>	<u>\$ 1,757,222</u>	<u>\$ 23,137,909</u>	<u>\$ 23,363,306</u>
Deferred Inflows of Resources	<u>\$ 1,594,724</u>	<u>\$ 1,306,587</u>	<u>\$ 147,388</u>	<u>\$ 187,136</u>	<u>\$ 1,742,112</u>	<u>\$ 1,493,723</u>
Net Position:						
Net Investment in Capital Assets	\$ 17,915,843	\$ 17,129,931	\$ 1,630,442	\$ 1,609,955	\$ 19,546,285	\$ 18,739,886
Restricted	9,655,203	8,601,936	1,830,594	2,068,655	11,485,797	10,670,591
Unrestricted	12,392,292	13,691,892	1,140,331	358,635	13,532,623	14,050,527
Total Net Position	<u>\$ 39,963,338</u>	<u>\$ 39,423,759</u>	<u>\$ 4,601,367</u>	<u>\$ 4,037,245</u>	<u>\$ 44,564,705</u>	<u>\$ 43,461,004</u>

⁽¹⁾ 2023 has been restated to be consistent with the 2024 presentation.

The largest portion, \$19.5 billion of \$44.6 billion, of the state's net position reflects investment in capital assets, including right-to-use assets such as land, buildings, equipment, and infrastructure (pavement, bridges, and other immovable assets) less any related outstanding debt or lease/subscription obligations used to acquire those assets. The state uses these capital assets, including right-to-use assets, to provide services to Minnesotans. These assets are not considered to be convertible to cash and cannot be used to fund the daily activities of the state or pay for the debt or lease/subscription obligations related to these assets. Therefore, the resources needed to repay this debt related to capital assets, including right-to-use assets, must be provided from other sources.

Approximately \$11.5 billion of the state's net position represents resources subject to external restrictions, constitutional provisions, or enabling legislation, which restricts how these assets may be used. Additional information on the state's net position restrictions is located in Note 15 – Equity in the notes to the financial statements.

The remaining net position balance represents unrestricted net position of \$13.5 billion.

The state's combined net position for governmental and business-type activities increased \$1.1 billion (2.5 percent) over the course of this fiscal year. This resulted from a \$538.1 million (1.4 percent) increase in net position of governmental activities, and a \$565.6 million (14.0 percent) increase in net position of business-type activities.

**Changes in Net Position
For Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 1,908,449	\$ 1,844,775	\$ 3,046,692	\$ 3,001,360	\$ 4,955,141	\$ 4,846,135
Operating Grants and Contributions	19,243,162	20,065,291	534,605	712,709	19,777,767	20,778,000
Capital Grants	151,399	184,717	—	126	151,399	184,843
General Revenues:						
Individual Income Taxes	16,740,695	16,362,107	—	—	16,740,695	16,362,107
Corporate Income Taxes	3,223,930	2,939,375	—	—	3,223,930	2,939,375
Sales Taxes	8,803,443	8,207,443	—	—	8,803,443	8,207,443
Property Taxes	721,648	769,711	—	—	721,648	769,711
Motor Vehicle Taxes	2,043,105	1,899,939	—	—	2,043,105	1,899,939
Fuel Taxes	889,206	886,377	—	—	889,206	886,377
Other Taxes	3,592,615	3,586,205	—	—	3,592,615	3,586,205
Tobacco Settlement	183,713	197,678	—	—	183,713	197,678
Investment/Interest Earnings	1,161,610	881,305	114,499	55,938	1,276,109	937,243
Other Revenues	182,180	179,136	749	4,347	182,929	183,483
Total Revenues	\$ 58,845,155	\$ 58,004,059	\$ 3,696,545	\$ 3,774,480	\$ 62,541,700	\$ 61,778,539
Expenses						
Agricultural, Environmental and Energy Resources	\$ 1,719,682	\$ 1,571,112	\$ —	\$ —	\$ 1,719,682	\$ 1,571,112
Economic and Workforce Development	2,014,315	1,035,709	—	—	2,014,315	1,035,709
General Education	13,402,311	12,103,431	—	—	13,402,311	12,103,431
General Government	2,745,406	1,070,452	—	—	2,745,406	1,070,452
Health and Human Services	26,811,914	25,060,350	—	—	26,811,914	25,060,350
Higher Education	1,216,259	1,064,318	—	—	1,216,259	1,064,318
Intergovernmental Aid	2,758,543	2,505,003	—	—	2,758,543	2,505,003
Public Safety and Corrections	1,749,108	1,258,749	—	—	1,749,108	1,258,749
Transportation	4,258,157	3,702,086	—	—	4,258,157	3,702,086
Interest	172,751	93,539	—	—	172,751	93,539
Family & Medical Benefit Ins.	—	—	1,093	—	1,093	—
State Colleges and Universities	—	—	2,182,883	2,004,811	2,182,883	2,004,811
Unemployment Insurance	—	—	1,209,236	954,102	1,209,236	954,102
Lottery	—	—	582,117	590,113	582,117	590,113
Other Expenses	—	—	614,224	619,713	614,224	619,713
Total Expenses	\$ 56,848,446	\$ 49,464,749	\$ 4,589,553	\$ 4,168,739	\$ 61,437,999	\$ 53,633,488
Excess (Deficiency) Before Transfers	\$ 1,996,709	\$ 8,539,310	\$ (893,008)	\$ (394,259)	\$ 1,103,701	\$ 8,145,051
Transfers	(1,458,611)	(634,339)	1,458,611	634,339	—	—
Changes in Net Position	\$ 538,098	\$ 7,904,971	\$ 565,603	\$ 240,080	\$ 1,103,701	\$ 8,145,051
Net Position, Beginning	\$ 39,423,759	\$ 31,518,788	\$ 4,037,245	\$ 3,797,165	\$ 43,461,004	\$ 35,315,953
Change in Reporting Entity	1,481	—	(1,481)	—	—	—
Net Position, Beginning, as Restated	\$ 39,425,240	\$ 31,518,788	\$ 4,035,764	\$ 3,797,165	\$ 43,461,004	\$ 35,315,953
Net Position, Ending	\$ 39,963,338	\$ 39,423,759	\$ 4,601,367	\$ 4,037,245	\$ 44,564,705	\$ 43,461,004

Approximately 58 percent of the state’s total revenue (governmental and business-type activities) came from taxes, while 32 percent resulted from grants and contributions, including federal aid. Charges for various goods and services provided 8 percent of the total revenues. The remaining 2 percent came from other general revenues.

The state’s expenses cover a range of services. The largest expenses were for general education and health and human services.

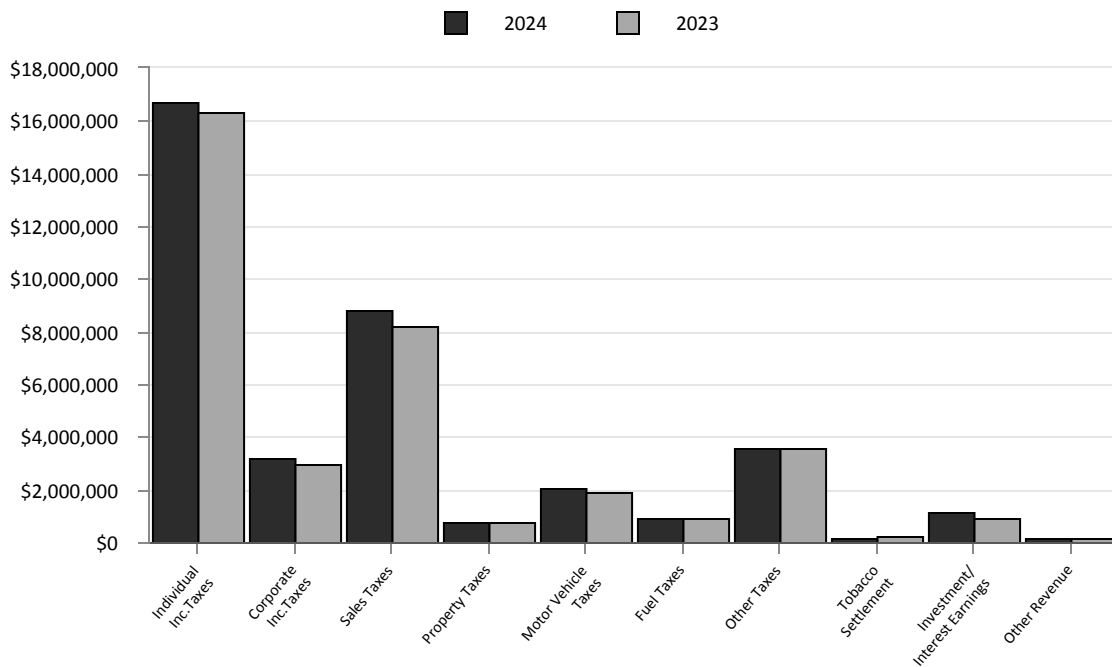
There was a change in reporting entity for the operations of the Behavioral Services Fund (enterprise fund) merging with the General Fund this year, which also caused this activity to move from business-type activities to governmental activities in the government-wide financial statements. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for further information.

Governmental Activities

Governmental activities increased the state’s net position by \$538.1 million in the current year compared to an increase of \$7.9 billion in the prior year.

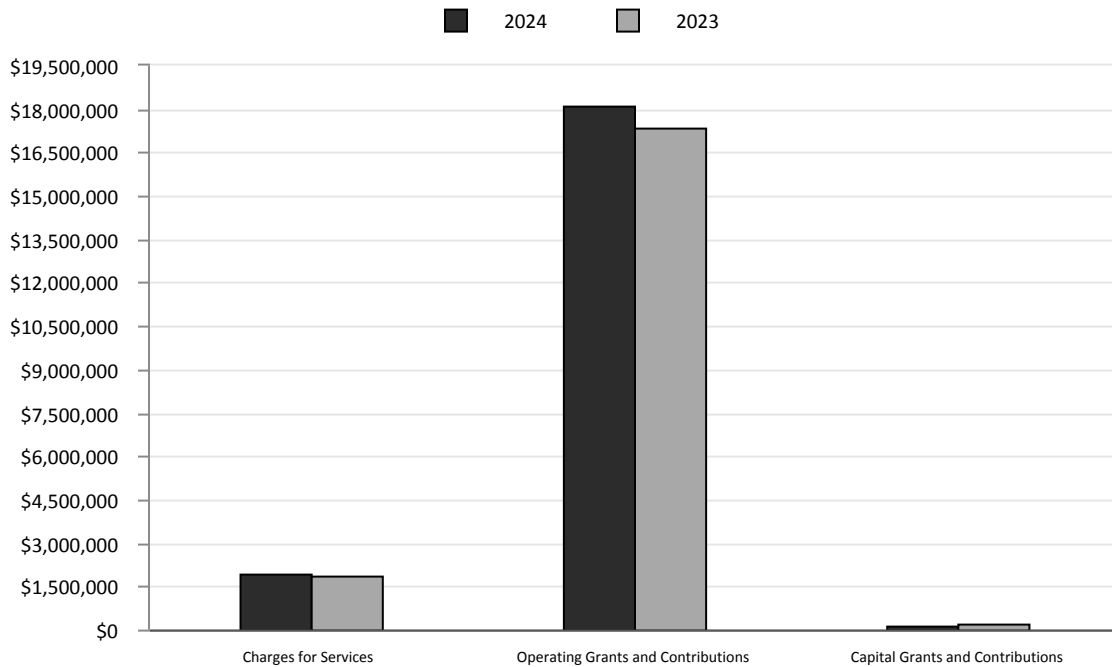
Revenues increased \$841.1 million (1.5 percent) over the prior year. The following graphs show revenues for the current year and prior year separating general revenues from program revenues. The program revenues graph is net of the COVID-19 revenue.

**General Revenues - Governmental Activities
Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)**



The state's largest general revenues relate to sales and income taxes. The economy has remained stable between the current year and the prior year. However, the increase in sales taxes resulted from new Twin Cities Metropolitan Area sales taxes to fund and support transportation, transit, and housing projects and provide state rent assistance in the metropolitan area. Motor vehicle taxes increase was due to an increase in vehicle registration tax starting in January 2024.

Program Revenues, Net of COVID-19 - Governmental Activities
Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)



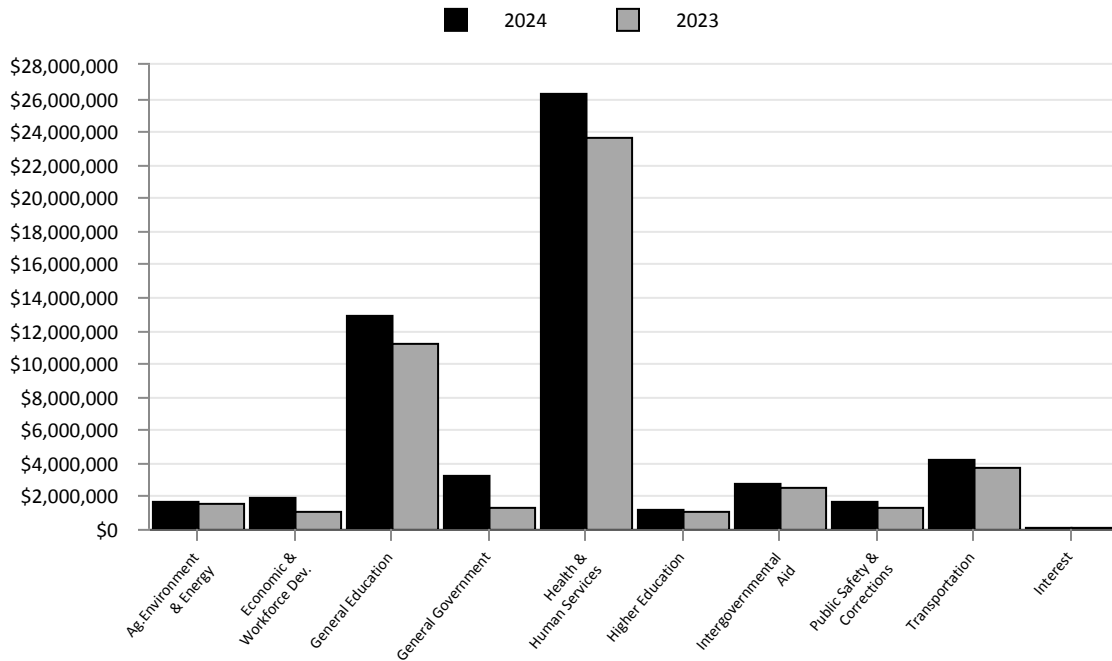
The operating grants and contributions, net of the COVID-19 revenue, increased over the prior year. This was primarily due to a significant increase in investment earnings that were restricted for program purposes and an increase of federal funding for general aid to school districts and epidemiology and laboratory capacity for infectious diseases, as well as a slight increase in medical assistance expenses.

The slight increase in charges for services was primarily due to both an increase in fees charged on child support received by parents receiving public assistance for child care and an increase in fees on driver and vehicle services transactions due to an increase in rates.

There was a \$7.4 billion (14.9 percent) increase in governmental activities expenses compared to the prior year. This included an increase in expenses of \$374.8 million related to the impacts of pension reporting and a decrease in expenses of \$1.7 billion related to COVID-19 offset by an increase in non-pension related expenses of \$8.7 billion. Pension reporting impacted all functional expenses except higher education and intergovernmental aid. See the chart on the Changes in Net Pension Liability and Related Deferred Inflows and Outflows for the impact by functional expenses. COVID-19 impacted primarily health and human services and general education expenses.

The following graph shows the functional expenses for governmental activities, excluding the impacts of the changes related to pensions and COVID-19 expenses.

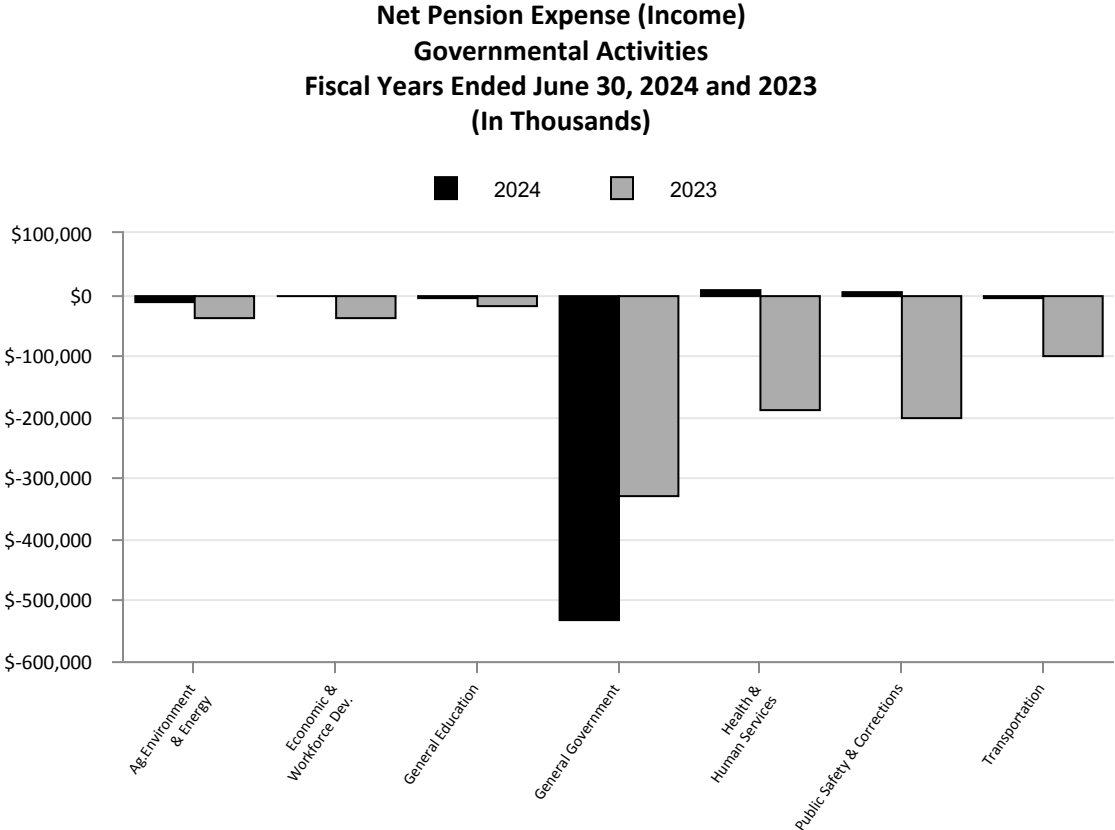
Functional Expenses, Net of Pension and COVID-19 Impacts
Governmental Activities
Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)



All functional expenses, net of the impacts of pension and COVID-19 expenses, increased during the current fiscal year. Many of these increases are one-time. The largest related to an increase in health and human services expenses which primarily was due to the reduced federal participation rate for medical assistance for the first two quarters and the complete elimination for the last two quarters of the current year. These changes resulted in the costs reverting back to the state instead of COVID-19 expenses under the Families First Coronavirus Response federal funding. See the COVID-19 Pandemic Impact on Current Year Governmental Financial Activity section for further details related to this shift. In addition, expenses increased due to the new child tax credit and the creation of the "Great Start" task force which was tasked to develop a plan to accomplish the goal for "all families to have access to affordable, high-quality early care and education that nurtures, and supports children and their families". General education expenses increase was due to increased funding for special education and the four percent per pupil formula increase. The significant increase in general government expenses resulted from the state issuing \$989 million in one-time rebates of surplus funds to individuals and also funding a tax forfeiture lawsuit settlement against a county in Minnesota. Economic and workforce development expenses increased due to the issuance of significant one-time grants to Housing Finance Agency (HFA, component unit) for housing projects, such as first-generation homebuyers down-payment assistance, housing infrastructure, community stabilization, and stable housing organization relief programs. In addition, HFA also received new grants for housing assistance and capital projects. The transportation expenses increase was due to grants to Metropolitan Council (component unit) for transportation and transit support as well as grants to local units of government for transportation projects. Additional operating support at both the state and county level for investments in public safety in the current year caused the increase in public safety expenses. Intergovernmental aid expenses also increased as a result of one-time aid to local governments for public safety and the one-time increases to the homestead credit refund and renters property tax refund

programs. These increases were partly offset by the decrease associated with the \$500 million in grants to individuals who worked on the front lines during the COVID-19 peacetime emergency that was issued in the prior year. Higher education expenses increased due to additional grants to the Office of Higher Education and the University of Minnesota (component units) for student tuition grants and operating support. Agricultural, environmental and energy resources expenses increases related to a program expansion and rising health care costs in the reinsurance health care program. In addition, grants to local governments for metropolitan drinking water remediation and environmental and natural resources projects for parks and trails also increased.

The following graph shows the changes in functional expenses for governmental activities related to the impacts of pension reporting.



Business-type Activities

Net position for the state’s business-type activities increased by \$565.6 million during the current year compared to an increase of \$240.1 million in the prior year. The impacts of pension related reporting on business-type activities resulted in an increase in expenses of \$134.0 million during the current year. See chart on expenses net of pension impact - business-type activities for changes in expenses net of these pension reporting impacts.

The increase in the net position of the state's business-type activities primarily resulted from a \$695.9 million increase in net position in the Family and Medical Benefit Insurance Fund, a \$108.9 million increase in net position in the State Colleges and Universities Fund and a \$273.9 million decrease in net position in the Unemployment Insurance Fund.

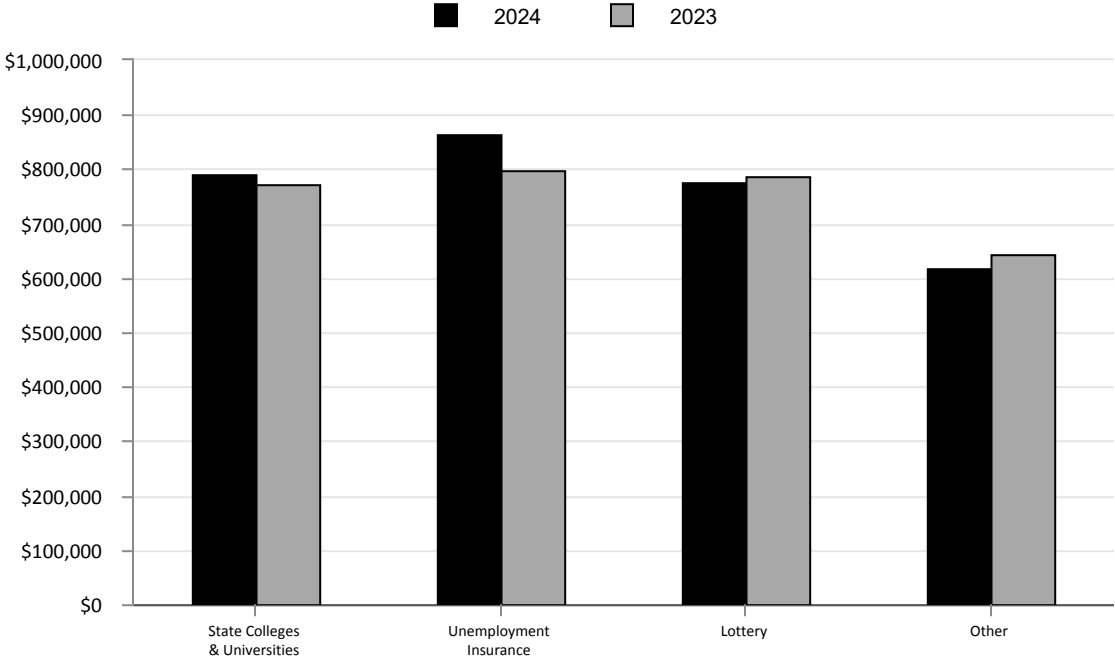
The Family and Medical Benefit Insurance Fund is a new fund in the current year with a net position of \$695.9 million, which was accumulated during the current year primarily as a result of a transfer of start-up funds from the General Fund. This fund will start receiving contributions from employers for paid family and

medical benefit insurance in January 2026 to be used to pay family and medical benefits to eligible individuals.

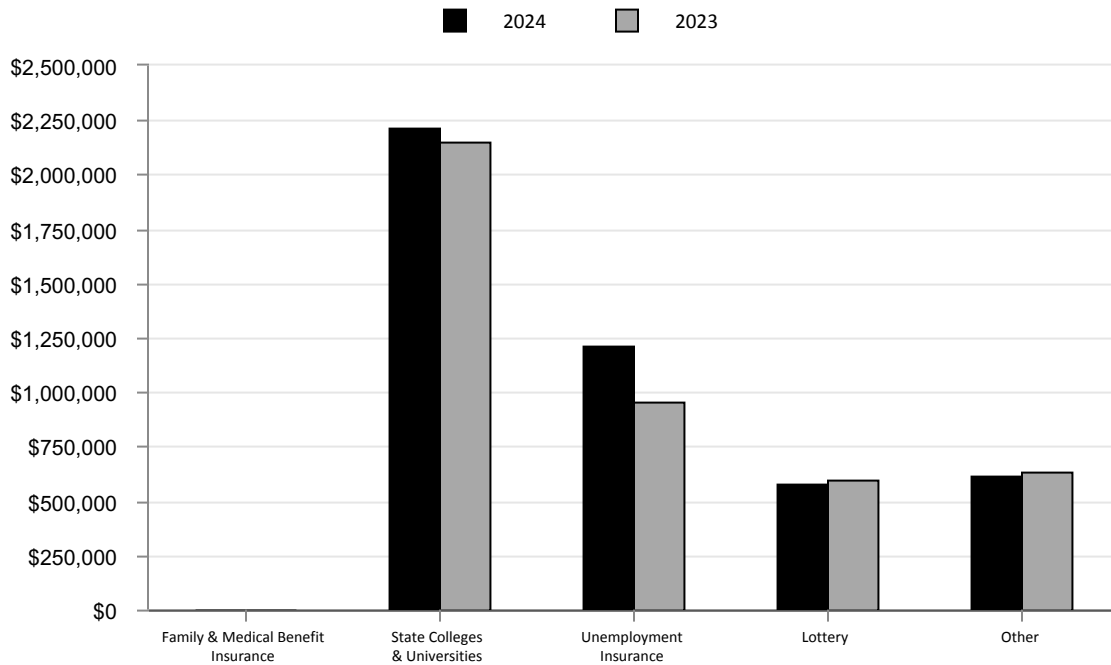
The State Colleges and Universities Fund’s net position increased \$108.9 million during the current year compared to an increase of \$84.5 million in the prior year. The increase in net position resulted primarily from increases in appropriation transfer from the General Fund, which were offset by the net pension expense increase of \$113.8 million and a decrease in operating grants and contributions as a result of a continued decrease in federal grants associated with the Higher Education Emergency Relief funds as the program concluded.

The Unemployment Insurance Fund’s net position decreased \$273.9 million during the current year compared to an increase of \$80.0 million in the prior year. Unemployment benefits increased as a result of a change in eligibility to cover educational employees. Educational employees are now eligible for unemployment benefits over the summer months. In addition, federal grants decreased as the Unemployment Insurance Fund received funds from the American Rescue Plan in the prior year.

Charges for Services - Business-Type Activities
Fiscal Years Ended June 30, 2024 and 2023
(In Thousands)



Expenses Net of Pension Impact - Business-Type Activities
Fiscal Years Ended June 30, 2024, and 2023
(In Thousands)



Long-Term Liabilities

The state’s total long-term liabilities decreased by \$498.5 million (3.4 percent) during the current fiscal year. This decrease is primarily attributable to a decrease in the Net Pension Liability of \$853.4 million, which was offset by an increase associated with the issuance of Certificates of Participation for the financing of the design, renovation, expansion and equipping of the state office building serving the House of Representatives. For additional information on long-term liabilities see Note 11 – Long-Term Liabilities - Primary Government.

State Funds Financial Analysis

Governmental Funds

The focus of the state’s governmental funds is to provide information on near-term cash inflows and outflows during the fiscal year and balances of spendable resources as of fiscal year end. Such information is useful in assessing the state’s financial condition. The unassigned fund balance serves as a useful measure of the state’s net resources available for future spending at the end of the fiscal year.

As of the end of the current fiscal year, the state’s governmental funds reported combined ending fund balances of \$27.6 billion, a decrease of \$676.2 million over the prior year.

The General Fund is the main operating fund of the state. At the end of the current fiscal year, the fund balance of the General Fund was \$16.9 billion, a decrease of \$2.8 billion during the current year.

Because the General Fund is the main operating fund of the state, many of the same variances impacting Governmental Activities impacted the General Fund. As previously noted, the economy remained stable between the current year and prior year. Other revenues increase was due to an increase in fees charged on child support received by parents receiving public assistance for child care and revenue from Workers'

Compensation Assigned Risk Plan (component unit). In addition, revenue was received from local governments for the Lewis and Clark Regional Water System project.

The General Fund expenditures, net of expenditures related to COVID-19, increased significantly over the prior year. Health and human services expenditures increase is due to the reduction of the federal participation rate for medical assistance for the first two quarters and the complete elimination for the last two quarters of the current year which resulted in a shift of these costs from the Federal Fund back to the General Fund. This federal participation rate increase in the prior year related to COVID-19 expenditures under the Families First Coronavirus Response federal funding. See the COVID-19 Pandemic Impact on Current Year Governmental Financial Activity section for further details related to prior year. Health and human service expenditures also increased as a result of a new child tax credit and the creation of "Great Start" task force tasked to develop a plan to accomplish the goal for "all families to have access to affordable, high-quality early care and education". General education expenditures increase was due to increased funding for special education and the four percent per pupil formula increase. The state issued \$989 million in one-time rebates of surplus funds to individuals and also funded a tax forfeiture lawsuit settlement against a county in Minnesota which resulted in a significant increase in general government expenditures. The significant one-time grants to Housing Finance Agency (HFA, component unit) for housing projects, such as first-generation homebuyers down-payment assistance, housing infrastructure, community stabilization, and stable housing organization relief programs caused a significant increase in economic and workforce development expenditures. Intergovernmental aid expenditures increase resulted from one-time aid to local governments for public safety and the one-time increases to the homestead credit refund and renters property tax refund programs. This was partially offset by a decrease due to the one-time grants to individuals who worked on the frontlines during the COVID-19 peacetime emergency in the prior year. Higher education expenditures increase was due to additional grants to the Office of Higher Education and the University of Minnesota (component units) for student tuition grants and operating support. Additional operating support at both the state and county level for investments in public safety caused the increase in public safety expenditures. Agricultural, environmental and energy resources expenditures increase related to program expansion and the rising health care costs for the reinsurance health care program.

The Federal Fund expenditures, net of expenditures related to COVID-19, increased slightly over the prior year. The increase in general education is the result of an increase in aid to school districts, while the increase in health and human services is due to an increase in funding for epidemiology and laboratory capacity for infectious diseases program, as well as a slight increase in medical assistance expenditures.

During the current year, motor vehicle taxes increase was due to an increase in the vehicle registration tax starting in January 2024, which impacted the Trunk Highway, Municipal State-aid Street, and County State-aid funds (special revenue funds). The fees also increased on driver and vehicle services transactions in the Miscellaneous Special Revenue Fund (special revenue fund), which increased licenses and fees revenue. The increase in other revenue resulted from revenue from the counties' share of the medical assistance grants that shifted back from the federal government in the Miscellaneous Special Revenue fund and an increase in revenue from local governments for transportation projects in the Trunk Highway Fund. The increase in sales taxes resulted from a new Twin Cities Metropolitan Area sales tax to fund and support transportation and transit projects in the metropolitan area in the Miscellaneous Special Revenue Fund. This resulted in an increase in transportation expenditures due to grants to Metropolitan Council (component unit). Transportation expenditures also increased in the County State-aid Highway Fund due to grants to counties for transportation projects. Sales taxes also increased due to a new metropolitan area sales tax to fund and support housing assistance projects in the newly created Housing Assistance Fund (special revenue fund). This resulted in an increase in economic and workforce development expenditures due to grants to Housing Finance Agency (component unit) for housing assistance. Economic and development also increased due to grants to Housing Finance Agency for capital projects in the General Projects Fund (capital projects fund). Agricultural, environmental and energy expenditures increase was due to an increase in grants to local governments for metropolitan drinking water in the Environmental and Remediation Fund (special revenue

fund) and one-time grants to local governments for environmental and natural resource projects and parks and trails in the Heritage Fund (special revenue fund), which was offset by a decrease resulting from grants to Prairie Island Indian Community to develop an energy system to implement renewable energy that results in net zero emissions in the Miscellaneous Special Revenue Fund (special revenue fund) in the prior year.

Proprietary Funds – Enterprise and Internal Service Funds

The statements for proprietary funds provide the same type of information found in the Government-wide Financial Statements but in more detail.

Enterprise Funds

The state’s enterprise funds are included in the Business-type Activities column of the Statement of Activities. Enterprise funds net position increased by \$565.6 million during the current year. This primarily resulted from a \$695.9 million increase in net position of the newly created Family and Medical Benefit Insurance Fund, a \$108.9 million increase in net position of the State Colleges and Universities Fund, and a \$273.9 million decrease in net position of the Unemployment Insurance Fund. For further discussion, see the Government-wide Financial Analysis – Business-type Activities section.

Internal Service Funds

The state’s internal service funds are included in the Governmental Activities column of the Statement of Activities; however, eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once in the function for which the expenses were made.

The implementation of GASB 68, “Accounting and Financial Reporting for Pensions,” which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions, has caused a nonmajor enterprise fund to end the fiscal year in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and state Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension-related liabilities or deferred inflow and outflows of resources in the rate-setting process for managing nonmajor enterprise and internal service funds as long as the funds are contributing the statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the state Legislature.

General Fund Budgetary Highlights

Several significant economic forecast and budget actions occurred prior to and during fiscal year 2024. These are material to understanding changes in General Fund balances that occurred in fiscal year 2024. Both the Minnesota State Constitution (Article XI, section 6) and Minnesota Statutes 16A.152 require that the budget be balanced for the biennium. The following highlights material actions taken by the state Legislature and the Governor affecting fiscal year 2024.

Actions Establishing the Fiscal Year 2024 Budget

The 2023 Legislature established the 2024-25 biennial budget based on the February 2023 Budget and Economic Forecast, which showed a projected balance of \$17.455 billion for that biennium. Revenues and other current resources at the time of enactment were projected to be \$58.818 billion while appropriations for the enacted budget totaled \$69.518 billion. Offsetting the difference between revenue and spending for the biennium was the \$12.283 billion projected balance carried forward from the 2022-23 biennium. Additionally, reserves for the 2024-25 biennium at the time of enactment were \$2.852 billion in the budget

reserve and \$350 million in the cash flow account, both unchanged from the previous forecast. The unreserved balance for the biennium was projected to be \$1.583 billion.

Investments over base spending in the General Fund included: \$3.231 billion increase in economic development, agricultural, and housing appropriations, \$2.957 billion in new spending in E-12 education, \$2.819 billion increase in health and human services spending, \$1.265 billion higher appropriations in state government and veterans spending, \$1.044 billion increase in transportation spending, \$974 million for capital projects and grants, \$881 million increase in public safety and judiciary spending, \$880 million increase in property tax credits and aids to local government, \$688 million for environment and energy, \$668 million for higher education, and \$40 million increase in debt service costs due to the passage of a bonding bill. The most significant enacted revenue reductions included \$1.131 billion for a one-time refundable credit, \$893 million for a new child tax credit, and \$496 million for an expanded social security subtraction. Revenue reductions were partially offset by increases generated from changes to itemized and standard deductions and corporate foreign income taxation, among other smaller enacted revenue increases. Of the spending and revenue changes enacted, \$10.136 billion were one-time in nature and not planned to continue beyond the 2024-25 biennium.

After the 2023 legislative session, the enacted budget for the 2024-25 biennium included \$15.485 billion in the projected carryforward balance from fiscal year 2023 (including reserves), \$58.818 billion in General Fund estimated revenues and current resources, \$69.518 billion in General Fund projected spending, \$3.202 billion in cash flow and budgetary reserves, and an estimated \$1.583 billion ending budgetary balance.

Budget and Forecast Actions Impacting Fiscal Year 2024

The November 2023 Budget and Economic Forecast increased the projected ending balance for the 2024-25 biennium to a total of \$2.392 billion, an increase of \$808 million (51.0 percent) compared to previous estimates. Total General Fund revenues and current resources for the 2024-25 biennium were forecast to be \$59.655 billion, \$837 million (1.4 percent) more than prior projections. Total tax revenues for the biennium were forecast to be \$57.058 billion, \$710 million (1.3 percent) above the prior estimate. The forecasts for Minnesota's three largest tax types were higher than the end-of-session estimates. Total General Fund expenditures for the 2024-25 biennium were projected to be \$70.516 billion, \$998 million (1.4 percent) higher than previously forecast. Estimated spending was higher than end-of-session estimates across all major areas, with the exception of the cost of debt service on state capital projects as well as public safety and judiciary expenditures. Statutory allocations to the budget reserve triggered by the forecast surplus resulted in a \$61 million transfer to the budget reserve. After the allocation, the budget reserve balance was \$2.913 billion as of the November 2023 Budget and Economic Forecast while the \$350 million cash flow account balance remained unchanged.

With the February 2024 Budget and Economic Forecast, an improved revenue forecast and largely unchanged spending estimates resulted in a \$1.324 billion increase in the projected balance compared to the November 2023 Budget and Economic Forecast. Given this, the 2024-25 biennium was projected to conclude with an available budgetary balance of \$3.715 billion. The \$2.913 billion budget reserve and \$350 million cash flow account were unchanged from prior estimates.

The 2024 Legislature made adjustments to resources and appropriations for the 2024-25 biennium. General Fund revenues and current resources were reduced \$9 million, largely due to a correction to statute related corporate income tax net operating loss allowances. Enacted spending changes totaled \$415 million in supplemental appropriations. Significant spending increases included \$109 million for settlement account related to local tax forfeiture, \$98 million for health and human services, \$57 million for public safety and judiciary spending, and \$47 million for E-12 education. After accounting for the enacted spending and resource changes, the General Fund was projected to end the 2024-25 biennium with a balance of \$3.291 billion.

Fiscal year 2024 ended with a General Fund balance of \$5.896 billion, \$674 million above prior estimates. This increased balance carried forward into fiscal year 2025 as an added resource. Total revenues, transfers-in, and other resources in fiscal year 2024 were \$621 million higher than previously forecast. Tax revenues were \$239 million more than projections and non-tax revenues were \$253 million above previous projections. Prior period adjustments were \$119 million higher than estimates, and other resource changes contributed to an additional \$9 million compared to previous projections. After accounting for unspent appropriations authorized under law to carryforward to the next fiscal year, actual expenditures were \$65 million below the previous forecast. The budget reserve increased \$12 million due to a statutory allocation.

The November 2024 Budget and Economic Forecast projected an improved balance for fiscal year 2025, with the fiscal year projected to end with a surplus of \$3.752 billion. Estimated revenues and other resources, inclusive of funds carried forward from fiscal year 2024, exceeded the prior forecast and estimated spending was lower than prior estimates. Total General Fund revenues and other current resources for the 2024-25 biennium were forecast to be \$61.434 billion, \$445 million (0.7 percent) more than prior estimates while expenditures for the biennium were expected to be \$70.670 billion, a reduction of \$280 million (0.4 percent) compared to prior estimates. The budget reserve increased by \$264 million to \$3.177 billion while the cash flow account balance of \$350 million was unchanged.

Budget and GAAP Based Financial Outlook

Minnesota budgets and manages its financial affairs on a budgetary basis, which primarily uses a cash basis of accounting. Revenues are recorded when received and expenditures are recorded when the payments are made, with the exception that, at year-end, encumbered amounts are included in the expenditures of the year appropriated for budgetary reporting. GAAP requires that the modified accrual basis of accounting be used to prepare governmental fund statements. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. Expenditures are recognized when a liability occurs.

On a budgetary basis, the state's General Fund ended fiscal year 2024 with a balance of \$6.841 billion. On a GAAP basis, the General Fund reported a balance of \$16.856 billion for fiscal year 2024, a difference of \$10.015 billion from the budgetary General Fund balance. The difference between the General Fund budgetary and GAAP fund balance results from two primary reasons. First, on a GAAP basis, the accruals of revenue and expenditures are required to be reported under the modified accrual basis of accounting. Second, several funds are included in the GAAP fund balance which are not included in the budgetary fund balance. These additional funds reported a fund balance of \$4.681 billion. The difference between the GAAP basis and budgetary basis fund balance of the General Fund, excluding these additional funds not reported in the budgetary fund balance, was \$5.334 billion. Additional information on the differences between the budgetary basis and the GAAP basis for the General Fund is included in Note 17 – Budgetary Basis vs. GAAP of the notes to the financial statements.

Capital Assets, including Right-to-Use Assets and Debt Administration

Capital Assets, including Right-to-Use Assets

The state's investment in capital assets, including right-to-use assets for governmental and business-type activities as of June 30, 2024, was \$30.1 billion, less accumulated depreciation/amortization of \$6.3 billion, resulting in a net book value of \$23.8 billion. This investment in capital assets includes land, buildings, construction and development in progress, infrastructure, easements, art and historical treasures, internally generated computer software, equipment, leased asset, and IT subscriptions. Infrastructure assets are long-lived capital assets, such as pavement, bridges, tunnels, drainage systems, lighting systems, and similar items that are normally stationary in nature.

Capital Assets, including Right-to-Use Assets
June 30, 2024 and 2023
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Capital Assets not Depreciated:						
Land ⁽¹⁾	\$ 3,059,643	\$ 2,956,671	\$ 93,817	\$ 93,817	\$ 3,153,460	\$ 3,050,488
Buildings, Structures, Improvements	342,252	342,252	—	—	342,252	342,252
Construction in Progress	230,928	440,359	80,205	97,391	311,133	537,750
Development in Progress	291,902	280,336	4,402	424	296,304	280,760
Infrastructure	13,748,699	13,250,715	—	—	13,748,699	13,250,715
Easement/Other Intangibles	598,220	571,395	596	596	598,816	571,991
Art and Historical Treasures	12,290	12,290	—	—	12,290	12,290
Total Capital Assets not Depreciated	\$ 18,283,934	\$ 17,854,018	\$ 179,020	\$ 192,228	\$ 18,462,954	\$ 18,046,246
Capital Assets Depreciated:						
Buildings, Structures, Improvements ⁽²⁾	\$ 3,909,044	\$ 3,592,453	\$ 4,170,429	\$ 4,055,819	\$ 8,079,473	\$ 7,648,272
Infrastructure	609,713	521,764	30,733	30,734	640,446	552,498
Easements	5,932	4,389	—	—	5,932	4,389
Library Collections	—	—	31,920	32,803	31,920	32,803
Internally Generated Computer Software	507,780	475,076	73,618	71,277	581,398	546,353
Equipment, Furniture, Fixtures ⁽²⁾	1,087,737	1,033,824	381,616	364,189	1,469,353	1,398,013
Total Capital Assets Depreciated	\$ 6,120,206	\$ 5,627,506	\$ 4,688,316	\$ 4,554,822	\$ 10,808,522	\$ 10,182,328
Less: Accumulated Depreciation ⁽²⁾	(3,048,053)	(2,902,961)	(2,913,433)	(2,782,151)	(5,961,486)	(5,685,112)
Total Capital Assets Depreciated, Net	\$ 3,072,153	\$ 2,724,545	\$ 1,774,883	\$ 1,772,671	\$ 4,847,036	\$ 4,497,216
Right-to-Use Assets Amortized⁽²⁾:						
Leased Buildings, Structures, Improvements ⁽²⁾	\$ 514,704	\$ 497,820	\$ 60,638	\$ 51,694	\$ 575,342	\$ 549,514
Leased Easements	3,955	794	—	—	3,955	794
Leased Equipment, Furniture, Fixtures	20,447	20,627	19,286	16,561	39,733	37,188
IT Subscriptions	127,285	106,764	52,213	48,500	179,498	155,264
Total Right-to-Use Assets Amortized	\$ 666,391	\$ 626,005	\$ 132,137	\$ 116,755	\$ 798,528	\$ 742,760
Less: Accumulated Amortization ⁽²⁾	(255,591)	(160,637)	(57,179)	(39,863)	(312,770)	(200,500)
Total Right-to-Use Assets Amortized, Net	\$ 410,800	\$ 465,368	\$ 74,958	\$ 76,892	\$ 485,758	\$ 542,260
Total Capital Assets, including Right-to-Use Assets, Net	\$ 21,766,887	\$ 21,043,931	\$ 2,028,861	\$ 2,041,791	\$ 23,795,748	\$ 23,085,722

⁽¹⁾ 2023 has been restated to remove land held for investment. See Note 6 – Capital Assets, including Right-to-Use Assets for further information.

⁽²⁾ 2023 has been restated as a result of the change in reporting entity. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for further information.

The state uses the modified approach for reporting selected infrastructure assets. The modified approach requires that the state meets certain requirements regarding the inventory and maintenance of eligible capital assets, including condition assessments. Under the modified approach, assets are not depreciated, and certain maintenance and preservation costs associated with those assets are expensed. Assets accounted for under this approach include approximately 29,000 lane miles of pavement and 3,000 bridges that are maintained by the Minnesota Department of Transportation (MnDOT).

The state's goal is to maintain pavement at, or above, a 3.0 Pavement Quality Index (PQI) for all principal arterial pavement and at, or above, a 2.8 PQI for all other pavement. The most recent condition assessment, completed for calendar year 2023, indicated that the average PQI for principal arterial pavement was 3.6 and 3.4 for all other pavements. The state has maintained a stable condition of pavement over the past several years.

The state's goal is to have over 92 percent of principal arterial system bridges and 80 percent of all other system bridges in fair to good condition. The most recent condition assessment, completed for calendar year 2023, indicated that 93.7 percent of principal arterial system bridges and 93.0 percent of all other system bridges were in fair to good condition. The state has also maintained a stable condition of bridges over the past several years.

During the current year, expenditures were fairly consistent with budget; however, projects under the federal Infrastructure Investment and Jobs Act started off slower than expected causing expenditures to be less than the budget. The decrease in expenditures on bridges in the current year was due the decrease in expenditures on the I-35 Duluth Terminal Port Interchange bridges that was near completion toward the end of the prior year.

Additional information on the state's capital assets and infrastructure under the modified approach is included in Note 6 – Capital Assets, including Right-to-Use Assets of the notes to the financial statements and in the required supplementary information, respectively.

Debt Administration

The authority of the state to incur general obligation debt is described in Article XI, Sections 5 and 7, of the state's constitution. General obligation bonds, issued by the state, are backed by the full faith, credit, and taxing powers of the state.

The state's general obligation bonds were rated on June 30, 2024, as follows:

- AAA by Fitch Ratings
- AAA by S&P Global Ratings
- Aaa by Moody's Investors Service Inc.

The Legislature also statutorily authorizes other types of debt.

The state issued revenue bonds, which are payable solely from rentals, revenues, and other income, and charges and monies that were pledged for repayment.

The state issued state General Fund appropriation refunding bonds to refund bonds issued by a blended component unit, Tobacco Securitization Authority, which no longer exists. The state also issued state General Fund appropriation bonds to finance the Lewis and Clark Regional Water System project, the Duluth regional exchange district, the environmental response PCA superfund, public television equipment, and electric vehicle infrastructure.

The Certificates of Participation were issued by the state to finance the legislative office facility and the state office building.

**Outstanding Bonded Debt and Unamortized Premium
June 30, 2024 and 2023
(In Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General Obligation	\$ 6,997,312	\$ 7,211,161	\$ 150,805	\$ 166,577	\$ 7,148,117	\$ 7,377,738
Revenue	64,101	23,885	173,053	188,542	237,154	212,427
State Appropriation Bonds	428,269	449,028	—	—	428,269	449,028
Certificate of Participation	545,441	70,345	—	—	545,441	70,345
Total	\$ 8,035,123	\$ 7,754,419	\$ 323,858	\$ 355,119	\$ 8,358,981	\$ 8,109,538

During fiscal year 2024, the state issued the following bonds:

- \$160.7 million in general obligation state various purpose bonds
- \$264.0 million in general obligation state trunk highway bonds
- \$14.9 million in general obligation taxable state various purpose bonds
- \$329.1 million in state various purpose refunding bonds
- \$255.3 million in state trunk highway refunding
- \$37.4 million in revenue bonds for grants to school districts in the taconite assistance area for building projects
- \$26.1 million in state appropriation bonds for the Duluth Regional Exchange District
- \$454.2 million in Certificate of Participation for design, renovation, expansion and equipping the state office building

Additional information on the state’s long-term debt obligations is located in Note 11 – Long-Term Liabilities - Primary Government in the notes to the financial statements.

Requests for Information

This financial report is designed to provide Minnesotans, taxpayers, customers, investors, and creditors with a general overview of the state’s finances and to demonstrate the state’s accountability for the money it receives.

Please contact us if you have questions about this report or to request additional financial information.

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State of Minnesota

Basic Financial Statements

2024
Annual
Comprehensive
Financial Report





State of Minnesota

Government-wide Financial Statements

2024
Annual
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STATE OF MINNESOTA

STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

ASSETS	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Current Assets:				
Cash and Cash Equivalents	\$ 26,341,110	\$ 3,499,252	\$ 29,840,362	\$ 2,315,105
Investments	4,487,304	24,448	4,511,752	1,984,422
Accounts Receivable	4,087,394	492,591	4,579,985	668,727
Due from Component Units	15,161	—	15,161	—
Due from Primary Government	—	—	—	455,517
Accrued Investment/Interest Earnings	129,216	1	129,217	57,160
Federal Aid Receivable	2,767,791	35,382	2,803,173	23,101
Inventories	81,926	26,247	108,173	64,492
Loans and Notes Receivable	27,394	1,202	28,596	355,483
Leases Receivable	2,046	2,742	4,788	32,740
Internal Balances	49,744	(49,744)	—	—
Other Assets	3,604	1,429	5,033	45,188
Total Current Assets	\$ 37,992,690	\$ 4,033,550	\$ 42,026,240	\$ 6,001,935
Noncurrent Assets:				
Cash and Cash Equivalents-Restricted	\$ —	\$ 44,812	\$ 44,812	\$ 1,815,433
Investments-Restricted	—	320	320	5,614,483
Accounts Receivable-Restricted	—	—	—	196,906
Due from Primary Government-Restricted	—	—	—	21,589
Due from Primary Government	—	—	—	1,323
Due from Component Units	101,876	—	101,876	—
Investments	—	—	—	7,132,999
Derivative Instrument-Rate Swap	—	—	—	48,457
Accounts Receivable	860,171	2,127	862,298	474,938
Loans and Notes Receivable	187,520	2,899	190,419	3,242,736
Leases Receivable	5,071	7,135	12,206	593,285
Investment in Land	15,943	—	15,943	—
Right-to-Use Assets (Net)	410,800	74,958	485,758	276,754
Depreciable Capital Assets (Net)	3,072,153	1,774,883	4,847,036	6,674,095
Nondepreciable Capital Assets	4,535,235	179,020	4,714,255	3,860,307
Infrastructure (Not depreciated)	13,748,699	—	13,748,699	—
Other Assets	949	—	949	9,422
Total Noncurrent Assets	\$ 22,938,417	\$ 2,086,154	\$ 25,024,571	\$ 29,962,727
Total Assets	\$ 60,931,107	\$ 6,119,704	\$ 67,050,811	\$ 35,964,662
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Derivative Instruments	\$ —	\$ —	\$ —	\$ 1,817
Bond Refunding	180,540	1,162	181,702	4,014
Deferred Outflows	—	—	—	4,330
Deferred Pension Outflows	1,886,014	180,706	2,066,720	298,543
Deferred Other Postemployment Benefits Outflows	113,608	31,885	145,493	37,770
Total Deferred Outflows of Resources	\$ 2,180,162	\$ 213,753	\$ 2,393,915	\$ 346,474
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 7,468,056	\$ 291,819	\$ 7,759,875	\$ 628,216
Due to Component Units	477,664	12	477,676	—
Due to Primary Government	—	—	—	23,765
Unearned Revenue	175,717	172,155	347,872	127,829
Accrued Interest Payable	115,551	—	115,551	121,903
Bonds and Notes Payable	651,956	34,163	686,119	793,046
Lease/Subscription Payable	90,148	21,806	111,954	35,249
Certificates of Participation Payable	16,335	—	16,335	760
Claims Payable	199,564	23,792	223,356	325,992
Compensated Absences Payable	62,877	21,558	84,435	147,872
Other Postemployment Benefits	41,560	6,992	48,552	4,675
Other Liabilities	—	14,892	14,892	4,848
Total Current Liabilities	\$ 9,299,428	\$ 587,189	\$ 9,886,617	\$ 2,214,155

STATE OF MINNESOTA

STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Noncurrent Liabilities:				
Accounts Payable-Restricted	\$ —	\$ —	\$ —	\$ 193,562
Unearned Revenue-Restricted	—	—	—	207,973
Accrued Interest Payable-Restricted	—	—	—	12,758
Accounts Payable	—	—	—	61,381
Due to Primary Government	—	—	—	101,876
Unearned Revenue	166,232	—	166,232	7,320
Interest Rate Swap Agreements	—	—	—	61
Bonds and Notes Payable	6,951,105	311,424	7,262,529	9,367,635
Lease/Subscription Payable	239,601	51,004	290,605	182,240
Due to Component Units	1,323	—	1,323	—
Certificates of Participation Payable	529,106	—	529,106	—
Claims Payable	737,565	1,616	739,181	502,523
Compensated Absences Payable	403,135	151,443	554,578	41,425
Other Postemployment Benefits	630,716	106,960	737,676	334,949
Net Pension Liability	2,594,996	371,323	2,966,319	251,653
Funds Held in Trust	—	—	—	536,667
Other Liabilities	—	3,743	3,743	104,069
Total Noncurrent Liabilities	\$ 12,253,779	\$ 997,513	\$ 13,251,292	\$ 11,906,092
Total Liabilities	\$ 21,553,207	\$ 1,584,702	\$ 23,137,909	\$ 14,120,247
DEFERRED INFLOWS OF RESOURCES				
Accumulated Increase in Fair Values of Derivative Instruments	\$ —	\$ —	\$ —	\$ 48,457
Bond Refunding	10,996	4,441	15,437	25,521
Deferred Leases	7,117	10,900	18,017	581,525
Deferred Revenue	456,799	—	456,799	63,554
Deferred Pension Inflows	1,044,394	117,862	1,162,256	284,533
Deferred Other Postemployment Benefits Inflows	75,418	14,185	89,603	81,787
Total Deferred Inflows of Resources	\$ 1,594,724	\$ 147,388	\$ 1,742,112	\$ 1,085,377
NET POSITION				
Net Investment in Capital Assets	\$ 17,915,843	\$ 1,630,442	\$ 19,546,285	\$ 7,272,721
Restricted to:				
Improve Agricultural, Environmental and Energy Resources	\$ 3,962,404	\$ —	\$ 3,962,404	\$ —
Enhance Arts and Culture	56,357	—	56,357	—
Acquire, Maintain, and Improve Land and Buildings	—	552	552	—
Retire Indebtedness	455,053	143,933	598,986	—
Develop Economy and Workforce	388,055	13,328	401,383	—
Enhance E-12 Education	25,458	—	25,458	—
Enhance State Government	56,614	—	56,614	—
Enhance Health and Human Services	212,988	43,432	256,420	—
Enhance Higher Education	551	23,156	23,707	—
Enhance 911 Services and Increase Safety	13,061	143,611	156,672	—
School Aid-Expendable	14,571	—	14,571	—
School Aid-Nonexpendable	2,147,483	—	2,147,483	—
Construct Highways and Improve Infrastructure	2,322,608	—	2,322,608	—
Unemployment Benefits	—	1,349,082	1,349,082	—
Other Purposes	—	113,500	113,500	—
Component Units	—	—	—	12,091,793
Total Restricted	\$ 9,655,203	\$ 1,830,594	\$ 11,485,797	\$ 12,091,793
Unrestricted	\$ 12,392,292	\$ 1,140,331	\$ 13,532,623	\$ 1,740,998
Total Net Position	\$ 39,963,338	\$ 4,601,367	\$ 44,564,705	\$ 21,105,512

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary Government:				
Governmental Activities:				
Agricultural, Environmental and Energy Resources	\$ 1,719,682	\$ 508,637	\$ 968,607	\$ 26,098
Economic and Workforce Development	2,014,315	72,286	382,988	—
General Education	13,402,311	25,990	1,622,029	3,541
General Government	2,745,406	383,400	111,876	—
Health and Human Services	26,811,914	626,431	14,794,206	—
Higher Education	1,216,259	—	513	—
Intergovernmental Aid	2,758,543	—	—	—
Public Safety and Corrections	1,749,108	239,169	317,886	—
Transportation	4,258,157	52,536	1,045,057	121,760
Interest	172,751	—	—	—
Total Governmental Activities	<u>\$ 56,848,446</u>	<u>\$ 1,908,449</u>	<u>\$ 19,243,162</u>	<u>\$ 151,399</u>
Business-type Activities:				
Family and Medical Benefit Insurance	\$ 1,093	\$ —	\$ —	\$ —
State Colleges and Universities	2,182,883	789,578	465,978	—
Unemployment Insurance	1,209,236	864,893	68,271	—
Lottery	582,117	775,845	—	—
Others	614,224	616,376	356	—
Total Business-type Activities	<u>\$ 4,589,553</u>	<u>\$ 3,046,692</u>	<u>\$ 534,605</u>	<u>\$ —</u>
Total Primary Government	<u>\$ 61,437,999</u>	<u>\$ 4,955,141</u>	<u>\$ 19,777,767</u>	<u>\$ 151,399</u>
Component Units:				
Housing Finance	\$ 810,830	\$ 38,474	\$ 1,238,519	\$ —
Metropolitan Council	1,321,468	388,463	952,969	543,544
University of Minnesota	5,290,605	1,531,747	2,291,369	70,976
Others	868,260	149,165	452,990	4,176
Total Component Units	<u>\$ 8,291,163</u>	<u>\$ 2,107,849</u>	<u>\$ 4,935,847</u>	<u>\$ 618,696</u>
General Revenues:				
Taxes:				
Individual Income Taxes				
Corporate Income Taxes				
Sales Taxes				
Property Taxes				
Motor Vehicle Taxes				
Fuel Taxes				
Other Taxes				
Tobacco Settlement				
Unallocated Investment/Interest Earnings				
Other Revenues				
State Grants Not Restricted				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, Beginning, as Reported				
Change in Reporting Entity				
Net Position, Beginning, as Restated				
Net Position, Ending				

The notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
----------------------------	---------------------------------	-------	--------------------

\$ (216,340)		\$ (216,340)	
(1,559,041)		(1,559,041)	
(11,750,751)		(11,750,751)	
(2,250,130)		(2,250,130)	
(11,391,277)		(11,391,277)	
(1,215,746)		(1,215,746)	
(2,758,543)		(2,758,543)	
(1,192,053)		(1,192,053)	
(3,038,804)		(3,038,804)	
(172,751)		(172,751)	
\$ (35,545,436)		\$ (35,545,436)	
	\$ (1,093)	\$ (1,093)	
	(927,327)	(927,327)	
	(276,072)	(276,072)	
	193,728	193,728	
	2,508	2,508	
	\$ (1,008,256)	\$ (1,008,256)	
\$ (35,545,436)	\$ (1,008,256)	\$ (36,553,692)	

	\$ 466,163		
	563,508		
	(1,396,513)		
	(261,929)		
	\$ (628,771)		

\$ 16,740,695	\$ —	\$ 16,740,695	\$ —
3,223,930	—	3,223,930	—
8,803,443	—	8,803,443	—
721,648	—	721,648	—
2,043,105	—	2,043,105	—
889,206	—	889,206	—
3,592,615	—	3,592,615	92,694
183,713	—	183,713	—
1,161,610	114,499	1,276,109	1,054,990
182,180	749	182,929	651,569
—	—	—	1,121,156
(1,458,611)	1,458,611	—	—
\$ 36,083,534	\$ 1,573,859	\$ 37,657,393	\$ 2,920,409
\$ 538,098	\$ 565,603	\$ 1,103,701	\$ 2,291,638
\$ 39,423,759	\$ 4,037,245	\$ 43,461,004	\$ 18,813,874
1,481	(1,481)	—	—
\$ 39,425,240	\$ 4,035,764	\$ 43,461,004	\$ 18,813,874
\$ 39,963,338	\$ 4,601,367	\$ 44,564,705	\$ 21,105,512





State of Minnesota

Fund Financial Statements

2024
Annual
Comprehensive
Financial Report



Governmental Funds

General Fund

The fund accounts for all financial resources except those required to be accounted for in another fund.

Federal Fund

The fund receives and disburses federal government grants and reimbursements. The fund is administered in accordance with grant agreements between the state and federal agencies.

2024
Annual
Comprehensive
Financial Report

STATE OF MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)

	GENERAL	FEDERAL	NONMAJOR FUNDS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 17,308,045	\$ 25,427	\$ 8,375,625	\$ 25,709,097
Investments	1,878,504	—	2,608,800	4,487,304
Accounts Receivable	4,098,817	330,370	511,533	4,940,720
Interfund Receivables	412,398	19	276,969	689,386
Due from Component Units	12,032	—	105,005	117,037
Accrued Investment/Interest Earnings	117,359	—	11,857	129,216
Federal Aid Receivable	—	2,660,351	107,440	2,767,791
Inventories	—	18,485	62,987	81,472
Loans and Notes Receivable	48,773	6,147	159,994	214,914
Leases Receivable	—	—	4,134	4,134
Investment in Land	—	—	15,943	15,943
Total Assets	<u>\$ 23,875,928</u>	<u>\$ 3,040,799</u>	<u>\$ 12,240,287</u>	<u>\$ 39,157,014</u>
LIABILITIES				
Accounts Payable	\$ 4,168,216	\$ 2,542,647	\$ 808,426	\$ 7,519,289
Interfund Payables	32,139	165,369	386,740	584,248
Due to Component Units	222,135	154,618	100,600	477,353
Unearned Revenue	149,487	171,023	13,755	334,265
Total Liabilities	<u>\$ 4,571,977</u>	<u>\$ 3,033,657</u>	<u>\$ 1,309,521</u>	<u>\$ 8,915,155</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Leases	\$ —	\$ —	\$ 4,134	\$ 4,134
Deferred Revenue	2,447,471	—	206,930	2,654,401
Total Deferred Inflows of Resources	<u>\$ 2,447,471</u>	<u>\$ —</u>	<u>\$ 211,064</u>	<u>\$ 2,658,535</u>
FUND BALANCES				
Nonspendable	\$ 1,914,056	\$ —	\$ 2,210,470	\$ 4,124,526
Restricted	138,657	7,142	6,363,370	6,509,169
Committed	105,562	—	1,203,982	1,309,544
Assigned	4,574,708	—	1,003,980	5,578,688
Unassigned	10,123,497	—	(62,100)	10,061,397
Total Fund Balances	<u>\$ 16,856,480</u>	<u>\$ 7,142</u>	<u>\$ 10,719,702</u>	<u>\$ 27,583,324</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,875,928</u>	<u>\$ 3,040,799</u>	<u>\$ 12,240,287</u>	<u>\$ 39,157,014</u>

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)**

Total Fund Balance for Governmental Funds \$ 27,583,324

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, including right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Infrastructure	\$ 13,748,699	
Nondepreciable Capital Assets	4,534,974	
Depreciable Capital Assets	5,875,475	
Accumulated Depreciation	(2,891,902)	
Right-to-Use Assets	593,837	
Accumulated Amortization	(225,161)	
		21,635,922

Net effect of state revenues that will be collected after year-end but not available to pay for current period expenditures and refunds of revenues that will be paid after year-end. 2,197,602

Net Deferred Outflows (Inflows) resulting from the refunding of debt included in the Statement of Net Position. 169,544

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 500,955

Deferred pension outflows (inflows) resulting primarily from actuarial gains and losses to be amortized are included in the Statement of Net Position. 834,875

Deferred other postemployment benefits outflows (inflows) resulting primarily from actuarial gains and losses to be amortized are included in the Statement of Net Position. 37,645

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Accrued Interest Payable	\$ (115,446)	
General Obligation Bonds Payable	(6,111,390)	
State Appropriation Bonds Payable	(409,535)	
Revenue Bonds Payable	(59,465)	
Loans and Notes Payable	(49,295)	
Bond Premium Payable	(909,292)	
Due to Component Units	(1,634)	
Lease/Subscription Payable	(289,864)	
Certificates of Participation Payable	(514,270)	
Certificates of Participation Premium Payable	(31,171)	
Claims Payable	(825,924)	
Compensated Absences Payable	(448,254)	
Other Postemployment Benefits	(663,167)	
Net Pension Liability	(2,567,822)	
		(12,996,529)

Net Position of Governmental Activities \$ 39,963,338

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	GENERAL	FEDERAL	NONMAJOR FUNDS	TOTAL
Net Revenues:				
Individual Income Taxes	\$ 16,633,430	\$ —	\$ —	\$ 16,633,430
Corporate Income Taxes	3,205,333	—	—	3,205,333
Sales Taxes	7,593,195	—	1,188,375	8,781,570
Property Taxes	719,571	—	—	719,571
Motor Vehicle Taxes	451,195	—	1,592,050	2,043,245
Fuel Taxes	—	—	887,712	887,712
Other Taxes	3,259,996	—	287,190	3,547,186
Tobacco Settlement	165,053	—	17,750	182,803
Federal Revenues	61,090	17,542,777	642,386	18,246,253
Licenses and Fees	263,781	4,423	490,635	758,839
Departmental Services	188,191	4,208	221,485	413,884
Investment/Interest Earnings	1,398,513	2,186	629,523	2,030,222
Other Revenues	623,389	73,729	332,259	1,029,377
Net Revenues	\$ 34,562,737	\$ 17,627,323	\$ 6,289,365	\$ 58,479,425
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ 491,047	\$ 343,212	\$ 865,085	\$ 1,699,344
Economic and Workforce Development	1,173,272	320,261	489,169	1,982,702
General Education	11,921,970	1,371,086	104,304	13,397,360
General Government	2,339,791	30,062	156,532	2,526,385
Health and Human Services	11,739,746	14,749,700	245,639	26,735,085
Higher Education	1,146,680	180	69,075	1,215,935
Intergovernmental Aid	2,752,507	—	6,036	2,758,543
Public Safety and Corrections	1,048,915	308,797	316,476	1,674,188
Transportation	638,509	436,302	3,106,544	4,181,355
Total Current Expenditures	\$ 33,252,437	\$ 17,559,600	\$ 5,358,860	\$ 56,170,897
Capital Outlay	184,522	51,746	812,479	1,048,747
Debt Service	97,742	7,794	990,531	1,096,067
Total Expenditures	\$ 33,534,701	\$ 17,619,140	\$ 7,161,870	\$ 58,315,711
Excess of Revenues over (under) Expenditures	\$ 1,028,036	\$ 8,183	\$ (872,505)	\$ 163,714
Other Financing Sources (Uses):				
Bond Issuance	\$ 37,395	\$ —	\$ 459,648	\$ 497,043
Certification of Participation Issuance	—	—	454,175	454,175
Loan Issuance	31,896	—	200	32,096
Right-to-Use Issuance	34,745	2,128	1,442	38,315
Issuance of Refunding Bonds	—	—	584,465	584,465
Payment to Refunded Bonds Escrow Agent	—	—	(584,465)	(584,465)
Bond Issuance Premium	4,751	—	106,665	111,416
Certificate of Participation Issuance Premium	—	—	24,679	24,679
Transfers-In	234,810	1,357	2,292,743	2,528,910
Transfers-Out	(4,152,577)	(15,067)	(363,583)	(4,531,227)
Net Other Financing Sources (Uses)	\$ (3,808,980)	\$ (11,582)	\$ 2,975,969	\$ (844,593)
Net Change in Fund Balances	\$ (2,780,944)	\$ (3,399)	\$ 2,103,464	\$ (680,879)
Fund Balances, Beginning, as Reported	\$ 19,632,710	\$ 10,541	\$ 8,616,238	\$ 28,259,489
Change in Reporting Entity	4,714	—	—	4,714
Fund Balances, Beginning, as Restated	\$ 19,637,424	\$ 10,541	\$ 8,616,238	\$ 28,264,203
Fund Balances, Ending	\$ 16,856,480	\$ 7,142	\$ 10,719,702	\$ 27,583,324

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

Net Change in Fund Balances for Governmental Funds \$ (680,879)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets, including right-to-use assets are allocated over their estimated useful lives or lease/subsorption terms as applicable as depreciation/amortization. This is the amount by which capital outlay exceeded the depreciation/amortization in the current period.

Capital Outlay	\$ 1,048,747	
Depreciation/Amortization	<u>(307,085)</u>	
		741,662

Governmental funds report the proceeds from the sale of capital assets as increases in financial resources. However, in the Statement of Activities, only the gain or loss on the sale and the fair market value of donated capital assets are reported. (43,058)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds activities is reported in governmental activities but not included in governmental funds. 12,686

Net changes in revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. 246,431

Bond, loan, certificates of participation, and lease/subsorption proceeds provide current financial resources to governmental funds; however, issuing or incurring debt is reported as an increase of long-term liabilities in the Statement of Net Position. (1,764,237)

Net changes due to the additions and amortization of deferred inflows and outflows related to the refunding of debt is reported in the Statement of Activities but not included in governmental funds. 33,416

Net changes in the net pension liability and the additions and amortization of deferred inflows and outflows related to pensions is reported in the Statement of Activities but not included in governmental funds. 538,629

Net changes in the other postemployment benefits liability and the additions and amortization of deferred inflows and outflows related to other postemployment benefits is reported in the Statement of Activities but not included in governmental funds. (11,951)

Repayment of bonds, loans, certificates of participation, and leases/subscriptions are reported as expenditures in governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position. 1,522,338

Net changes in expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. (56,939)

Change in Net Position of Governmental Activities \$ 538,098

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

MAJOR GOVERNMENTAL FUND

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Net Revenues:			
Individual Income Taxes	\$ 14,304,357	\$ 14,810,000	\$ 14,873,007
Corporate Income Taxes	2,662,686	2,999,946	3,171,237
Sales Taxes	7,372,665	7,543,639	7,513,608
Property Taxes	747,122	732,459	717,866
Other Taxes	3,098,386	3,131,472	3,157,139
Tobacco Settlement	169,151	162,413	165,053
Licenses and Fees	259,707	251,503	257,436
Departmental Services	100,795	94,890	98,454
Investment/Interest Earnings	605,373	698,628	870,845
Other Revenues	355,308	456,105	538,362
Net Revenues	<u>\$ 29,675,550</u>	<u>\$ 30,881,055</u>	<u>\$ 31,363,007</u>
Expenditures:			
Agricultural, Environmental and Energy Resources	\$ 436,408	\$ 445,782	\$ 404,314
Economic and Workforce Development	1,322,348	1,302,663	1,228,626
General Education	11,780,463	11,839,018	11,739,651
General Government	1,511,530	1,642,944	1,485,947
Health and Human Services	11,150,844	11,068,519	10,619,823
Higher Education	1,094,625	1,106,463	1,091,726
Intergovernmental Aid	2,711,729	2,711,729	2,711,429
Public Safety and Corrections	1,130,388	1,130,800	1,050,995
Transportation	285,583	284,934	236,867
Total Expenditures	<u>\$ 31,423,918</u>	<u>\$ 31,532,852</u>	<u>\$ 30,569,378</u>
Excess of Revenues over (under) Expenditures	<u>\$ (1,748,368)</u>	<u>\$ (651,797)</u>	<u>\$ 793,629</u>
Other Financing Sources (Uses):			
Transfers-In	\$ 25,332	\$ 28,135	\$ 36,800
Transfers-Out	(5,819,047)	(5,819,047)	(5,819,047)
Net Other Financing Sources (Uses)	<u>\$ (5,793,715)</u>	<u>\$ (5,790,912)</u>	<u>\$ (5,782,247)</u>
Net Change in Fund Balances	<u>\$ (7,542,083)</u>	<u>\$ (6,442,709)</u>	<u>\$ (4,988,618)</u>
Fund Balances, Beginning, as Reported	\$ 17,608,179	\$ 17,608,179	\$ 17,608,179
Prior Period Adjustments	—	—	163,181
Fund Balances, Beginning, as Restated	<u>\$ 17,608,179</u>	<u>\$ 17,608,179</u>	<u>\$ 17,771,360</u>
Budgetary Fund Balances, Ending	<u>\$ 10,066,096</u>	<u>\$ 11,165,470</u>	<u>\$ 12,782,742</u>
Less: Appropriation Carryover	—	—	2,658,698
Less: Reserved for Long-Term Receivables	—	—	7,590
Less: Budgetary Reserve	—	—	3,275,308
Unassigned Fund Balance, Ending	<u>\$ 10,066,096</u>	<u>\$ 11,165,470</u>	<u>\$ 6,841,146</u>

The notes are an integral part of the financial statements.

Proprietary Funds

Family and Medical Benefit Insurance Fund

The fund receives contributions from employers for paid family and medical leave insurance and pays family and medical benefits to eligible individuals.

State Colleges and Universities Fund

The fund accounts for the activities of Minnesota State Colleges and Universities (MnSCU). MnSCU is a system of public state universities and two-year colleges and is the largest system of higher education in the state. While the primary activity of MnSCU is to provide educational services, the fund also includes scholarships, student loans, bookstores, student living activities, research, and long-term debt.

Unemployment Insurance Fund

The fund receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

STATE OF MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	ENTERPRISE FUNDS					
	FAMILY & MEDICAL BENEFIT INSURANCE	STATE COLLEGES & UNIVERSITIES	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 696,654	\$ 1,177,028	\$ 1,181,096	\$ 444,474	\$ 3,499,252	\$ 632,013
Investments	—	23,937	—	511	24,448	—
Accounts Receivable	—	74,755	381,693	36,143	492,591	111,777
Interfund Receivables	—	35,885	—	3,128	39,013	45
Accrued Investment/Interest Earnings	—	—	—	1	1	—
Federal Aid Receivable	—	35,225	157	—	35,382	—
Inventories	—	11,962	—	14,285	26,247	454
Loans and Notes Receivable	—	1,202	—	—	1,202	—
Leases Receivable	—	2,712	—	30	2,742	1,265
Prepaid Expenses	—	723	—	706	1,429	3,604
Total Current Assets	\$ 696,654	\$ 1,363,429	\$ 1,562,946	\$ 499,278	\$ 4,122,307	\$ 749,158
Noncurrent Assets:						
Cash and Cash Equivalents-Restricted	\$ —	\$ 44,812	\$ —	\$ —	\$ 44,812	\$ —
Investments-Restricted	—	320	—	—	320	—
Accounts Receivable	—	—	—	2,127	2,127	—
Loans and Notes Receivable	—	2,899	—	—	2,899	—
Leases Receivable	—	7,135	—	—	7,135	1,718
Right-to-Use Assets (Net)	—	55,205	—	19,753	74,958	42,124
Depreciable Capital Assets (Net)	—	1,651,919	—	122,964	1,774,883	88,580
Nondepreciable Capital Assets	—	158,148	—	20,872	179,020	261
Prepaid Expenses	—	—	—	—	—	949
Total Noncurrent Assets	\$ —	\$ 1,920,438	\$ —	\$ 165,716	\$ 2,086,154	\$ 133,632
Total Assets	\$ 696,654	\$ 3,283,867	\$ 1,562,946	\$ 664,994	\$ 6,208,461	\$ 882,790
DEFERRED OUTFLOWS OF RESOURCES						
Bond Refunding	\$ —	\$ 1,162	\$ —	\$ —	\$ 1,162	\$ —
Deferred Pension Outflows	—	153,055	—	27,651	180,706	32,599
Deferred Other Postemployment Benefits Outflows	—	28,328	—	3,557	31,885	1,565
Total Deferred Outflows of Resources	\$ —	\$ 182,545	\$ —	\$ 31,208	\$ 213,753	\$ 34,164
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 716	\$ 162,194	\$ 51,457	\$ 77,452	\$ 291,819	\$ 48,799
Interfund Payables	—	—	58,767	29,990	88,757	60,339
Due to Component Units	—	—	—	12	12	—
Unearned Revenue	—	62,145	103,640	6,370	172,155	7,609
Accrued Interest Payable	—	—	—	—	—	105
Bonds and Notes Payable	—	34,163	—	—	34,163	20,275
Lease/Subscription Payable	—	17,793	—	4,013	21,806	12,697
Claims Payable	—	2,528	—	21,264	23,792	111,205
Compensated Absences Payable	—	19,014	—	2,544	21,558	1,943
Other Postemployment Benefits	—	5,705	—	1,287	6,992	563
Other Liabilities	—	14,892	—	—	14,892	—
Total Current Liabilities	\$ 716	\$ 318,434	\$ 213,864	\$ 142,932	\$ 675,946	\$ 263,535

STATE OF MINNESOTA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

	ENTERPRISE FUNDS					
	FAMILY & MEDICAL BENEFIT INSURANCE	STATE COLLEGES & UNIVERSITIES	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Noncurrent Liabilities:						
Unearned Revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 75
Bonds and Notes Payable	—	311,424	—	—	311,424	43,809
Lease/Subscription Payable	—	35,543	—	15,461	51,004	27,188
Claims Payable	—	1,616	—	—	1,616	—
Compensated Absences Payable	—	139,433	—	12,010	151,443	15,815
Other Postemployment Benefits	—	87,446	—	19,514	106,960	8,546
Net Pension Liability	—	341,987	—	29,336	371,323	27,174
Other Liabilities	—	3,743	—	—	3,743	—
Total Noncurrent Liabilities	\$ —	\$ 921,192	\$ —	\$ 76,321	\$ 997,513	\$ 122,607
Total Liabilities	\$ 716	\$ 1,239,626	\$ 213,864	\$ 219,253	\$ 1,673,459	\$ 386,142
DEFERRED INFLOWS OF RESOURCES						
Bond Refunding	\$ —	\$ 4,441	\$ —	\$ —	\$ 4,441	\$ —
Deferred Leases	—	10,864	—	36	10,900	2,983
Deferred Pension Inflows	—	97,110	—	20,752	117,862	25,854
Deferred Other Postemployment Benefits Inflows	—	11,851	—	2,334	14,185	1,020
Total Deferred Inflows of Resources	\$ —	\$ 124,266	\$ —	\$ 23,122	\$ 147,388	\$ 29,857
NET POSITION						
Net Investment in Capital Assets	\$ —	\$ 1,486,327	\$ —	\$ 144,115	\$ 1,630,442	\$ 26,996
Restricted for:						
Acquire, Maintain, and Improve Land and Buildings	\$ —	\$ 552	\$ —	\$ —	\$ 552	\$ —
Retire Indebtedness	—	143,933	—	—	143,933	—
Develop Economy and Workforce	—	—	—	13,328	13,328	—
Enhance Health and Human Services	—	—	—	43,432	43,432	—
Enhance Higher Education	—	23,156	—	—	23,156	—
Enhance 911 Services and Increase Safety	—	—	—	143,611	143,611	—
Unemployment Benefits	—	—	1,349,082	—	1,349,082	—
Other Purposes	—	—	—	113,500	113,500	—
Total Restricted	\$ —	\$ 167,641	\$ 1,349,082	\$ 313,871	\$ 1,830,594	\$ —
Unrestricted	\$ 695,938	\$ 448,552	\$ —	\$ (4,159)	\$ 1,140,331	\$ 473,959
Total Net Position	\$ 695,938	\$ 2,102,520	\$ 1,349,082	\$ 453,827	\$ 4,601,367	\$ 500,955

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	ENTERPRISE FUNDS					
	FAMILY & MEDICAL BENEFIT INSURANCE	STATE COLLEGES & UNIVERSITIES	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Operating Revenues:						
Tuition and Fees	\$ —	\$ 674,142	\$ —	\$ —	\$ 674,142	\$ —
Restricted Student Payments, Net	—	100,336	—	—	100,336	—
Net Sales	—	—	—	1,092,575	1,092,575	369,445
Insurance Premiums	—	—	828,166	255,345	1,083,511	1,222,940
Other Income	—	15,100	36,727	44,301	96,128	14,149
Total Operating Revenues	\$ —	\$ 789,578	\$ 864,893	\$ 1,392,221	\$ 3,046,692	\$ 1,606,534
Less: Cost of Goods Sold	—	—	—	572,676	572,676	—
Gross Margin	\$ —	\$ 789,578	\$ 864,893	\$ 819,545	\$ 2,474,016	\$ 1,606,534
Operating Expenses:						
Purchased Services	\$ 143	\$ 270,845	\$ —	\$ 90,805	\$ 361,793	\$ 225,098
Salaries and Fringe Benefits	845	1,465,845	—	207,922	1,674,612	154,509
Student Financial Aid	—	82,250	—	—	82,250	—
Unemployment Benefits	—	—	1,208,993	—	1,208,993	—
Claims	—	—	—	233,255	233,255	1,142,307
Depreciation and Amortization	—	161,296	—	18,107	179,403	35,580
Supplies and Materials	—	118,709	—	4,525	123,234	17,476
Repairs and Maintenance	—	18,252	—	3,216	21,468	19,131
Indirect Costs	105	—	—	11,581	11,686	4,865
Other Expenses	—	38,956	—	1,454	40,410	1,044
Total Operating Expenses	\$ 1,093	\$ 2,156,153	\$ 1,208,993	\$ 570,865	\$ 3,937,104	\$ 1,600,010
Operating Income (Loss)	\$ (1,093)	\$ (1,366,575)	\$ (344,100)	\$ 248,680	\$ (1,463,088)	\$ 6,524
Nonoperating Revenues (Expenses):						
Investment/Interest Earnings	\$ 31,359	\$ 33,568	\$ 37,836	\$ 11,736	\$ 114,499	\$ 27,353
Federal Grants	—	303,111	68,271	356	371,738	—
Private Grants	—	35,174	—	—	35,174	—
Grants and Subsidies	—	127,693	—	—	127,693	—
Other Nonoperating Revenues	—	—	—	—	—	71
Interest and Financing Costs	—	(10,658)	—	(255)	(10,913)	(4,510)
Grants, Aids and Subsidies	—	(16,072)	(243)	(35,976)	(52,291)	—
Other Nonoperating Expenses	—	—	—	(16,569)	(16,569)	(716)
Gain (Loss) on Disposal of Capital Assets including Right-to-Use Assets	—	1,243	—	(494)	749	2,603
Total Nonoperating Revenues (Expenses)	\$ 31,359	\$ 474,059	\$ 105,864	\$ (41,202)	\$ 570,080	\$ 24,801
Income (Loss) Before Transfers and Contributions	\$ 30,266	\$ (892,516)	\$ (238,236)	\$ 207,478	\$ (893,008)	\$ 31,325
Transfers-In	668,321	1,001,434	—	24,357	1,694,112	12,500
Transfers-Out	(2,649)	—	(35,615)	(197,237)	(235,501)	(31,139)
Change in Net Position	\$ 695,938	\$ 108,918	\$ (273,851)	\$ 34,598	\$ 565,603	\$ 12,686
Net Position, Beginning, as Reported	\$ —	\$ 1,993,602	\$ 1,622,933	\$ 420,710	\$ 4,037,245	\$ 488,269
Change in Reporting Entity	—	—	—	(1,481)	(1,481)	—
Net Position, Beginning, as Restated	\$ —	\$ 1,993,602	\$ 1,622,933	\$ 419,229	\$ 4,035,764	\$ 488,269
Net Position, Ending	\$ 695,938	\$ 2,102,520	\$ 1,349,082	\$ 453,827	\$ 4,601,367	\$ 500,955

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	ENTERPRISE FUNDS					
	FAMILY & MEDICAL BENEFIT INSURANCE	STATE COLLEGES & UNIVERSITIES	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:						
Receipts from Customers	\$ —	\$ 792,125	\$ 769,690	\$ 1,341,682	\$ 2,903,497	\$ 1,590,763
Receipts from Other Revenues	—	—	36,727	47,547	84,274	14,220
Receipts from Repayment of Program Loans	—	1,468	—	—	1,468	—
Financial Aid Disbursements	—	(82,250)	—	—	(82,250)	—
Payments to Claimants	—	—	(1,207,579)	(708,647)	(1,916,226)	(1,132,424)
Payments to Suppliers	(248)	(452,426)	—	(163,140)	(615,814)	(251,543)
Payments to Employees	(129)	(1,496,928)	—	(205,946)	(1,703,003)	(153,945)
Payments to Others	—	—	—	(67,547)	(67,547)	(716)
Net Cash Flows from Operating Activities	\$ (377)	\$ (1,238,011)	\$ (401,162)	\$ 243,949	\$ (1,395,601)	\$ 66,355
Cash Flows from Noncapital Financing Activities:						
Grant Receipts	\$ —	\$ 454,977	\$ 312	\$ 356	\$ 455,645	\$ —
Grant Disbursements	—	(13,909)	(234)	(35,976)	(50,119)	—
Transfers-In	668,321	957,694	—	24,357	1,650,372	12,500
Transfers-Out	(2,649)	—	(8,316)	(194,203)	(205,168)	(31,139)
Repayment of Advances from Other Funds	—	—	(85)	—	(85)	—
Net Cash Flows from Noncapital Financing Activities	\$ 665,672	\$ 1,398,762	\$ (8,323)	\$ (205,466)	\$ 1,850,645	\$ (18,639)
Cash Flows from Capital and Related Financing Activities:						
Transfers-In	\$ —	\$ 23,229	\$ —	\$ —	\$ 23,229	\$ —
Investment in Capital Assets	—	(120,500)	—	(22,439)	(142,939)	(46,307)
Proceeds from Disposal of Capital Assets	—	1,816	—	3,257	5,073	6,886
Proceeds from Capital Bonds	—	6,800	—	—	6,800	—
Proceeds from Loans	—	—	—	—	—	42,431
Receipts from Leases	—	—	—	6	6	—
Lease/Subscription Payments	—	(22,399)	—	(7,398)	(29,797)	(16,793)
Right-to-Use Assets Advance Payments	—	—	—	—	—	(396)
Repayment of Loan Principal	—	(1,126)	—	—	(1,126)	(20,462)
Repayment of Bond Principal	—	(33,668)	—	—	(33,668)	—
Interest Paid	—	(3,591)	—	(255)	(3,846)	(4,500)
Net Cash Flows from Capital and Related Financing Activities	\$ —	\$ (149,439)	\$ —	\$ (26,829)	\$ (176,268)	\$ (39,141)
Cash Flows from Investing Activities:						
Proceeds from Sales and Maturities of Investments	\$ —	\$ 2,843	\$ —	\$ —	\$ 2,843	\$ —
Purchase of Investments	—	(4,382)	—	—	(4,382)	—
Investment/Interest Earnings	31,359	33,150	37,836	11,224	113,569	27,353
Net Cash Flows from Investing Activities	\$ 31,359	\$ 31,611	\$ 37,836	\$ 11,224	\$ 112,030	\$ 27,353
Net Increase (Decrease) in Cash and Cash Equivalents						
	\$ 696,654	\$ 42,923	\$ (371,649)	\$ 22,878	\$ 390,806	\$ 35,928
Cash and Cash Equivalents, Beginning, as Reported						
	\$ —	\$ 1,178,917	\$ 1,552,745	\$ 424,854	\$ 3,156,516	\$ 596,085
Change in Reporting Entity						
	—	—	—	(3,258)	(3,258)	—
Cash and Cash Equivalents, Beginning, as Restated						
	\$ —	\$ 1,178,917	\$ 1,552,745	\$ 421,596	\$ 3,153,258	\$ 596,085
Cash and Cash Equivalents, Ending	\$ 696,654	\$ 1,221,840	\$ 1,181,096	\$ 444,474	\$ 3,544,064	\$ 632,013

CONTINUED

STATE OF MINNESOTA
PROPRIETARY FUNDS (CONTINUED)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	ENTERPRISE FUNDS					
	FAMILY & MEDICAL BENEFIT INSURANCE	STATE COLLEGES & UNIVERSITIES	UNEMPLOYMENT INSURANCE	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (1,093)	\$ (1,366,575)	\$ (344,100)	\$ 248,680	\$ (1,463,088)	\$ 6,524
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:						
Depreciation and Amortization	\$ —	\$ 161,296	\$ —	\$ 18,107	\$ 179,403	\$ 35,580
Miscellaneous Nonoperating Revenues	—	—	—	—	—	71
Miscellaneous Nonoperating Expenses	—	—	—	(16,569)	(16,569)	(716)
Loan Principal Repayments	—	1,468	—	—	1,468	—
Provision for Loan Defaults	—	9	—	—	9	—
Loans Forgiven	—	1,005	—	—	1,005	—
Change in Assets, Liabilities, Deferred Outflows and Inflows of Resources:						
Accounts Receivable	—	6,559	(29,788)	613	(22,616)	(2,385)
Leases Receivable	—	(205)	—	—	(205)	—
Inventories	—	790	—	(7,400)	(6,610)	(213)
Other Assets	—	—	—	(58)	(58)	2,537
Deferred Outflows of Resources	—	22,338	—	6,790	29,128	10,365
Accounts Payable	716	(14,376)	(4,152)	544	(17,268)	13,747
Claims Payable	—	—	—	1,816	1,816	9,883
Compensated Absences Payable	—	6,350	—	1,010	7,360	1,836
Unearned Revenue	—	(3,807)	(23,385)	(3,619)	(30,811)	763
Other Postemployment Benefits	—	20,581	—	1,528	22,109	194
Net Pension Liability	—	(32,753)	—	(14,351)	(47,104)	(19,778)
Other Liabilities	—	4,696	263	—	4,959	—
Deferred Inflows of Resources	—	(45,387)	—	6,858	(38,529)	7,947
Net Reconciling Items to be Added to (Deducted from) Operating Income	\$ 716	\$ 128,564	\$ (57,062)	\$ (4,731)	\$ 67,487	\$ 59,831
Net Cash Flows from Operating Activities	\$ (377)	\$ (1,238,011)	\$ (401,162)	\$ 243,949	\$ (1,395,601)	\$ 66,355
Noncash Investing, Capital and Financing Activities:						
Donated Capital Assets	\$ —	\$ 1,142	\$ —	\$ —	\$ 1,142	\$ —
Leases Receivable Additions	—	—	—	—	—	1,897
Right-to-Use Assets Acquired through Lease/Subscription	—	13,657	—	14,517	28,174	17,487
Right-to-Use Assets Remeasurement Additions	—	—	—	—	—	214
Right-to-Use Assets Remeasurement Deletions	—	—	—	(590)	(590)	(189)
Bond Premium Amortization	—	4,393	—	—	4,393	—

The notes are an integral part of the financial statements.

Fiduciary Funds

Pension Trust Funds

The funds are retirement funds administered by independent boards for which the state performs a fiduciary role.

Investment Trust Funds

The funds account for the external portion of the state's investment pools.

Custodial Fund

This fund accounts for resources held in a custodial capacity for other governmental units, private organizations, or individuals.

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STATE OF MINNESOTA

FIDUCIARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

ASSETS	PENSION TRUST	INVESTMENT TRUST	CUSTODIAL
Cash and Cash Equivalent Investments	\$ 91,598	\$ —	\$ 292,294
Investment Pools, at fair value:			
Cash Equivalent Investments	\$ 3,798,395	\$ 74,417	\$ —
Investments	106,383,701	1,434,697	—
Accrued Interest and Dividends	259,196	2,660	—
Securities Trade Receivable (Payable)	(682,224)	(7,002)	—
Total Investment Pool Participation	<u>\$ 109,759,068</u>	<u>\$ 1,504,772</u>	<u>\$ —</u>
Receivables:			
Accounts Receivable	\$ —	\$ —	\$ 295
Interfund Receivables	21,847	—	—
Taxes Receivable	—	—	69,129
Other Receivables	133,818	—	—
Total Receivables	<u>\$ 155,665</u>	<u>\$ —</u>	<u>\$ 69,424</u>
Securities Lending Collateral	\$ 4,015,712	\$ —	\$ —
Right-to-Use Assets (Net)	184	—	—
Depreciable Capital Assets (Net)	21,384	—	—
Nondepreciable Capital Assets	4,866	—	—
Total Assets	<u>\$ 114,048,477</u>	<u>\$ 1,504,772</u>	<u>\$ 361,718</u>
LIABILITIES			
Accounts Payable	\$ 98,176	\$ —	\$ 313,583
Interfund Payables	16,947	—	—
Accrued Expense	10	—	—
Revenue Bonds Payable	1,024	—	—
Lease/Subscription Payable	192	—	—
Compensated Absences Payable	4,277	—	—
Securities Lending Liabilities	4,015,712	—	—
Other Liabilities	3,297	—	—
Total Liabilities	<u>\$ 4,139,635</u>	<u>\$ —</u>	<u>\$ 313,583</u>
NET POSITION			
Net Position Restricted for Pensions, Pooled Investments and Individuals, Organizations, and Other Governments	<u>\$ 109,908,842</u>	<u>\$ 1,504,772</u>	<u>\$ 48,135</u>

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
FIDUCIARY FUNDS
STATEMENT OF CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	PENSION TRUST	INVESTMENT TRUST	CUSTODIAL
Additions:			
Contributions:			
Employer	\$ 1,869,673	\$ —	\$ —
Member	2,097,506	—	—
Contributions From Other Sources	9,717	—	—
Participating Plans	—	9,691	—
Total Contributions	<u>\$ 3,976,896</u>	<u>\$ 9,691</u>	<u>\$ —</u>
Net Investment Income (Loss):			
Investment Income (Loss)	\$ 12,471,362	\$ 245,399	\$ —
Less: Investment Expenses	(354,663)	(750)	—
Net Investment Income (Loss)	<u>\$ 12,116,699</u>	<u>\$ 244,649</u>	<u>\$ —</u>
Securities Lending Revenues (Expenses):			
Securities Lending Income	\$ 249,052	\$ —	\$ —
Securities Lending Rebates and Fees	(231,614)	—	—
Net Securities Lending Revenue	<u>\$ 17,438</u>	<u>\$ —</u>	<u>\$ —</u>
Total Investment Income (Loss)	<u>\$ 12,134,137</u>	<u>\$ 244,649</u>	<u>\$ —</u>
Tax Collections for Other Governments	\$ —	\$ —	\$ 922,723
Beneficiary Deposits - Child Support	—	—	505,521
Beneficiary Deposits - Corrections	—	—	28,700
Beneficiary Deposits - Regional Treatment Centers	—	—	6,276
Beneficiary Deposits - Veterans Homes	—	—	1,742
Employee Insurance Trust	—	—	42,415
Courts Interest Held for Other Governments and Individuals	—	—	22,025
Legal Settlements for External Parties	—	—	2,662
Miscellaneous	—	—	4,178
Other Additions	17,176	—	—
Transfers-In	581,779	—	—
Total Additions	<u>\$ 16,709,988</u>	<u>\$ 254,340</u>	<u>\$ 1,536,242</u>

STATE OF MINNESOTA

FIDUCIARY FUNDS

STATEMENT OF CHANGES

IN NET POSITION

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	PENSION TRUST	INVESTMENT TRUST	CUSTODIAL
Deductions:			
Benefits	\$ 6,324,147	\$ —	\$ —
Refunds and Withdrawals	687,169	121,449	—
Administrative Expenses	84,756	125	1,136
Tax Payments to Other Governments	—	—	922,696
Beneficiary Payments - Child Support	—	—	505,569
Beneficiary Payments - Corrections	—	—	28,672
Beneficiary Payments - Regional Treatment Centers	—	—	5,570
Beneficiary Payments - Veterans Homes	—	—	1,571
Federal Revenue Pass through	—	—	11
Employee Insurance Trust	—	—	40,680
Court Payments to Other Governments and Individuals	—	—	23,792
Legal Settlements Paid to External Parties	—	—	2,667
Miscellaneous	—	—	1,130
Transfers-Out	19,434	—	—
Total Deductions	<u>\$ 7,115,506</u>	<u>\$ 121,574</u>	<u>\$ 1,533,494</u>
Net Increase (Decrease)	<u>\$ 9,594,482</u>	<u>\$ 132,766</u>	<u>\$ 2,748</u>
Net Position Restricted for Pensions, Pooled Investments, and Individuals, Organizations, and Other Governments Beginning, as Reported	\$ 100,295,906	\$ 1,371,865	\$ 45,387
Change in Accounting Principle	224	—	—
Change in Reporting Entity	18,230	141	—
Net Position Restricted for Pensions, Pooled Investments, and Individuals, Organizations, and Other Governments, Beginning, as Restated	<u>\$ 100,314,360</u>	<u>\$ 1,372,006</u>	<u>\$ 45,387</u>
Net Position Restricted for Pensions, Pooled Investments, and Individuals, Organizations, and Other Governments, Ending	<u><u>\$ 109,908,842</u></u>	<u><u>\$ 1,504,772</u></u>	<u><u>\$ 48,135</u></u>

The notes are an integral part of the financial statements.



Discretely Presented Component Unit Funds

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Housing Finance Agency

The agency provides money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes.

Metropolitan Council

The council is responsible for coordinating the planning and development of the Twin Cities metropolitan area. The council also operates the metropolitan regional sewage treatment and disposal systems and the public transit system.

University of Minnesota

The multi-campus university provides undergraduate and graduate degrees, advanced research opportunities, and an extension service. The university includes several nonprofit foundations that provide resources which benefit the university.

STATE OF MINNESOTA
COMPONENT UNIT FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2023 and JUNE 30, 2024
(IN THOUSANDS)

	HOUSING FINANCE AGENCY	METROPOLITAN COUNCIL	UNIVERSITY OF MINNESOTA	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 84,132	\$ 587,663	\$ 572,184	\$ 1,071,126	\$ 2,315,105
Investments	—	447,352	1,272,051	265,019	1,984,422
Accounts Receivable	7,617	24,055	576,863	60,192	668,727
Due from Primary Government	129	207,420	40,344	207,624	455,517
Accrued Investment/Interest Earnings	27,912	2,493	7,288	19,467	57,160
Federal Aid Receivable	3,602	17,722	—	1,777	23,101
Inventories	—	40,955	23,499	38	64,492
Loans and Notes Receivable	95,765	127	7,235	252,356	355,483
Leases Receivable	—	20,309	4,987	7,444	32,740
Other Assets	591	2,183	37,689	4,725	45,188
Total Current Assets	\$ 219,748	\$ 1,350,279	\$ 2,542,140	\$ 1,889,768	\$ 6,001,935
Noncurrent Assets:					
Cash and Cash Equivalents-Restricted	\$ 663,948	\$ 755,585	\$ 132,941	\$ 262,959	\$ 1,815,433
Investments-Restricted	5,153,619	—	437,049	23,815	5,614,483
Accounts Receivable-Restricted	—	195,538	—	1,368	196,906
Due from Primary Government-Restricted	—	21,589	—	—	21,589
Due from Primary Government	—	—	—	1,323	1,323
Investments	—	315,129	6,817,870	—	7,132,999
Interest Rate Swap Agreements	48,457	—	—	—	48,457
Accounts Receivable	—	—	196,743	278,195	474,938
Loans and Notes Receivable	1,038,384	30,317	37,341	2,136,694	3,242,736
Leases Receivable	—	—	282,853	310,432	593,285
Right-to-Use Assets (Net)	6,436	13,559	250,424	6,335	276,754
Depreciable Capital Assets (Net)	1,744	3,368,929	2,538,924	764,498	6,674,095
Nondepreciable Capital Assets	—	3,266,684	557,177	36,446	3,860,307
Other Assets	690	—	7,461	1,271	9,422
Total Noncurrent Assets	\$ 6,913,278	\$ 7,967,330	\$ 11,258,783	\$ 3,823,336	\$ 29,962,727
Total Assets	\$ 7,133,026	\$ 9,317,609	\$ 13,800,923	\$ 5,713,104	\$ 35,964,662
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated Decrease in Fair Value of Derivative Instruments	\$ 61	\$ 1,756	\$ —	\$ —	\$ 1,817
Bond Refunding	—	—	309	3,705	4,014
Deferred Outflows	—	—	4,330	—	4,330
Deferred Pension Outflows	8,031	116,624	171,138	2,750	298,543
Deferred Other Postemployment Benefits Outflows	390	29,752	7,525	103	37,770
Total Deferred Outflows of Resources	\$ 8,482	\$ 148,132	\$ 183,302	\$ 6,558	\$ 346,474

STATE OF MINNESOTA
COMPONENT UNIT FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2023 and JUNE 30, 2024
(IN THOUSANDS)

	HOUSING FINANCE AGENCY	METROPOLITAN COUNCIL	UNIVERSITY OF MINNESOTA	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 19,813	\$ 98,881	\$ 469,454	\$ 40,068	\$ 628,216
Due to Primary Government	—	1,866	36	21,863	23,765
Unearned Revenue	—	31,669	62,128	34,032	127,829
Accrued Interest Payable	82,476	3,909	18,514	17,004	121,903
Bonds and Notes Payable	236,430	213,790	277,252	65,574	793,046
Lease/Subscription Payable	1,861	1,794	31,078	516	35,249
Certificates of Participation Payable	—	760	—	—	760
Claims Payable	—	15,743	49,296	260,953	325,992
Compensated Absences Payable	473	33,850	113,293	256	147,872
Other Postemployment Benefits	140	—	4,498	37	4,675
Other Liabilities	—	—	4,749	99	4,848
Total Current Liabilities	\$ 341,193	\$ 402,262	\$ 1,030,298	\$ 440,402	\$ 2,214,155
Noncurrent Liabilities:					
Accounts Payable-Restricted	\$ —	\$ 162,785	\$ 30,777	\$ —	\$ 193,562
Unearned Revenue-Restricted	—	207,973	—	—	207,973
Accrued Interest Payable-Restricted	—	12,758	—	—	12,758
Accounts Payable	61,381	—	—	—	61,381
Due to Primary Government	—	—	—	101,876	101,876
Unearned Revenue	—	—	6,061	1,259	7,320
Interest Rate Swap Agreements	61	—	—	—	61
Bonds and Notes Payable	5,176,258	1,623,007	1,609,580	958,790	9,367,635
Lease/Subscription Payable	4,989	11,514	159,837	5,900	182,240
Claims Payable	—	17,475	12,026	473,022	502,523
Compensated Absences Payable	3,808	8,989	27,149	1,479	41,425
Other Postemployment Benefits	2,129	288,196	44,062	562	334,949
Net Pension Liability	6,694	102,130	140,532	2,297	251,653
Funds Held in Trust	78,833	—	450,529	7,305	536,667
Other Liabilities	—	—	102,908	1,161	104,069
Total Noncurrent Liabilities	\$ 5,334,153	\$ 2,434,827	\$ 2,583,461	\$ 1,553,651	\$ 11,906,092
Total Liabilities	\$ 5,675,346	\$ 2,837,089	\$ 3,613,759	\$ 1,994,053	\$ 14,120,247
DEFERRED INFLOWS OF RESOURCES					
Accumulated Increase in Fair Value of Derivative Instruments	\$ 48,457	\$ —	\$ —	\$ —	\$ 48,457
Bond Refunding	—	—	25,521	—	25,521
Deferred Leases	—	20,184	263,005	298,336	581,525
Deferred Revenue	19,186	—	1,568	42,800	63,554
Deferred Pension Inflows	6,368	119,934	155,989	2,242	284,533
Deferred Other Postemployment Benefits Inflows	255	72,371	9,094	67	81,787
Total Deferred Inflows of Resources	\$ 74,266	\$ 212,489	\$ 455,177	\$ 343,445	\$ 1,085,377
NET POSITION					
Net Investment in Capital Assets	\$ 1,330	\$ 4,898,005	\$ 1,585,650	\$ 787,736	\$ 7,272,721
Restricted-Expendable	2,085,290	1,204,740	4,439,774	2,442,935	10,172,739
Restricted-Nonexpendable	—	—	1,919,054	—	1,919,054
Unrestricted	(694,724)	313,418	1,970,811	151,493	1,740,998
Total Net Position	\$ 1,391,896	\$ 6,416,163	\$ 9,915,289	\$ 3,382,164	\$ 21,105,512

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMPONENT UNIT FUNDS
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 and JUNE 30, 2024
(IN THOUSANDS)

	HOUSING FINANCE AGENCY	METROPOLITAN COUNCIL	UNIVERSITY OF MINNESOTA	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
Net Expenses:					
Total Expenses	\$ 810,830	\$ 1,321,468	\$ 5,290,605	\$ 868,260	\$ 8,291,163
Program Revenues:					
Charges for Services	\$ 38,474	\$ 388,463	\$ 1,531,747	\$ 149,165	\$ 2,107,849
Operating Grants and Contributions	1,238,519	952,969	2,291,369	452,990	4,935,847
Capital Grants and Contributions	—	543,544	70,976	4,176	618,696
Net (Expense) Revenue	\$ 466,163	\$ 563,508	\$ (1,396,513)	\$ (261,929)	\$ (628,771)
General Revenues:					
Taxes	\$ —	\$ 90,443	\$ —	\$ 2,251	\$ 92,694
Investment/Interest Earnings	205,976	113,804	655,661	79,549	1,054,990
Other Revenues	—	201	644,206	7,162	651,569
Total General Revenues before Grants	\$ 205,976	\$ 204,448	\$ 1,299,867	\$ 88,962	\$ 1,799,253
State Grants Not Restricted	—	—	796,758	324,398	1,121,156
Total General Revenues	\$ 205,976	\$ 204,448	\$ 2,096,625	\$ 413,360	\$ 2,920,409
Change in Net Position	\$ 672,139	\$ 767,956	\$ 700,112	\$ 151,431	\$ 2,291,638
Net Position, Beginning, as Reported	\$ 719,757	\$ 5,648,207	\$ 9,215,177	\$ 3,230,733	\$ 18,813,874
Net Position, Ending	\$ 1,391,896	\$ 6,416,163	\$ 9,915,289	\$ 3,382,164	\$ 21,105,512

The notes are an integral part of the financial statements.

2024 Annual Comprehensive Financial Report
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2024 Annual Comprehensive Financial Report Notes to the Financial Statements

These notes provide disclosures relevant to the basic financial statements on the preceding pages.

Note 1 – Summary of Significant Accounting and Reporting Policies

Basis of Presentation

The accompanying financial statements of the state of Minnesota (the state) have been prepared to conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The state implemented the following GASB statements and Implementation Guides for the fiscal year ended June 30, 2024:

- GASB Statement No. 99 "Omnibus 2022" was issued April 2022. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This statement has no material impact on the state. Portions of this statement were implemented in fiscal year ended June 30, 2023 and the remaining portions were implemented for the fiscal year ended June 30, 2024. See Note 14 – Contingent Liabilities for details on the impacts of financial guarantees for exchange and exchange-like transactions.
- GASB Statement No. 100 "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 was issued June 2022. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for details of the impact from this Statement.
- Implementation Guide No. 2021-1 "Implementation Guidance Update - 2021". This guide provides guidance to clarify, explain, or elaborate on GASB statements previously implemented.
- Implementation Guide No. 2023-1 "Implementation Guidance Update - 2023". This guide provides guidance to clarify, explain, or elaborate on GASB statements previously implemented.

Financial Reporting Entity of the State of Minnesota

This report includes the state departments, agencies, institutions, and organizational units that are controlled by or dependent upon the Minnesota Legislature or its constitutional officers. The state of Minnesota, as a primary government, consists of all organizations that make up its legal entity. This report also includes other legally separate organizations as component units. GASB has established criteria for determining which organizations should be included as component units. Legally separate organizations are reported as component units if either the state is financially accountable for the organization or the nature and significance of the organization's relationship with the state are such that exclusion would cause the state's financial statements to be misleading. These criteria include the state's ability to appoint a voting majority of an organization's governing body, and either the state's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state.

Component units may be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the state's operations. All of the state's component units are discretely presented component units that are shown separately from the primary government. The "Component Units" column in the accompanying financial statements includes the financial data of the state's discretely presented component units. Discretely presented component units are also identified separately in the note disclosures because of their separate legal status. All discretely presented component units are presented in this report on the economic resources measurement focus and the accrual basis of accounting.

Discretely Presented Component Units

The following provides a description of the state's discretely presented component units:

- Housing Finance Agency (HFA) – HFA provides money for loans and technical assistance for constructing and rehabilitating housing for families of low and moderate incomes. The HFA board has seven members who are either heads of state departments or appointed by the governor. HFA is under the administrative control of a commissioner appointed by the governor. The state has the ability to significantly influence the programs, projects, and levels of services provided by HFA. HFA issues bonds in its own name.
- Metropolitan Council (MC) – MC is responsible for coordinating the planning and development of the seven-county metropolitan area. MC operates the public transit system and the regional sewage collection and treatment system. The governor appoints the council members, including the chair, subject to the advice and consent of the Minnesota senate. The state has the ability to significantly influence the projects and levels of services provided by MC. The regional administrator, appointed by the council, is responsible for the administration of council activities. The fiscal year for MC ends December 31.
- University of Minnesota (U of M) – U of M was established permanently by the Minnesota constitution. The state appropriates a large percentage of U of M's operating budget. The Minnesota Legislature elects the twelve-member board of regents, which governs U of M, but the state does not have direct authority over the management of the university. The state has issued debt for U of M capital projects. U of M includes several nonprofit organizations as component units.
- Agricultural and Economic Development Board (AEDB) – AEDB administers programs for agricultural and economic development. AEDB has seven members, four of whom are commissioners of state departments. The state has the ability to significantly influence the programs and projects of AEDB. AEDB controls the operations of the agriculture resource programs and loans. AEDB may issue revenue bonds for the purpose of financing development projects.
- Minnesota Comprehensive Health Association (MCHA) – MCHA administers the Premium Security Plan (PSP), a risk mitigation program designed to keep premiums affordable to individual purchasers within the state of Minnesota. The purpose is to promote the public health and welfare of the people of Minnesota by making available certain health insurance plans to residents of the state who are not otherwise able to obtain such coverage in the marketplace. The board has 13 members, seven of whom are selected by commissioners of state departments. The state has appropriated funding for the program and has the ability to approve or reject the parameters for making payments to health carriers. The fiscal year for MCHA ends December 31.
- Minnesota Sports Facilities Authority (MSFA) – MSFA's mission is to provide for the construction, financing, and long-term use of a multi-purpose stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities. The board of the authority has five members, including a chair

and two members whom are appointed by the governor. The state provides administrative funding to MSFA.

- National Sports Center Foundation (NSCF) – The Minnesota Amateur Sports Commission (MASC), consisting of 14 members, 9 of whom are appointed by the state, contracts with NSCF to operate various sports facilities, including the National Sports Center. The facilities are used primarily for holding youth-oriented athletic and other non-athletic functions and events. Although the facilities belong to the state, NSCF is responsible for the operating costs and certain improvements to the facilities. The MASC appoints all foundation board members, approves the foundation's spending budget, approves all rates and fees, and owns any reserve funds. The fiscal year for NSCF ends December 31.
- Office of Higher Education (OHE) – OHE makes and guarantees loans to qualified post-secondary students. To fund the loan program, revenue bonds are issued in OHE's name with limitations set by the Minnesota Legislature. OHE also administers the state grant program. The state provides administrative funding for these programs. The governor appoints the OHE director with the advice and consent of the senate.
- Public Facilities Authority (PFA) – PFA provides assistance to municipalities, primarily for wastewater treatment construction projects. The state provides funding and administrative services for PFA. PFA is composed of commissioners from state departments and agencies. The commissioners direct the operations of the authority and determine the funding for local government projects. PFA issues revenue bonds to make loans for wastewater treatment facilities.
- Rural Finance Authority (RFA) – RFA administers a number of state agriculture programs, including the homestead redemption program, loan restructuring program, and agricultural improvement program. The board of the authority consists of state department heads and members appointed by the governor. RFA is under the administrative control of the commissioner of the Department of Agriculture, who is a member of the board. The state has issued general obligation bond debt for RFA programs.
- Workers' Compensation Assigned Risk Plan (WCARP) – WCARP is the source of workers' compensation and employers' liability coverage for Minnesota employers unable to obtain an insurance policy through the voluntary market. WCARP operations are subject to review by the commissioner of the Department of Commerce. The commissioner enters into administrative contracts, sets premium rates, and makes assessments. The commissioner has the authority to assess all licensed workers' compensation insurance companies doing business in Minnesota an amount sufficient to fully fund the obligations of the plan to the extent that the assets of the plan are inadequate to meet its obligations. The fiscal year for WCARP ends December 31.

A discretely presented component unit is classified as major or nonmajor, depending on its significance relative to other component units and the nature and significance of the component unit's relationship to the primary government. HFA, MC, and U of M are classified as major component units for this report.

Additional information is available from the component unit's separately-issued financial statements. Because AEDB and RFA do not issue separately audited financial statements, the combining financial statements include a Statement of Revenues, Expenses, and Changes in Net Position and a Statement of Cash Flows for each of these component units.

Complete financial statements of the discretely presented component units may be obtained from their respective administrative offices as follows:

- Housing Finance Agency, 400 Wabasha Street, Suite 400, St. Paul, Minnesota 55102, www.mnhousing.gov

- Metropolitan Council, 390 Robert Street North, St. Paul, Minnesota 55101-1805, www.metrocouncil.org
- University of Minnesota, Office of the Controller, 205 West Bank Office Building, 1300 South Second Street, Minneapolis, Minnesota 55454-1075, www.twin-cities.umn.edu
- Minnesota Comprehensive Health Assoc., 1650 West End Boulevard, Suite 100, St. Louis Park, Minnesota 55416, www.mchamn.com
- Minnesota Sports Facilities Authority, 1005 4th Street South, Minneapolis, Minnesota 55415-1752, www.msfa.com
- National Sports Center Foundation, National Sports Center, 1750 105th Avenue Northeast, Blaine, Minnesota 55449-4500, www.nscsports.org
- Office of Higher Education, 1450 Energy Park Drive, Suite 350, St. Paul, Minnesota 55108-5227, www.ohe.state.mn.us
- Public Facilities Authority, Department of Employment & Economic Development, 1st National Bank Building, 332 Minnesota Street, Suite W820, St. Paul, Minnesota 55101-1378, www.mn.gov/deed/pfa
- Workers' Compensation Assigned Risk Plan, Affinity Insurance Services, Inc., 8200 Tower, Suite 1100, 5600 West 83rd Street, Minneapolis, Minnesota 55437-1062, www.mwcarp.org

Related Entities – These are entities for which the state is accountable because the state appoints a voting majority of the board but does not have financial accountability or the ability to impose the state's will on the entity. The following are related entities, but are not included in the reporting entity:

- Higher Education Facilities Authority (HEFA) – The governor appoints a majority of the board. HEFA can issue revenue bonds and notes in its name. The state has no statutory authority to affect the operations of HEFA.
- Joint Underwriting Association – The state commissioner of the Department of Commerce appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments. Membership in the association is a condition for doing business in the state.
- Metropolitan Airports Commission – The governor appoints a majority of the voting commissioners. The state has no statutory authority to directly affect the commission's activities and operations. Holders of the commission's debt instruments have no recourse against the state.
- Workers' Compensation Reinsurance Association – The state commissioner of the Department of Labor and Industry appoints, or approves the appointment of, a majority of the board. The association supports itself solely from revenues derived from premiums charged to association members. The state has no authority to affect the operations of the association.

The following organizations, which are included in the primary government, prepare and publish separate financial reports, which may contain differences in presentation resulting from differing reporting emphasis. These financial reports may be obtained directly from each organization.

- Minnesota State Lottery, 2645 Long Lake Road, Roseville, Minnesota 55113-1117, www.mnlottery.com
- Minnesota State Retirement System, 60 Empire Drive, Suite 300, St. Paul, Minnesota 55103-3000, www.msrs.state.mn.us
- State Board of Investment, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103-3555, www.msbi.us

- Teachers Retirement Association, 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103-1889, www.minnesotatira.org
- Public Employees Retirement Association, 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088, www.mnpera.org
- Minnesota State Colleges and Universities, Financial Reporting Unit, 500 Wells Fargo Place, 30 East 7th Street, St. Paul, Minnesota 55101-7804, www.minnstate.edu

The financial reports, available from the State Board of Investment, report on investments in investment pools, which include the majority of the state's Fiduciary Funds.

Financial Reporting Structure of the State of Minnesota

The basic financial statements include government-wide and fund financial statements. The government-wide financial statements report on the overall financial operations for the state, while the fund financial statements emphasize major individual funds and fund types. Both types of statements categorize activities as either governmental or business-type. Governmental expenditures are classified by function. Each of the state's departments and agencies is included in a functional classification based on its primary mission and objectives.

Government-wide Financial Statements

The Government-wide Financial Statements (Statement of Net Position and Statement of Activities) display information about the overall reporting for the state, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the state and its discretely presented component units. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once in the function for which the expenses were made. General government expenses that benefit state agencies have not been allocated as indirect expenses to the various functions of the state, but are reported under the general government function.

The focus of the Government-wide Financial Statements is on financial information of the state as an entity and the change in the overall financial position of the state as a result of the activities of the fiscal year. Government-wide Financial Statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Under the economic resources measurement focus, all economic resources and obligations of the reporting government, both current and long-term, are reported in the Government-wide Financial Statements. Under the full accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Amounts paid to acquire capital assets, including right-to-use are capitalized as assets in the Government-wide Financial Statements. These amounts are reported as expenditures in the Governmental Fund Financial Statements. Long-term debt is recorded as a liability in the Government-wide Financial Statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liabilities rather than as expenditures.

In the government-wide statement of net position, both the governmental and business-type activities are presented on a consolidated basis by column. The statement includes long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports how much of the cost of each functional category (public safety and corrections, transportation, etc.) is supported by general government revenues (sales taxes, income taxes, etc.). The statement of activities reduces gross expenses, including depreciation, by related program revenues, and by operating and capital grants and contributions.

Program revenues must be directly associated with, or derived directly from, the function or a business-type activity. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. Program revenues are applied against program expenses in the statement of activities to report the net cost of each program.

General revenues normally cover the net costs (program expenses less program revenues) of all activities. Taxes represent the majority of general revenues. Internally dedicated resources are reported as general revenues, rather than program revenues.

Fund Financial Statements

Fund Financial Statements report on the financial operations and position of governmental, proprietary, and fiduciary funds even though fiduciary funds are excluded from the Government-wide Financial Statements. The emphasis in Fund Financial Statements is on the major funds in the governmental or enterprise categories. All remaining governmental, proprietary, and fiduciary funds are aggregated and reported as nonmajor funds.

Governmental funds, including the general, special revenue, capital projects, debt service, and permanent funds, are presented on a current financial resource measurement focus and modified accrual basis of accounting in the Fund Financial Statements. This presentation is deemed most appropriate to demonstrate compliance with legal and bond covenant requirements, the source and use of financial resources, and how the state's actual spending conforms to the budget. Because the Governmental Fund Financial Statements are presented using a different measurement focus and basis of accounting than used in the governmental column in the Government-wide Financial Statements, reconciliations explaining the adjustments required to restate the fund-based financial statements for the government-wide governmental activities column are included.

Proprietary funds, including the enterprise and internal service funds, are presented on the economic resource measurement focus and full accrual basis of accounting in the Fund Financial Statements. This is the same measurement focus and basis of accounting as the Government-wide Financial Statements.

The state's fiduciary funds are presented in the Fund Financial Statements by type (pension trust, investment trust, or custodial). These assets are held for the benefit of others and cannot be used for activities or obligations of the government; therefore, the funds are excluded from the Government-wide Financial Statements.

The Fund Financial Statements are presented after the Government-wide Financial Statements. These statements display information about major funds individually, and nonmajor funds in the aggregate, for governmental, enterprise, and internal service funds.

Classification of Funds

The financial position and results of state operations are organized using individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts used to record the financial transactions and balances of that entity. Individual funds have been established as stipulated by legal provisions or by administrative discretion. The state uses fund accounting, which is designed to demonstrate legal compliance and to segregate transactions related to certain government functions or activities.

Governmental Fund Types – These funds account for the acquisition, use, and balances of expendable financial resources and the related current liabilities. Most state operations are accounted for in this fund

category. The fund types included in this category are the General Fund plus special revenue, capital project, debt service, and permanent funds.

- The General Fund accounts for all financial resources not accounted for and reported in another fund. This fund encompasses many of the primary government's functions.
- Special revenue funds account for revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.
- Capital project funds account for financial resources that are restricted, committed, or assigned to capital expenditures, including the acquisition or construction of capital facilities and other capital assets, including right-to-use assets. The state's capital expenditures are reported as capital outlay, whereas capital expenditures for other entities are reported as grant expenditures. Capital project funds exclude capital-related outflows financed by proprietary funds or for assets that will be held in trust.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, most long-term debt principal and interest.
- Permanent Funds account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the state's programs. The state has only one permanent fund, the Permanent School Fund. Minnesota Constitution, Article XI, Section 8 allows for the distribution of net interest and dividends to school districts. The change in investment value is recorded on the face of the financial statements as "Investment/Interest Earnings." Amounts that can be authorized for expenditure are classified as restricted on the face of the statements.

The state has two major governmental funds. The General Fund is the principal operating fund used to account for most of the general activities of the state. The Federal Fund is the state's only major special revenue fund. It receives and disburses federal government grants, reimbursements, recoveries, and premiums.

Proprietary Fund Types – These funds focus on determining net income, changes in net position, financial position, and cash flows. Generally accepted accounting principles, similar to those used by private sector businesses, are followed in accounting for these funds. The fund types included in this category are the enterprise and internal service funds.

- Enterprise funds account for activities that charge a fee to external users for goods or services. Activities of enterprise funds are financed and operated similarly to private business enterprises where the intent of the governing body is to recover costs primarily through user fees.
- Internal service funds account for the financing of goods or services provided by one agency to primarily other state agencies on a cost reimbursement or other basis. The activities reported as internal service funds include motor pool, central services, employee insurance, technology services, plant management, and risk management.

The state has three major enterprise funds, the Family and Medical Benefit Insurance Fund, the State Colleges and Universities Fund and the Unemployment Insurance Fund. The Family and Medical Benefit Insurance Fund will receive contributions from employers starting January 1, 2026 for paid family and medical insurance and pay family and medical benefits to eligible individuals. The State Colleges and Universities Fund accounts for the activities of the Minnesota State Colleges and Universities (MnSCU) system, which is the largest higher education system in the state. The Unemployment Insurance Fund receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

Fiduciary Fund Types – These funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. Pension trust, Investment trust, and the Custodial Fund are included in this fund category.

- Pension trust funds report retirement funds administered by independent boards for which the state has a fiduciary role.
- Investment trust funds provide an investment vehicle for entities outside the state, including various public retirement plans.
- The Custodial Fund accounts for resources held in a custodial capacity for individuals, private organizations, or other governmental units. Some examples include resources held for inmates of correctional facilities or residents of veterans and group homes, sales taxes to be distributed to local governments, and child support collections to be distributed to custodial parents.

Basis of Accounting, Measurement Focus, and Fund Financial Statement Presentation

All governmental funds focus on the flow of current financial resources and use the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) to fund balances. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year, or to liquidate liabilities existing at fiscal year-end. The state considers receivables collected after June 30, but by the close of the books in late August, to be available, and recognizes these receivables as current year revenues in governmental funds. Individual income taxes, property taxes, sales taxes, and federal grants are the major revenue sources susceptible to accrual. Receivables not collected by the close of the books in late August are reported as deferred revenue. Revenues collected prior to meeting eligibility requirements (excluding time requirements), including certain federal grant revenues, are reported as unearned revenue until the eligibility requirements are met, at which time revenue is recognized. However, revenues collected prior to meeting only time requirements are reported as deferred revenue. Expenditures and related liabilities are recognized when fund obligations are incurred, except for debt service, compensated absences, leases/subscriptions, pension and other postemployment benefits, and claims and judgments, which are recorded when due and expected to be liquidated with available financial resources. The following provides further detail on specific items regarding the modified accrual basis of accounting.

Tax Revenues – Tax revenues, excluding property taxes, are recognized in the period they become both measurable and available to finance expenditures of the current period. Measurable means that taxpayer liability is supported by sufficient documentation and can be reasonably estimated. The state’s liability for anticipated refunds of such taxes is estimated and recorded as reductions in revenue in the period when the related tax is recognized.

Property Tax Revenues – Minnesota Statutes 275.025 establishes a state general tax (property tax) against commercial/industrial and seasonal residential recreational properties. Counties, as agents for the state, assess the state general tax. The tax is distributed among counties by applying a uniform rate to the appropriate tax capacities in each county. Levies are determined based on the formula contained in the laws. The state preliminarily certifies the state general levy rate to each county no later than November 1 of each year for taxes payable in the following calendar year. The state certifies the final state general tax levy on January 1 of each year to each county. Property taxes are due to counties in two installments for each year – May 15 and October 15. The counties pay the state general tax to the state on three dates – June 30, December 1, and a final date of January 25 for any adjustments or changes. Property tax is recognized, net of uncollectible amounts, in the period for which the taxes are levied and the taxes are available.

Federal Revenues – Federal revenues, earned by incurring allowable obligations, are recognized at the same time the related obligation is recognized, with one exception. Trunk Highway Fund (special revenue fund) expenditures incurred by June 30, but not converted to Federal funding by the close of the federal fiscal year, are not recognized as federal revenues until the year they are converted.

Proprietary, pension trust, custodial, and investment trust funds are accounted for using the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as incurred. The accrual basis of accounting is also used for contributions, benefits, and refunds paid for defined benefit and defined contribution pension plans.

Proprietary funds distinguish operating from nonoperating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expense, and depreciation/amortization of capital assets, including right-to-use assets. All other revenues and expenses are reported as nonoperating items.

Cash Equivalents and Investments

Cash Equivalents – Cash equivalents are short-term, highly liquid investments having original maturities (remaining time to maturity at acquisition) of three months or less. Cash equivalents also include management pools and money market funds that are used essentially as demand deposit accounts.

Investments – Investments are reported at fair value, which is defined as the exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The state measures the fair value of investments based on a hierarchy of valuation inputs. Investments in derivative instruments are generally made to manage the overall risk of the individual manager's portfolios to a level satisfactory to the investment management firm and in accordance with the firm's contract with the State Board of Investment. See Note 2 – Cash, Investments, and Derivative Instruments for additional information regarding cash, investments, and derivative instruments.

Inventories

Generally, inventories for governmental funds are recorded as expenditures when purchased and are not a resource available for appropriation. The exception primarily relates to the Trunk Highway Fund (special revenue fund) and inventories are valued using weighted-average cost. Inventories maintained by the various funds are determined by annual and periodic physical counts. Inventories of proprietary funds are valued using the first-in, first-out, average cost, or specific cost methods.

Securities Lending

Securities on loan for cash collateral and the liabilities resulting from the security lending transactions are reported on the statement of net position or the balance sheet, as appropriate, for the particular fund type or level of reporting. Securities lending income and rebate and management fees are reported separately on the statement of revenues, expenditures, and changes in fund balances; the statement of revenues, expenses and changes in net position; or the statement of changes in net position, as appropriate for the particular fund type.

Restricted Net Position

Mandatory asset segregations required by bond covenants and other external restrictions are presented in enterprise funds and discretely presented component units as restricted net position. After liabilities from restricted assets are paid, any remaining restricted assets in the enterprise funds will be used for debt service.

Income Tax Credits

The Minnesota Department of Revenue processes several types of tax credits through the individual income tax system. For financial reporting purposes, income tax credits that are limited by the amount of the individual's tax liability (before considering such credits) are reported as revenue reductions. In contrast, credits for Education, Working Family, Stillborn Child, and Child and Dependent Care may be received even if they exceed the individual's tax liability. These types of credits are reported as expenditures, rather than revenue reductions, because the income tax system is, essentially, being used as a filing and payment mechanism to make grant payments to individuals.

Grant Expenditures and Liabilities Recognition

Grants are defined as nonexchange transactions because the state gives (or receives) value to another party without receiving (or giving) equal value in return. Grants are normally paid on either a reimbursement basis or an entitlement basis.

Reimbursement type grants may be awarded for specific services provided to eligible recipients or may be made for eligible types of reimbursements. Grants paid on the reimbursement basis are recognized as expenditures and liabilities in the year in which the grantee incurs the costs of providing specific services to eligible recipients or makes eligible types of expenditures.

Entitlement type grants may be based on services provided by the grantee. The intent of the grant is to help fund such services, but the grant amount is not based on the cost of providing the service(s). Expenditures and the related liabilities for these types of entitlement grants are recognized as the service is provided if the amount owed can be reasonably estimated soon after the end of the state's fiscal year. Other types of entitlement grants are not based on the services provided or action taken by the grantee. Expenditures and the related liabilities for these types of grants are recognized in the fiscal year in which the resources were appropriated.

Resources received in advance of meeting all eligibility requirements, excluding time requirements, are recorded as liabilities.

Compensated Absences

State employees accrue vacation leave, sick leave, and compensatory leave at various rates within limits specified in the collective bargaining agreements. Leave balances are liquidated in cash only upon termination from state employment. The current and noncurrent compensated absences liabilities for governmental funds are reported only in the government-wide statement of net position. All other fund types report the liability for compensated absences as a liability of the specific fund.

Capital Assets, including Right-to-Use Assets

Capital assets, including right-to-use assets, are reported in the Government-wide Financial Statements and the Fund Financial Statements for proprietary and fiduciary funds. Capital assets are generally defined by the state as assets with an initial, individual cost of more than \$300,000 for buildings and depreciable infrastructure, \$30,000 for equipment, \$300,000 for non-depreciable infrastructure, \$30,000 to \$2,000,000 for internally generated computer software depending on the fund and fund type, and \$30,000 for art and historical treasures. All land and easement assets are capitalized, regardless of cost. Capital assets must also have an estimated useful life of two or more years. Right-to-use assets are generally defined by the state as right-to-use assets with a value that is more than the capital assets thresholds by category noted above.

Capital assets are recorded at cost or, for donated assets, at acquisition value at the date of acquisition. An inventory of land and buildings was completed in 1985. Historical cost records for older capital assets are incomplete or not available; therefore, estimated historical costs have been used in these situations. Permanent School Fund (permanent fund) land is reported at estimated historical cost. The land included in the Permanent School Fund was granted to the state by the federal government in connection with the state being admitted to the United States. Tax forfeited land is not included in land inventory because the state does not take permanent title. When the land is sold, proceeds are distributed to local jurisdictions.

Capital assets are depreciated using the straight-line method generally based on the following useful lives: 20-50 years for buildings and depreciable infrastructure, 20-50 years for large improvements, 3-10 years for small improvements, 3-15 years for equipment, 3-10 years for internally generated computer software, and 20-50 years for easements. Transportation infrastructure assets using the modified approach, land, construction, and development in progress, permanent easements with indefinite useful lives, and works of art and historical treasures, such as the state capitol, are not depreciated.

Right-to-use assets consist of leased assets and subscription-based assets. Leased assets are recorded at present value of the payments expected to be made during the lease term, plus any amounts paid or lease incentives received from the lessor at or before the commencement of the lease term and any initial direct costs necessary to place the leased asset into service. Leased assets are amortized over the shorter of the lease term or the life of the leased asset. Subscription-based assets are recorded at present value of the payments to be made during the subscription term, which begins when the initial implementation stage is completed. The subscription-based assets consists of the subscription liability plus payments to the lessor at the commencement of the subscription term and capitalizable initial implementation costs. Subscription-based assets are amortized over the shorter of the lease term or the life of the subscription-based leased asset.

GASB Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments” allows an alternative (modified) approach to the recording of infrastructure assets in which costs to maintain and preserve these assets are expensed in lieu of depreciation. The transportation infrastructure capital assets of pavement and bridges are reported using the modified approach. In electing to use this option for transportation infrastructure, the state uses an asset management system which establishes minimum standards and determines, at least every three years, whether the minimum standards are being met. Disclosures of the minimum standards and the current status of the state’s pavement and bridges are included in Required Supplementary Information Modified Approach for Infrastructure. See Note 6 – Capital Assets, including Right-to-Use Assets for further information on capital assets, including right-to-use assets.

Current and Noncurrent Assets

At the government-wide level, assets are classified as either current or noncurrent. Governmental activity current assets are those considered available for appropriation and expenditure and include cash, various receivables, and short-term investments. Current assets in business-type activities are those that are available or can readily be made available to meet the cost of operating or to pay current liabilities. All other assets are considered noncurrent. Assets are classified as current or noncurrent in proprietary funds, but assets are not classified at the fund level for governmental funds.

Deferred Outflows of Resources

In the Government-wide Financial Statements, the differences between the net carrying amounts and the reacquisition price on refunding bonds are reported as a deferred outflow of resources when the net carrying amount exceeds the reacquisition price. These amounts are amortized over the shorter of the remaining life of the old debt or the life of the new debt. In addition, contributions to pension plans and

transactions to other postemployment benefit (OPEB) plans subsequent to the measurement date of the net pension liability and the total OPEB liability before the fiscal year end are reported as deferred outflows of resources. In addition, amounts related to the increases in the net pension liability and the total OPEB liability due to changes in assumptions, changes in the primary government's proportionate share of the net pension liability, differences between expected and actual experience, and net differences between projected and actual investment earnings for pensions are reported as deferred outflows of resources. These amounts are amortized as pension or OPEB expense as applicable over the average of the expected remaining service lives of all employees of the applicable plan, with the exception of the difference between projected and actual earnings, which is amortized over five years.

Current and Noncurrent Liabilities

In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities column. Long-term liabilities are the amount of liabilities not due and payable during the fiscal year resulting from debt issuances, compensated absences, closure and post closure care for landfills, workers' compensation claims, supplementary and second injury benefit claims, pollution remediation obligations, leases/subscriptions, net pension, other postemployment benefits, and arbitrage rebate requirements. In proprietary fund statements, these liabilities are reported as liabilities of each individual fund.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts during the current period. The face amounts of the debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the Government-wide Financial Statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

See Note 11 – Long-Term Liabilities - Primary Government for further information.

Deferred Inflows of Resources

In the governmental funds, when an asset is recorded but the revenue is not available, the amount is reported as a deferred inflow of resources until the revenue becomes available. Amounts that are not permitted to be used until the next fiscal year remain as deferred inflows of resources in the Government-wide Financial Statements. In addition, differences between the reacquisition price and the net carrying amounts on refunding bonds when the reacquisition price exceeds the net carrying amount is reported as a deferred inflow of resources on the Government-wide Financial Statements. This amount is amortized as interest expense over the shorter of the remaining life of the old debt or the life of the new debt. Amounts related to the decreases in the net pension liability and total other postemployment benefits (OPEB) liability due to changes in assumptions, changes in the primary government's proportionate share of the net pension liability, differences between expected and actual experience, and net differences between projected and actual investment earnings for pensions are reported as deferred inflows of resources. These amounts are amortized as pension or OPEB expense as applicable over the average of the expected remaining service lives of all employees of the applicable plan, with the exception of the difference between projected and actual earnings, which is amortized over five years. A deferred inflow of resources is also recorded for any applicable lease receivable and is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. These amounts are amortized over the term of the lease.

Deferred Compensation Plan

The state offers a deferred compensation plan created in accordance with Internal Revenue Service Code, Section 457. The Minnesota Deferred Compensation Fund (pension trust fund) represents the value of all assets of the plan. The plan is available to all public employees in the state and is administered by the Minnesota State Retirement System. Under this plan, compensation is deferred for income tax purposes in accordance with Section 457 and is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with state statute, effective July 1, 1997, contributions are held for the exclusive benefit of the participants and their beneficiaries. These amounts are held in trust, in custodial accounts, or in qualifying contracts, as required by federal law. The State Board of Investment determines the investment options available to plan participants and oversees the activities of the investment managers. The majority of the assets of the plan are invested in various mutual funds. The state is not liable for any investment losses under the plan.

Net Position/Fund Balances and Fund Balance Classification Policies and Procedures

The difference between fund total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is "Net Position" on the Government-wide, Proprietary, and Fiduciary fund statements and "Fund Balances" on Governmental Fund statements.

Net Investment in Capital Assets consists of capital assets, including right-to-use assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of bonds, mortgages, notes, lease/subscription payables or other debt attributable to the acquisition, construction, or improvement of such assets as well as deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of these assets or related debt. Significant unspent related debt proceeds are included in Restricted for Capital Projects.

Restricted Net Position represents the portion of net position that is constrained either externally by parties such as creditors or grantors, or legally through constitutional provisions or enabling legislation. Restricted net position is determined at the fund level. For a fund with more than one revenue stream, restricted net position is determined by the materiality of any restricted revenue in the fund.

In the Fund Financial Statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the state is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Minnesota Legislature by passing a bill, which is signed by the Governor, are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Minnesota Legislature removes or changes the specified use by taking the same type of action it employed to commit those amounts. Amounts that are constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. Intent is expressed by agency heads to whom the Governor has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

The state's policy is that restricted amounts are spent first when expenditures are incurred for purposes for which both restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Within unrestricted fund balance, the state's policy is that committed amounts are reduced first, followed by

assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Budgeting and Budgetary Control

The state operates on a two-year (biennial) budget cycle ending on June 30 of odd-numbered years. Appropriations in the biennial budget are usually for a single year; however, where specified, single year appropriations may be carried forward to the following year of the biennium. The governor's budget for the

biennium is developed by Minnesota Management and Budget and presented to the Minnesota Legislature for approval. Specific appropriations are required for the majority of the expenditures from the General Fund. The accounts not requiring specific appropriations are considered perspective differences in the budgetary basis vs. GAAP reconciliation. Specific appropriations are also required for all special revenue funds except the Federal, Municipal State-Aid Street, County State-Aid Highway, Douglas J. Johnson Economic Protection Trust, Endowment, and Miscellaneous Special Revenue funds. Some appropriations are "open appropriations" for entitlement type and some interfund transfer programs. In these cases, the amount that is needed to fulfill the obligation for the fiscal year is made available. There is no limit on the amount that can be expended for the program. Estimates of the amount needed for such programs are included in the budget forecast.

Budgetary control is essentially maintained at the departmental level except for certain programs where control is at the program level. In most departments, upon notifying the governor and legislative leadership, department heads are permitted to revise budgets by transferring amounts between programs within their departments.

Unencumbered appropriation balances generally cancel to the fund at the end of the fiscal year. However, if specifically provided by law, or if statutory authority is invoked by the agency, the unencumbered balance may be carried forward between fiscal years. The accounting system maintains two separate ledgers. One is maintained primarily on a modified cash basis of accounting with certain accrual information and represents the starting point for the financial statements. The second ledger tracks information on a budgetary basis of accounting, which approximates a cash basis with the exception that, at year-end, encumbered amounts are included as expenditures of the year appropriated for budgetary reporting. The budget ledger controls expenditures by appropriation line item as established in the legally adopted appropriation bills. A separate report showing the detail of legal level of budgetary control and actual expenditures is available from Minnesota Management and Budget.

Interfund Activity and Balances

Generally, internal service fund activity has been eliminated from the Government-wide Financial Statements. Internal service fund activity from external customers is reported under governmental activities in the Government-wide Financial Statements. Interfund receivables and payables have been eliminated from the Government-wide Statement of Net Position, except for residual amounts between governmental and business-type activities. See Note 5 – Interfund Transactions and Balances with Component Units for additional information.

Note 2 – Cash, Investments, and Derivative Instruments

Primary Government

Cash and Cash Equivalents

The majority of the primary government's cash is held in the state treasury and commingled in state bank accounts, while the majority of component unit cash is held in separate bank accounts. Cash in individual funds may be invested separately where permitted by statutes; however, cash in most funds is invested as part of an investment pool. A fund's investment with the primary government's cash pools is reported as a cash equivalent. Where provided by statutes, investment earnings of the primary government's pools are allocated to the individual funds. Earnings for all other participants are credited to the General Fund.

Deposits

Minnesota Statutes 9.031 requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. The statutes further require that the insurance and collateral shall be in an amount sufficient to ensure that the deposits do not exceed 90 percent of the sum of the insured amounts and the fair value of the collateral.

Investments

The State Board of Investment (SBI) manages the majority of the state's investments. All investments undertaken by SBI are governed by the standards codified in Minnesota Statutes 11A and 356A. Minnesota Statutes 11A.24 broadly restricts investments of the primary government to obligations and stocks of United States and Canadian governments, their agencies and registered corporations, other international securities, short-term obligations of specified high quality, restricted participation as a limited partner in venture capital, real estate, or resource equity investments, and restricted participation in registered mutual funds.

Funds not invested by SBI are primarily from the Minnesota State Colleges and Universities. Investments for these funds must also conform to the above statutes and may be further restricted by bond indentures.

Generally, when applicable, the statutes limit investments to those rated by a nationally recognized rating agency within the top four quality ratings categories. The statutes further prescribe the maximum percentage of fund assets that may be invested in various asset classes and contain specific restrictions to ensure the quality of the investments.

SBI is authorized to establish, and has established, combined investment funds used by participating public retirement and nonretirement funds. Retirement and nonretirement funds should not be commingled. Each investment fund has its own characteristics, including investment objective and risk characteristics. Within statutory requirements and based on detailed analysis of each fund, SBI has established investment guidelines and benchmarks for all funds under its management. These investment guidelines and benchmarks are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure, and specific performance standards.

Land Held for Investment

Land in the Permanent School Fund was donated by the federal government and valued at the estimated fair value at the time of donation consisting of 2,510,691 total acres as of June 30, 2024.

Investment Derivative Instruments

Minnesota Statutes 11A.24 provides that any agreement for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or securities. This provision applies to foreign currency forward contracts used to offset the currency risk of a security. All other derivative instruments are exchange traded. The purpose of the SBI derivative instrument activity is to equitize cash in the portfolio, to adjust the duration of the portfolio, or to offset current futures positions. For accounting purposes, derivative instruments are considered to be investments and not hedges.

The cash inflows, cash outflows, and changes in fair value of investment derivative instruments are reported as investment income. The June 30, 2024 fair value of investment derivative instruments is reported as investments.

Synthetic Guaranteed Investment Contract (SGIC): SBI maintains a fully benefit-responsive SGIC for the Supplemental Investment Fund (SIF) - Stable Value Fund of the pension and investment trust funds' portfolio. The investment objective of the Supplemental Investment Fund (SIF) is to protect investors from loss of their original investment and to provide a competitive interest rate. On June 30, 2024, the Supplemental Investment Fund (SIF) - Stable Value Fund had a portfolio of well diversified high quality investment grade fixed income securities with a fair value of \$1,440,617,000 that is \$76,223,000 below the value protected by the wrap contract. The Supplemental Investment Fund (SIF) - Stable Value Fund also includes liquid investment pools with a combined fair value of \$20,017,000.

The following table summarizes, by derivative instrument type, the investment derivative instrument activity, and June 30 positions for fiscal year 2024.

Primary Government
Derivative Instrument Activity for the Year Ended June 30, 2024
By Derivative Instrument Type
(In Thousands)

Derivative Instrument Type	Change in Fair Value	Year End Fair Value	Year End Notional Amount
Governmental Activities:			
Futures	\$ 7,018	\$ —	\$ 64,335
Total Governmental Activities	\$ 7,018	\$ —	\$ 64,335
Fiduciary Activities:			
Futures	\$ (3,804)	\$ —	\$ 774,613
Fixed Income Options Written	98	—	(17,061)
Futures Options Bought	(9,423)	640	2,184
Futures Options Written	3,449	(250)	(3,118)
FX Forwards	132,660	104,769	22,284,307
Warrants/Stock Rights	45	85	378
Credit Default Swaps Bought	100	(752)	11,996
Credit Default Swaps Written	1,672	6,152	171,407
Pay Fixed Interest Rate Swaps	5,691	4,042	266,338
Receive Fixed Interest Rate Swaps	(1,996)	(731)	113,751
Total Return Swaps Equity	358	30	(2,683)
Total Fiduciary Activities	\$ 128,850	\$ 113,985	\$ 23,602,112

Credit Risk: Minnesota is exposed to credit risk through twenty-seven counterparties in foreign currency forward (FX Forward) contracts used to offset the currency risk of a security. The state's FX Forward counterparties combined exposes the state to a maximum loss of \$478,003,000 should these counterparties fail to perform. These counterparties have S&P Global Ratings (S&P) credit ratings of BBB+ or better. The primary government, excluding pension and investment trust funds, had no exposure to counterparty risk.

Foreign Currency Risk: Currency futures and foreign stock index futures are exposed to foreign currency risk. Their currency risks are included in the Foreign Currency Risk schedule of this note.

Component Unit Derivative Instrument Activity: Derivative instrument activity of the state's component units is disclosed in the last section of this note.

Credit Risk of Debt Security Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holders of the investment. Minnesota Statutes limit investments in debt securities to the top four quality rating categories by a nationally recognized rating agency. SBI may also invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories provided that:

Unrated Corporate Obligations

- Aggregate value may not exceed 5 percent of the fair value of the fund for which the state board is investing.
- SBI's participation is limited to 50 percent of a single offering.
- SBI's participation is limited to 25 percent of the issuer's unrated obligations.

Corporate Stock

- Aggregate value of corporate stock may not exceed 85 percent of the fair market or book value, whichever is less, of a fund.
- Investment in corporate stock may not exceed 5 percent of the total outstanding shares of any one corporation with limited exceptions.

The state does not have a credit risk policy that is more stringent than the statutory requirements. The contracts between SBI and investment managers include guidelines or limitations regarding credit risk. The exposure to credit risk is based on the lower of S&P or Moody's Investors Service Inc (Moody's) Quality Ratings. For clarity of reporting, Moody's ratings are displayed in this exhibit using the comparable S&P rating.

**Primary Government
Governmental, Proprietary, and Custodial Funds
Investments and Cash Equivalent Investments
Credit Risk Exposure
As of June 30, 2024
(In Thousands)**

Quality Rating	Fair Value
AAA	\$ 3,122,272
AA	4,232,443
A	1,291,012
BBB	438,484
BB	130,279
CCC	5,763
Unrated	22,407,910
Agencies	4,377
U.S. Governments	3,964
Total Debt Securities	\$ 31,636,504

**Primary Government
Pension and Investment Trust Funds
Investments and Cash Equivalent Investments
Credit Risk Exposure
As of June 30, 2024
(In Thousands)**

Quality Rating	Fair Value
AAA	\$ 798,950
AA	14,660,170
A	719,437
BBB	2,634,875
BB	1,192,094
B	975,260
CCC	466,961
CC	57,770
C	2,482
D	11,030
Unrated	3,893,827
Total Debt Securities	\$ 25,412,856

Interest Rate Risk – Investments

Interest rate risk is the risk that the fair value of an investment is adversely impacted by the changes in interest rates of debt investments. The state does not have a policy on interest rate risk. The contracts between SBI and investment managers contain the guidelines and limitations regarding interest rate risk. Debt securities are constrained around the quality rating, sector mix, and duration of the Barclays Capital U.S. Aggregate Bond index. Interest rate risk information is presented using the weighted average maturity method, which expresses investment time horizons, the period when investments become due and payable in years or months, weighted to reflect the dollar size of individual investments within investment type.

**Primary Government
Governmental, Proprietary, and Custodial Funds
Investments and Cash Equivalent Investments
Interest Rate Risk
As of June 30, 2024
(In Thousands)**

Security Type	Fair Value	Weighted Average Maturity in Years
Debt Securities:		
Asset-Backed Securities	\$ 3,271,751	1.62
Bank Loans	18,825	0.00
Collateralized Mortgage Obligations	269,882	4.68
Corporate Debt	8,162,877	1.70
Mortgage-Backed Securities	416,347	7.34
Short-Term Investment Securities	16,556,485	0.00
State or Local Government Bonds	94,141	6.28
U.S. Agencies	1,290,490	0.57
U.S. Treasury	512,923	7.38
Yankee Bonds	1,042,783	0.96
Total Debt Securities	<u>\$ 31,636,504</u>	

**Primary Government
Pension and Investment Trust Funds
Investments and Cash Equivalent Investments
Interest Rate Risk
As of June 30, 2024
(In Thousands)**

Security Type	Fair Value	Weighted Average Maturity in Years
Debt Securities:		
Asset-Backed Securities	\$ 999,696	5.21
Bank Loans	311,056	4.68
Collateralized Mortgage Obligations	843,629	8.87
Corporate Debt	4,258,660	6.06
Foreign Country Bonds	387,178	7.69
Mortgage-backed Securities	2,324,009	7.61
Short-Term Investment Securities	3,474,463	6.21
State or Local Government Bonds	46,351	14.23
U.S. Agencies	711,935	6.21
U.S. Treasury	10,835,388	13.18
Yankee Bonds	1,220,491	7.37
Total Debt Securities	<u>\$ 25,412,856</u>	

Fair Value Reporting

GASB Statement No. 72 “Fair Value Measurement and Application” sets forth the framework for measuring the fair value of investments based on a hierarchy of valuation inputs. The statement defines fair value as the exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The hierarchy has three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs for Level 2 include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs reflect SBI’s assumptions about the inputs that market participants would use in pricing an asset or liability.

Investments that do not have a readily determinable fair value are measured using the net asset value (NAV) per share (or its equivalent) as a practical expedient, and not classified in the fair value hierarchy.

All non-cash investments, including derivative instrument investments that are not hedging derivative instruments, are required to be measured at fair value on a recurring basis. SBI maintains investment pools in which participants own a proportionate share of the investment pools. The fair value of the investment pools is priced daily by SBI’s custodian, when a daily price is available, by using independent pricing sources.

Level 3 investments primarily consist of assets where the asset is distressed or there is not an active market. The fair value of the assets measured at the NAV has been determined using the March 31, 2024 values, adjusted for cash flows. The investments measured at the NAV are typically not eligible for redemption. Distributions received as underlying investments within the funds are liquidated over the life of the investment. The typical liquidation period for alternative investments including private equity, real estate, real assets and private credit ranges from three to twelve years. The majority of the distribution is received during the liquidation period, however it is not uncommon for a minimal amount of the fund to remain open while waiting final close from the investor. Cash and a portion of the short-term investments are not leveled under GASB Statement No. 72 “Fair Value Measurement and Application”.

As of June 30, 2024 the alternative investments are not expected to be sold at an amount different from the NAV value of the SBI's interest in partner's capital. SBI has a total of \$11,702,253,000 in unfunded commitments to the invested value of the NAV. Unfunded commitments is money that has been committed to an investment, but not yet transferred to the investor.

The private equity investment strategy is to establish and maintain a broadly diversified private equity portfolio composed of investments that provide diversification by industry type, stage of corporate development, and location.

The real estate investment strategy calls for the establishment and maintenance of a broadly diversified real estate portfolio composed of investments that provide overall diversification by property type and location. The main components of this portfolio consist of investments in closed-end commingled funds.

The remaining portion of the portfolio may include investments in less diversified, more focused (specialty) commingled funds and Real Estate Investment Trusts (REITs).

The strategy for real assets investments is to establish and maintain a portfolio of real assets investment vehicles that provide an inflation hedge and additional diversification. Real assets investments will include energy and infrastructure investments that are diversified by geographic area as well as by type.

The strategy for private credit investments is to target funds that typically provide a current return and may have an equity component. Structures such as subordinated debt investments and mezzanine investments are typical private credit investments.

**Primary Government
Governmental, Proprietary, and Custodial Funds
Fair Value of Investments
As of June 30, 2024
(In Thousands)**

Investments	Fair Value	Level 1	Level 2	Level 3
Equity:				
Common Stock	\$ 2,650,487	\$ 2,650,050	\$ 437	\$ —
Real Estate Investment Trust	54,745	54,745	—	—
Total Equity	<u>\$ 2,705,232</u>	<u>\$ 2,704,795</u>	<u>\$ 437</u>	<u>\$ —</u>
Fixed Income:				
Asset-backed Securities	\$ 3,271,751	\$ —	\$ 2,938,320	\$ 333,431
Mortgage-backed Securities	686,213	—	686,213	—
Corporate Bonds	8,232,241	—	8,157,038	75,203
Government Issues	4,519,405	8,358	4,511,047	—
Total Fixed Income	<u>\$ 16,709,610</u>	<u>\$ 8,358</u>	<u>\$ 16,292,618</u>	<u>\$ 408,634</u>
Total Investments by Fair Value	<u>\$ 19,414,842</u> ⁽¹⁾	<u>\$ 2,713,153</u>	<u>\$ 16,293,055</u>	<u>\$ 408,634</u>

⁽¹⁾ Total investments are less than the cash, cash equivalent investments, and investments shown on the face of the financial statements since cash and a portion of the short-term investments are not leveled under GASB Statement No. 72 "Fair Value Measurement and Application" and are not included in this table.

**Primary Government
Pension and Investment Trust Funds
Fair Value of Investments
As of June 30, 2024
(In Thousands)**

Investments	Fair Value	Level 1	Level 2	Level 3
Equity:				
Common Stock	\$ 45,791,806	\$ 45,790,116	\$ 1,353	\$ 337
Real Estate Investment Trust	815,886	815,885	—	1
Other Equity	1,548,326	854,311	3,307	690,708
Total Equity	<u>\$ 48,156,018</u>	<u>\$ 47,460,312</u>	<u>\$ 4,660</u>	<u>\$ 691,046</u>
Fixed Income:				
Asset-backed Securities	\$ 1,139,371	\$ —	\$ 1,075,131	\$ 64,240
Mortgage-backed Securities	3,685,080	—	3,683,352	1,728
Corporate Bonds	6,050,264	—	6,035,054	15,210
Government Issues	12,380,142	—	12,380,142	—
Other Debt Instruments	839,964	—	839,964	—
Total Fixed Income	<u>\$ 24,094,821</u>	<u>\$ —</u>	<u>\$ 24,013,643</u>	<u>\$ 81,178</u>
Investment Derivatives:				
Options, Rights, Warrants	\$ 475	\$ 475	\$ —	\$ —
Total Investment Derivatives	<u>\$ 475</u>	<u>\$ 475</u>	<u>\$ —</u>	<u>\$ —</u>
Total Investments by Fair Value	<u>\$ 72,251,314</u>	<u>\$ 47,460,787</u>	<u>\$ 24,018,303</u>	<u>\$ 772,224</u>
Investments Measured at Net Asset Value (NAV):				
	NAV	Number of Investments	Percent of NAV Value	Unfunded Commitments
Private Equity	\$ 16,748,416	192	74 %	\$ 8,130,885
Real Estate	2,130,085	36	9 %	1,655,773
Real Assets	2,057,434	33	9 %	650,485
Private Credit	1,841,955	41	8 %	1,265,110
Total Investments at NAV	<u>\$ 22,777,890</u>	<u>302</u>	<u>100 %</u>	<u>\$ 11,702,253</u>
Total Investments by Fair Value and NAV	<u>\$ 95,029,204</u> ⁽¹⁾			

⁽¹⁾Total investments are less than the cash, cash equivalent investments, and investments shown on the face of the financial statements since cash and a portion of the short-term investments are not leveled under GASB Statement No. 72 "Fair Value Measurement and Application" and are not included in this table.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The state does not have a formal policy regarding concentration of credit risk for rated corporate debt securities that are among the top four quality categories. For other types of investments, Minnesota Statutes 11A.24 established investment parameters which are outlined in the “Credit Risk of Debt Security Investments” section of this note. SBI determined the concentration of credit risk based on security identification number.

The state did not have exposure to any one single issuer that equaled or exceeded five percent of the overall portfolio as of June 30, 2024.

Foreign Currency Risk – Investments

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or a deposit. SBI has established guidelines to be used by investment managers. Managers with authority to invest in foreign securities are given authority to hedge foreign currency through forward contracts to avoid currency losses.

The primary government, excluding pension and investment trust funds, had no exposure to foreign currency risk as of June 30, 2024. The following table shows the foreign currency risk for the pension and investment trust funds.

Pension and Investment Trust Funds
Foreign Currency Risk
International Investment Securities at Fair Value
As of June 30, 2024
(In Thousands)

Currency	Cash	Equity	Fixed Income
Australian Dollar	\$ 1,720	\$ 646,432	\$ 53
Brazilian Real	2,092	192,793	34,213
Canadian Dollar	16,269	1,059,276	3,456
Danish Krone	486	453,687	—
Euro Currency	9,044	5,157,446	150,919
Hong Kong Dollar	2,505	817,667	—
Japanese Yen	13,449	2,224,190	113
Mexican Peso	3,171	82,136	40,254
New Taiwan Dollar	4	615,569	—
Pound Sterling	9,414	1,516,097	29,617
Singapore Dollar	402	144,044	—
South Korean Won	1	579,530	—
Swedish Krona	576	318,816	—
Swiss Franc	1,373	898,960	—
Yuan Renminbi	11,429	119,674	7,222
Others	(11,057)	529,075	124,735
Total	<u>\$ 60,878</u>	<u>\$ 15,355,392</u>	<u>\$ 390,582</u>

Custodial Risk – Investments

Custodial risk for investments is the risk that, in the event of a failure of the counterparty, the state will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investments are held in the state's name and collateral for repurchase agreements is held in the state's name by third party agents. The primary government does not have a formal policy for custodial credit risk.

Securities Lending

Minnesota Statutes do not prohibit the state from participating in securities lending transactions. The state has, by a Securities Lending Authorization Agreement, authorized State Street Bank and Trust Company (State Street) to act as agent in lending state securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers.

During the fiscal year, State Street lent, on behalf of the state, certain securities held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the federal government. State Street does not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to at least 100 percent of the fair value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify the state in the event of default by a borrower. There were no failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of default of the borrower.

During the fiscal year, the state and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested in a collective investment pool. As of June 30, 2024, the investment pool had an average duration of 3 days and an average weighted maturity of 108.11 days for U.S. dollar collateral.

Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2024, the state had no credit risk exposure to borrowers because the amounts the state owed the borrowers exceeded the amounts the borrowers owed the state.

The fair value of collateral held and the fair value of securities on loan for the state as of June 30, 2024, were \$5,896,991,000 and \$5,675,062,000, respectively. Securities received as collateral for which the state does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities in the statement of net position. Cash collateral of \$4,015,712,000 is reported in the Fiduciary Funds Statement of Net Position as an asset and corresponding liability.

**Primary Government
Pension and Investment Trust Funds
Securities Loaned
As of June 30, 2024
(In Thousands)**

Investment Type	Fair Value
Domestic Equities	\$ 4,040,319
U.S. Government Bonds	892,079
International Equities	287,498
Domestic Corporate Bonds	455,166
Total	<u>\$ 5,675,062</u>

Component Units

Housing Finance Agency

As of June 30, 2024, the Housing Finance Agency (HFA) had \$748,080,000 of cash and cash equivalents and \$5,153,619,000 of investments. As of June 30, 2024, \$747,849,000 of deposits and \$5,093,636,000 of investment securities were subject to custodial credit risk. The following table shows the weighted average maturity for cash and cash equivalents and investments:

**Major Component Unit
Housing Finance Authority
Fair Value of Investments
As of June 30, 2024
(In Thousands)**

Fair Value of Portfolio	Investment Maturities
Less Than 1 Year	\$ 1,464,614
1-5 Year(s)	164,083
5-10 Years	1,056
10+ Years	4,231,020
Total	<u>\$ 5,860,773</u>

HFA cash equivalents included \$231,000 of investment agreements, which are generally uncollateralized, interest-bearing contracts.

HFA investments had an estimated fair value of \$5,153,619,000 as of June 30, 2024. Included in these investments were US Treasuries (not rated) with a par value of \$902,605,000, and \$4,244,239,000 in U.S. Agencies, also at par value, having an S&P rating of AA+ and Moody's rating of Aaa. An additional \$6,775,000 in municipal debt investments at par value had an S&P rating of AA.

HFA measured the fair value of its investments using the three-tier hierarchy of input quality specified by GASB Statement No. 72 "Fair Value Measurement and Application." HFA measured investments of \$816,555,000 and \$4,337,064,000 using Level 1 and Level 2 inputs, respectively.

HFA had investments in single issuers as of June 30, 2024, excluding investments issued or explicitly guaranteed by the U.S. Government that exceeded five percent or more of total investments. These investments of \$2,369,264,000 were issued by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and U.S. Agencies.

HFA entered into interest rate swap agreements that were considered to be derivative instruments under GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments." These interest rate swap agreements have been determined to be effective hedges and were reported at fair value as of June 30, 2024, as both an asset and liability called "Interest Rate Swap Agreements." The inception-to-date change in fair value as of June 30, 2024, was reported in deferred outflows of resources as "Accumulated Decrease in Fair Value of Derivative Instruments" and in deferred inflows of resources as "Accumulated Increase in Fair Value of Derivative Instruments."

As of June 30, 2024, HFA had interest rate swap agreements with the following counterparties: the Bank of New York Mellon (eight agreements), Royal Bank of Canada (eight agreements), Wells Fargo (two agreements), and Bank of America (six agreements) for total notional amounts of \$200,465,000, \$244,215,000, \$62,295,000, and \$150,000,000 and fair values of \$25,897,000, \$19,895,000, \$4,814,000, and \$1,849,000 respectively. For these counterparties, the fair values for the fiscal year ended June 30, 2024, increased \$7,945,000, increased \$6,959,000, increased \$861,000, and increased \$1,849,000 respectively.

The fair value of the swap represents HFA's potential exposure to credit risk. The counterparties, the Bank of New York Mellon, Royal Bank of Canada, Wells Fargo, and Bank of America have been rated by Moody's as Aa2, Aa1, Aa1, and Aa1 respectively, and by S&P as AA-, AA-, A+, and A+ respectively.

All swaps are pay-fixed, receive-variable. The initial notional amounts matched the original principal amounts and have terms which reduce the notional amounts to approximately follow the anticipated reductions in outstanding principal. HFA has also purchased the rights on the underlying mortgage loans, generally based upon a 300 percent PSA prepayment rate (the standard prepayment model of The Securities Industry and Financial Markets Association). This has further reduced the notional balances of the swaps as needed to match outstanding principal amounts of the associated bonds. HFA also has the right to terminate outstanding swaps in whole or in part at any time if it is not in default. The swap contracts may also be terminated by the counterparties, but are generally limited to HFA payment default or other HFA defaults that remain uncured for 30 days.

The variable rate HFA pays on its bonds resets weekly, but the variable rate received on its swaps is based on a percentage of the Secured Overnight Financing Rate (SOFR) index rate. This exposes HFA to basis risk (the risk that the rates do not equal), and this risk will vary over time due to inter-market conditions.

HFA assumes the risk that changes in the tax code may vary from the historical long-term relationship between taxable and tax-exempt short-term interest rates for economic reasons.

Metropolitan Council

As of December 31, 2023, the Metropolitan Council (MC) had \$1,343,248,000 in cash and cash equivalents and \$762,481,000 in investments. Of this amount, \$652,463,000 was subject to rating. Using the Moody's rating scale, \$313,136,000 of these investments ranged from Aaa-A1, while \$339,327,000 were not rated. The remaining amount of \$1,453,266,000 was not subject to rating.

MC has investment policies to address its various types of investment risks. Several MC investment holdings are subject to custodial credit risk. MC has a custodial credit risk exposure of \$1,900,000 because the related securities are held by a custodial agent in the broker's name.

MC measured the fair value of its investments using the three-tier hierarchy of input quality specified by GASB Statement No. 72 "Fair Value Measurement and Application." MC measured investments of \$1,150,290,000 and \$432,502,000 using Level 1 and Level 2 inputs, respectively. MC measured another \$297,076,000 of investments at the net asset value, while the remaining \$14,900,000 was cash and cash equivalents. MC also held \$210,831,000 in the Internal Equity Pool and \$130,000 in a cash fund with the

State Board of Investment (SBI) established as a trust account to pay other post-employment benefits (OPEB).

MC uses the segmented time distribution model to report the interest rate sensitivity of its investments. This model reflects how MC regulates its longer-term investments to manage interest rate risk and changes in value. The following table presents the estimated fair value of MC investments subject to interest rate risk using the segmented time distribution model.

Major Component Unit Metropolitan Council Fair Value of Investments As of December 31, 2023 (In Thousands)	
Fair Value of Portfolio	Estimated Fair Value
Less Than 1 Year	\$ 1,790,600
1-5 Year(s)	302,461
5+ Years	12,668
Total	\$ 2,105,729

MC has used commodity futures as an energy forward pricing mechanism permitted by Minnesota Statutes 473.1293. Statutorily, MC may not hedge more than 100 percent of the projected consumption of any of its commodities and only up to 23 months into the future. Since 2004, MC has hedged most of its annual diesel fuel consumption. The hedging transactions are separate from fuel purchase transactions. For calendar year 2023, MC performed a statistical analysis and determined that the liquidated hedges were essentially effective.

As of December 31, 2023, MC had 286 New York Mercantile Exchange (NYMEX) heating oil futures contracts (9.07 million gallons) acquired from April 12, 2022 through December 21, 2023, to terminate on dates from January 31, 2024, through October 31, 2025. As of December 31, 2023, the ultra-low sulfur diesel futures contracts had a fair value of \$21,628,000.

MC is using NYMEX heating oil futures to hedge its diesel fuel consumption. MC will be exposed to basis risk if the prices significantly deviate from each other. Historically, there has been a strong correlation between the two products.

University of Minnesota

As of June 30, 2024, the University of Minnesota (U of M), including its discretely presented component units, had \$705,125,000 of cash and cash equivalents and \$8,526,970,000 of investments. U of M's discretely presented component units do not classify investments according to risk because these entities prepare their financial statements under standards set by the Financial Accounting Standards Board. Excluding discretely presented component units, U of M reported cash and cash equivalents of \$624,248,000 and investments of \$3,859,676,000.

As of June 30, 2024, U of M's bank balance of \$193,166,000 was uninsured and uncollateralized.

U of M maintains centralized management for substantially all of its cash and investments. The Board of Regents establishes U of M's investment policies and objectives. U of M uses internal investment pools designed to meet respective investment objectives within established risk parameters for each pool.

The majority of U of M's investment pools have exposure to investment risks in which they have established policies to address the various types and manage through appropriate asset allocation and

portfolio construction. U of M uses S&P ratings and duration as a measure of a debt investment’s exposure to fair value changes arising from changing interest rates.

As of June 30, 2024, \$1,383,903,000 of investment in securities was subject to quality rating and interest rate risk. This amount was rated as follows:

- \$1,152,254,000 was rated AA or better
- \$196,011,000 was rated BBB to A
- \$32,668,000 was rated BB or lower
- \$2,970,000 was not rated

The securities subject to interest rate risk were comprised of the following:

- \$967,317,000 in government agencies with weighted average maturities of 2.1 to 2.4 years
- \$22,206,000 in mortgage-backed securities with a weighted average maturity of 12.4 years
- \$97,394,000 in corporate bonds with a weighted average maturity of 0.5 years
- \$296,986,000 in mutual funds with a weighted average maturity of 2.8 years

As of June 30, 2024, U of M had \$95,842,000 of equity investments subject to foreign currency risk. The two components of this amount are \$63,658,000 in Euro Currency and \$32,184,000 in British Pound Sterling.

As of June 30, 2024, none of the U of M's investment holdings are subject to custodial credit risk because the investment securities are held by the University and not by a counterparty.

U of M measured the fair value of its investments using the three-tier hierarchy of input quality specified by GASB Statement No. 72 “Fair Value Measurement and Application.” U of M measured investments of \$233,289,000, \$1,342,797,000, and \$20,175,000 using Level 1, 2 and 3 inputs, respectively. U of M measured another \$2,263,415,000 of investments at the net asset value.

Nonmajor Component Units

**Nonmajor Component Units
Cash, Cash Equivalents, and Investments
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)**

Component Unit	Cash and Cash Equivalents	Investments
Agricultural and Economic Development Board	\$ 940	\$ 23,815
Minnesota Comprehensive Health Association	128	—
Minnesota Sports Facilities Authority	96,253	—
National Sports Center Foundation	4,956	—
Office of Higher Education	562,082	—
Public Facilities Authority	639,060	—
Rural Finance Authority	19,583	—
Workers’ Compensation Assigned Risk Plan	11,083	265,019
Total	<u>\$ 1,334,085</u>	<u>\$ 288,834</u>

Note 3 – Disaggregation of Receivables

**Primary Government
Components of Net Receivables
Government-wide
As of June 30, 2024
(In Thousands)**

Description	Governmental Activities			Total
	General Fund ⁽²⁾	Federal Fund	Nonmajor Governmental Funds ⁽¹⁾	
Taxes:				
Corporate and Individual	\$ 1,578,512	\$ —	\$ —	\$ 1,578,512
Sales and Use	966,801	—	92,936	1,059,737
Property	389,394	—	—	389,394
Health Care Provider	656,481	—	—	656,481
Motor Vehicle/Fuel	—	—	70,168	70,168
Others	78,737	—	46,704	125,441
Child Support	17,520	16,757	132	34,409
Workers' Compensation	—	—	14,242	14,242
Others	411,472	313,613	294,096	1,019,181
Net Receivables	<u>\$ 4,098,917</u>	<u>\$ 330,370</u>	<u>\$ 518,278</u>	<u>\$ 4,947,565</u>
Business-type Activities				
Description	State Colleges and Universities	Unemployment Insurance	Nonmajor Enterprise Funds	Total
Insurance Premiums	\$ —	\$ 381,693	\$ —	\$ 381,693
Tuition and Fees ⁽³⁾	74,755	—	—	74,755
Others	—	—	38,270	38,270
Net Receivables	<u>\$ 74,755</u>	<u>\$ 381,693</u>	<u>\$ 38,270</u>	<u>\$ 494,718</u>
Total Government-wide Net Receivables				<u><u>\$ 5,442,283</u></u>

⁽¹⁾ Includes \$111.777 million for Internal Service Funds, less Internal Service Fund eliminations of \$105.032 million among Governmental Activities.

⁽²⁾ Includes \$100 thousand Interfund Receivables from Fiduciary Funds reclassified to Accounts Receivable on the Government-wide Statement of Net Position.

⁽³⁾ The revenue associated with tuition and fees is reduced by a scholarship allowance of \$296.547 million.

Accounts receivable are reported net of allowances for uncollectible amounts. Significant uncollectible amounts are:

- Corporate and Individual Taxes \$243,811,000
- Sales and Use Taxes \$46,754,000
- Child Support \$72,906,000
- Tuition and Fees \$38,040,000

Receivable balances not expected to be collected within one year are:

- Corporate and Individual Taxes \$354,759,000
- Sales and Use Taxes \$107,400,000
- Child Support \$32,850,000
- Health Care Provider \$125,798,000
- Other Receivables \$241,491,000

Note 4 – Loans, Notes, and Leases Receivable

Primary Government

The following table is the loans and notes receivable, net of allowances outstanding as of June 30, 2024.

**Primary Government
Loans and Notes Receivable, Net of Allowance
As of June 30, 2024
(In Thousands)**

Loan Purpose	General Fund	Federal Fund	Nonmajor Special Revenue Funds	State Colleges and Universities Fund	Total Loans and Notes Receivable
Student Loan Program	\$ —	\$ —	\$ —	\$ 2,982	\$ 2,982
Economic Development	39,894	6,147	46,509	—	92,550
School Districts	1,389	—	—	—	1,389
Agricultural, Environmental and Energy Resources	—	—	109,889	—	109,889
Transportation	—	—	3,382	—	3,382
Others	7,490	—	214	1,119	8,823
Total	\$ 48,773	\$ 6,147	\$ 159,994	\$ 4,101	\$ 219,015

The state has entered into various lease arrangements where the state is the lessor for building space and vehicles. Lease term ranges vary from two to twenty-six years. The lease receivable was calculated based on the interest rate charged on the lease, if available, or the state's average annual short-term monthly incremental borrowing rate.

In the governmental activities, there are more than one hundred seventy leases for vehicles. There is one building space lease agreement through the Iron Range Resources and Rehabilitation (IRRR) to which the lessee has capital spending credits that can reduce or eliminate their lease payments. For fiscal year 2024, the lessee exercised this option to eliminate their lease payments to the state.

Minnesota State Colleges and University Fund (MnSCU) (enterprise fund) has entered into several lease agreements, primarily for building space. The leases expire at various dates through 2055.

**Primary Government
Leases Receivable and Revenue
As of and for the Year June 30, 2024
(In Thousands)**

Primary Government	Leases Receivable	Lease Revenue
Nonmajor Special Revenue Funds	\$ 4,134	\$ 1,048
Internal Service Funds	2,983	1,248
State Colleges and Universities Fund	9,847	3,058
Nonmajor Enterprise Funds	30	115
Total	\$ 16,994	\$ 5,469

Component Units

The following table is the loans and notes receivable, net of allowances outstanding as of December 31, 2023 or June 30, 2024, as applicable.

**Component Units
Loans and Notes Receivable
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)**

Component Unit	Loans and Notes Receivable
Housing Finance Agency	\$ 1,134,149
Metropolitan Council	30,444
University of Minnesota	44,576
National Sports Center Foundation	337
Office of Higher Education	415,142
Public Facilities Authority	1,855,916
Rural Finance Authority	117,655
Total	<u>\$ 3,598,219</u>

The following table is a schedule of leases receivable as of December 31, 2023 or June 30, 2024, as applicable, for the state's component units. The detail supporting the leases receivable of the discretely presented component units of the state can be found within the individual component units' financial statements and notes.

**Component Units
Leases Receivable
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)**

Component Unit	Leases Receivable
Metropolitan Council	\$ 20,309
University of Minnesota	287,840
Minnesota Sports Facility Authority	317,876
Total	<u>\$ 626,025</u>

Note 5 – Interfund Transactions and Balances with Component Units

Primary Government

During normal operations, the state processes routine transactions between funds, including loans, expenditures, and transfers of resources for administrative and program services, debt service, and compliance with legal mandates. A description of unusual or unique interfund transactions are noted below.

In the fund financial statements, these transactions are generally recorded as transfers in/out and interfund receivables/payables. Transfers generally represent legally authorized transfers between funds authorized to receive revenue and funds authorized to make expenditures, and do not represent reimbursement of expenditures.

During fiscal year 2024, the following interfund transactions were considered to be significant, unusual or unique in nature:

- The General Fund has an interfund receivable due from the Nonmajor Governmental Funds (Building Capital Projects) for a bond sale advance for \$110,083,000. This activity is not considered unusual or unique, but does not occur every year.
- The Nonmajor Governmental Funds has transfers-in from the General Fund for a variety of program funding.
 - The Trunk Highway Fund (special revenue fund) has one-time transfers-in of \$152,650,000 for the state match for highway formula and discretionary grants under the federal Infrastructure Investment and Jobs Acts, and for related state investments.
 - The Miscellaneous Special Revenue Fund (special revenue fund) has a \$62,254,000 transfers-in related to various programs and projects including solar for schools program, weatherization and pre-weatherization work, heat pump rebate program, electric school bus program, electric grid resiliency grants, and grain indemnity plant protection.
 - The Environmental and Remediation Fund (special revenue fund) has a \$27,397,000 transfers-in related to payment of the metropolitan landfill contingency action trust.
 - The General Projects Fund (capital projects fund) has one-time transfers-in from the General Fund of \$1,071,013,000, including related interfund receivable of \$23,192,000 for capital improvement projects authorized by the Minnesota State Legislature.
- The Family and Medical Benefit Insurance Fund has a transfers-in from the General Fund for \$668,321,000. This was a one time payment to assist in the creation of the new Family and Medical Benefit Insurance Fund.
- The Fiduciary Funds has one time transfers-in from the General Fund for one time state aid payment to all of the pension trust funds totaling \$470,153,000. See Note 8 – Pension and Investment Trust Funds for further details.

**Primary Government
Interfund Receivables and Payables
As of June 30, 2024
(In Thousands)**

Description	Amount
Due to the General Fund from:	
Federal Fund	\$ 165,369
Nonmajor Governmental Funds	159,590
Nonmajor Enterprise Funds	27,000
Internal Service Funds	60,339
Fiduciary Funds	100
Total Due to General Fund from Other Funds	<u>\$ 412,398</u>
Due to the Federal Fund from:	
Unemployment Insurance Fund	\$ 19
Total Due to Federal Fund from Other Funds	<u>\$ 19</u>
Due to Nonmajor Governmental Funds from:	
General Fund	\$ 23,500
Nonmajor Governmental Funds	191,731
Unemployment Insurance Fund	58,748
Nonmajor Enterprise Funds	2,990
Total Due to Nonmajor Governmental Funds from Other Funds	<u>\$ 276,969</u>
Due to the State Colleges and Universities Fund from:	
General Fund	\$ 500
Nonmajor Governmental Funds	35,385
Total Due to State Colleges and Universities Fund from Other Funds	<u>\$ 35,885</u>
Due to Nonmajor Enterprise Funds from:	
General Fund	\$ 3,128
Total Due to Nonmajor Enterprise Funds from Other Funds	<u>\$ 3,128</u>
Due to the Internal Service Funds from:	
General Fund	\$ 11
Nonmajor Governmental Funds	34
Total Due to Internal Service Funds from Other Funds	<u>\$ 45</u>
Due to Fiduciary Funds from:	
General Fund	\$ 5,000
Fiduciary Funds	16,847
Total Due to Fiduciary Funds from Other Funds	<u>\$ 21,847</u>

**Primary Government
Interfund Transfers
Year Ended June 30, 2024
(In Thousands)**

Description	Amount
Transfers to the General Fund from:	
Federal Fund	\$ 11,279
Nonmajor Governmental Funds	42,082
Family and Medical Benefit Insurance Fund	2,649
Nonmajor Enterprise Funds	154,674
Internal Service Funds	24,126
Total Transfers to General Fund from Other Funds	<u>\$ 234,810</u>
Transfers to the Federal Fund from:	
Unemployment Insurance Fund	\$ 16
Nonmajor Governmental Funds	1,341
Total Transfers to Federal Fund from Other Funds	<u>\$ 1,357</u>
Transfers to Nonmajor Governmental Funds from:	
General Fund	\$ 1,932,612
Federal Fund	3,788
Unemployment Insurance Fund	35,599
Nonmajor Governmental Funds	271,168
Nonmajor Enterprise Funds	42,563
Internal Service Funds	7,013
Total Transfers to Nonmajor Governmental Funds from Other Funds	<u>\$ 2,292,743</u>
Transfers to the Family and Medical Benefit Insurance Fund from:	
General Fund	\$ 668,321
Total Transfers to Family and Medical Benefit Insurance Fund from Other Funds	<u>\$ 668,321</u>
Transfers to the State Colleges and Universities Fund from:	
General Fund	\$ 958,211
Nonmajor Governmental Funds	43,223
Total Transfers to State Colleges and Universities Fund from Other Funds	<u>\$ 1,001,434</u>
Transfers to Nonmajor Enterprise Funds from:	
General Fund	\$ 18,588
Nonmajor Governmental Funds	5,769
Total Transfers to Nonmajor Enterprise Funds from Other Funds	<u>\$ 24,357</u>
Transfers to Internal Service Funds From:	
General Fund	\$ 12,500
Total Transfers to Internal Service Funds	<u>\$ 12,500</u>
Transfers to Fiduciary Funds from:	
General Fund	\$ 562,345
Fiduciary Funds	19,434
Total Transfers to Fiduciary Funds from Other Funds	<u>\$ 581,779</u>

Component Units

**Primary Government and Component Units
Receivables and Payables
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)**

Component Units	Due from Primary Government	Due to Primary Government
Major Component Units:		
Housing Finance Agency	\$ 129	\$ —
Metropolitan Council	229,009	1,866
University of Minnesota	40,344	36
Total Major Component Units	\$ 269,482	\$ 1,902
Nonmajor Component Units	208,947	123,739
Total Component Units	\$ 478,429	\$ 125,641
Primary Government		
	Due from Component Units	Due to Component Units
Major Governmental Funds:		
General Fund	\$ 12,032	\$ 222,135
Federal Fund	—	154,618
Total Major Governmental Funds	\$ 12,032	\$ 376,753
Nonmajor Governmental Funds	105,005	100,600
Nonmajor Enterprise Funds	—	12
Total Primary Government	\$ 117,037	\$ 477,365 ⁽¹⁾

⁽¹⁾ Due to Component Units on the Government-wide Statement of Net Position totals \$478.999 million and includes \$1.634 million of loans payable to the Public Facilities Authority (component unit) that are not fund level liabilities.

The Due to Primary Government balance exceeds the Due from Component Units balance by \$8,604,000 because the Metropolitan Council, the Workers' Compensation Assigned Risk Plan, and the National Sports Center Foundation use a different fiscal year end than the primary government. The \$1,064,000 difference between the Due from Primary Government balance and the Due to Component Units balance is also due to these different fiscal year ends as well as the \$1,634,000 loans payable disclosed above.

Note 6 – Capital Assets, including Right-to-Use Assets

Primary Government

**Primary Government
Capital Assets, including Right-to-Use Asset Activity
Government-wide Governmental Activities
Year Ended June 30, 2024
(In Thousands)**

Asset Category	Beginning	Additions	Deductions	Ending
Governmental Activities:				
Capital Assets not Depreciated:				
Land ⁽¹⁾	\$ 2,956,671	\$ 113,517	\$ (10,545)	\$ 3,059,643
Buildings, Structures, Improvements	342,252	—	—	342,252
Construction in Progress	440,359	228,337	(437,768)	230,928
Development in Progress	280,336	44,274	(32,708)	291,902
Infrastructure	13,250,715	509,230	(11,246)	13,748,699
Easements	571,395	39,056	(12,231)	598,220
Art and Historical Treasures	12,290	—	—	12,290
Total Capital Assets not Depreciated	\$ 17,854,018	\$ 934,414	\$ (504,498)	\$ 18,283,934
Capital Assets Depreciated:				
Buildings, Structures, Improvements ⁽²⁾	\$ 3,592,453	\$ 329,020	\$ (12,429)	\$ 3,909,044
Infrastructure	521,764	87,949	—	609,713
Easements	4,389	1,561	(18)	5,932
Internally Generated Computer Software	475,076	32,704	—	507,780
Equipment, Furniture, Fixtures ⁽²⁾	1,033,824	152,727	(98,814)	1,087,737
Total Capital Assets Depreciated	\$ 5,627,506	\$ 603,961	\$ (111,261)	\$ 6,120,206
Accumulated Depreciation for:				
Buildings, Structures, Improvements ⁽²⁾	\$ (1,795,776)	\$ (96,836)	\$ 8,576	\$ (1,884,036)
Infrastructure	(176,603)	(18,051)	—	(194,654)
Easements	(1,628)	(335)	6	(1,957)
Internally Generated Computer Software	(317,336)	(47,653)	—	(364,989)
Equipment, Furniture, Fixtures ⁽²⁾	(611,618)	(78,268)	87,469	(602,417)
Total Accumulated Depreciation	\$ (2,902,961)	\$ (241,143)	\$ 96,051	\$ (3,048,053)
Total Capital Assets Depreciated, Net	\$ 2,724,545	\$ 362,818	\$ (15,210)	\$ 3,072,153
Right-to-Use Assets Amortized:				
Leased Buildings, Structures, Improvements ⁽²⁾	\$ 497,820	\$ 34,616	\$ (17,732)	\$ 514,704
Leased Easements	794	3,204	(43)	3,955
Leased Equipment, Furniture, Fixtures	20,627	870	(1,050)	20,447
IT Subscriptions	106,764	44,451	(23,930)	127,285
Total Right-to-Use Assets Amortized	\$ 626,005	\$ 83,141	\$ (42,755)	\$ 666,391
Accumulated Amortization for:				
Leased Buildings, Structures, Improvements ⁽²⁾	\$ (124,202)	\$ (64,166)	\$ 2,493	\$ (185,875)
Leased Easements	(250)	(696)	43	(903)
Leased Equipment, Furniture, Fixtures	(7,853)	(3,754)	1,048	(10,559)
IT Subscriptions	(28,332)	(32,906)	2,984	(58,254)
Total Accumulated Amortization	\$ (160,637)	\$ (101,522)	\$ 6,568	\$ (255,591)
Total Right-to-Use Assets Amortized, Net	\$ 465,368	\$ (18,381)	\$ (36,187)	\$ 410,800
Governmental Activities Capital Assets, including Right-to-Use Assets, Net	\$ 21,043,931	\$ 1,278,851	\$ (555,895)	\$ 21,766,887

⁽¹⁾ The beginning balance was restated to remove \$15,953 for land held for investment reported in the Permanent School Fund (permanent fund).

⁽²⁾ The beginning balances were restated for a change in reporting entity for Buildings, Structures, Improvement, Equipment, Furniture, Fixtures, and Leased Buildings, Structures, Improvements by \$2,353, \$1,065, and \$8,397, respectively along with corresponding accumulated depreciation/amortization by \$2,295, \$1,065, and \$1,928 respectively. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for further detail.

Capital outlay expenditures in the governmental funds totaled \$1,048,747,000 for fiscal year 2024. Donations of general capital assets received were valued at \$26,139,000. Transfers of \$460,178,000 were primarily from construction in progress for completed projects. Right-to-use assets include remeasurement additions of \$22,048,000. Internal service funds had additions of \$64,190,000 and right-to-use assets remeasurement additions totaling \$214,000.

**Primary Government
Capital Assets, including Right-to-Use Asset Activity
Government-wide Business-type Activities
Year Ended June 30, 2024
(In Thousands)**

Asset Category	Beginning	Additions	Deductions	Ending
Capital Assets not Depreciated:				
Land	\$ 93,817	\$ —	\$ —	\$ 93,817
Construction in Progress	97,391	86,320	(103,506)	80,205
Development in Progress	424	4,402	(424)	4,402
Other Intangibles	596	—	—	596
Total Capital Assets not Depreciated	\$ 192,228	\$ 90,722	\$ (103,930)	\$ 179,020
Capital Assets Depreciated:				
Buildings, Structures, Improvements ⁽¹⁾	\$ 4,055,819	\$ 115,763	\$ (1,153)	\$ 4,170,429
Infrastructure	30,734	—	(1)	30,733
Library Collections	32,803	4,391	(5,274)	31,920
Internally Generated Computer Software	71,277	4,018	(1,677)	73,618
Equipment, Furniture, Fixtures ⁽¹⁾	364,189	33,117	(15,690)	381,616
Total Capital Assets Depreciated	\$ 4,554,822	\$ 157,289	\$ (23,795)	\$ 4,688,316
Accumulated Depreciation for:				
Buildings, Structures, Improvements ⁽¹⁾	\$ (2,400,020)	\$ (124,501)	\$ 251	\$ (2,524,270)
Infrastructure	(21,414)	(979)	—	(22,393)
Library Collections	(19,062)	(4,560)	5,274	(18,348)
Internally Generated Computer Software	(46,355)	(6,916)	1,677	(51,594)
Equipment, Furniture, Fixtures ⁽¹⁾	(295,300)	(15,927)	14,399	(296,828)
Total Accumulated Depreciation	\$ (2,782,151)	\$ (152,883)	\$ 21,601	\$ (2,913,433)
Total Capital Assets Depreciated, Net	\$ 1,772,671	\$ 4,406	\$ (2,194)	\$ 1,774,883
Right-to-Use Assets Amortized:				
Leased Buildings, Structures, Improvements ⁽¹⁾	\$ 51,694	\$ 18,338	\$ (9,394)	\$ 60,638
Leased Equipment, Furniture, Fixtures	16,561	3,325	(600)	19,286
IT Subscriptions	48,500	6,511	(2,798)	52,213
Total Right-to-Use Assets Amortized	\$ 116,755	\$ 28,174	\$ (12,792)	\$ 132,137
Accumulated Amortization for:				
Leased Buildings, Structures, Improvements ⁽¹⁾	\$ (19,432)	\$ (9,074)	\$ 6,397	\$ (22,109)
Leased Equipment, Furniture, Fixtures	(8,448)	(5,979)	600	(13,827)
IT Subscriptions	(11,983)	(11,467)	2,207	(21,243)
Total Accumulated Amortization	\$ (39,863)	\$ (26,520)	\$ 9,204	\$ (57,179)
Total Right-to-Use Assets Amortized, Net	\$ 76,892	\$ 1,654	\$ (3,588)	\$ 74,958
Business-type Activities Capital Assets, including Right-to-Use Assets, Net	\$ 2,041,791	\$ 96,782	\$ (109,712)	\$ 2,028,861

⁽¹⁾ The beginning balances were restated for a change in reporting entity for Buildings, Structures, Improvement, Equipment, Furniture, Fixtures, and Leased Buildings, Structures, Improvements by \$2,353, \$1,065, and \$8,397, respectively along with corresponding accumulated depreciation/amortization by \$2,295, \$1,065, and \$1,928 respectively. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for further detail.

Transfers for Business-type Activities totaling \$103,930,000 primarily related to construction in progress for completed projects.

Primary Government
Capital Assets, including Right-to-Use Asset Activity
Fiduciary Funds
Year Ended June 30, 2024
(In Thousands)

Asset Category	Beginning	Additions	Deductions	Ending
Capital Assets not Depreciated:				
Land	\$ 429	\$ —	\$ —	\$ 429
Construction in Progress	123	3,389	—	3,512
Development in Progress	—	925	—	925
Total Capital Assets not Depreciated	<u>\$ 552</u>	<u>\$ 4,314</u>	<u>\$ —</u>	<u>\$ 4,866</u>
Capital Assets Depreciated:				
Buildings	\$ 29,763	\$ —	\$ —	\$ 29,763
Internally Generated Computer Software	36,020	—	(64)	35,956
Equipment, Furniture, Fixtures	8,023	488	(1,346)	7,165
Total Capital Assets Depreciated	<u>\$ 73,806</u>	<u>\$ 488</u>	<u>\$ (1,410)</u>	<u>\$ 72,884</u>
Accumulated Depreciation for:				
Buildings	\$ (16,464)	\$ (739)	\$ —	\$ (17,203)
Internally Generated Computer Software	(24,975)	(3,063)	64	(27,974)
Equipment, Furniture, Fixtures	(7,377)	(292)	1,346	(6,323)
Total Accumulated Depreciation	<u>\$ (48,816)</u>	<u>\$ (4,094)</u>	<u>\$ 1,410</u>	<u>\$ (51,500)</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,990</u>	<u>\$ (3,606)</u>	<u>\$ —</u>	<u>\$ 21,384</u>
Right-to-Use Assets Amortized:				
Leased Equipment, Furniture, Fixtures	\$ 116	\$ —	\$ —	\$ 116
IT Subscriptions	243	—	—	243
Total Right-to-Use Assets Amortized	<u>\$ 359</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 359</u>
Accumulated Amortization for:				
Leased Equipment, Furniture, Fixtures	\$ (51)	\$ (25)	\$ —	\$ (76)
IT Subscriptions	(50)	(49)	—	(99)
Total Accumulated Amortization	<u>\$ (101)</u>	<u>\$ (74)</u>	<u>\$ —</u>	<u>\$ (175)</u>
Total Right-to-Use Assets Amortized, Net	<u>\$ 258</u>	<u>\$ (74)</u>	<u>\$ —</u>	<u>\$ 184</u>
Fiduciary Funds, Capital Assets, including Right-to-Use Assets, Net	<u><u>\$ 25,800</u></u>	<u><u>\$ 634</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 26,434</u></u>

For further information on Primary Government leases receivable and lease/subscription liabilities, see Note 4 – Loans, Notes, and Leases Receivable and Note 11 – Long-Term Liabilities - Primary Government.

**Primary Government
Depreciation/Amortization Expense
Government-wide
Year Ended June 30, 2024
(In Thousands)**

Function	Depreciation/ Amortization Expense
Governmental Activities:	
Agricultural, Environmental & Energy Resources	\$ 34,916
Economic and Workforce Development	11,943
General Education	7,392
General Government	70,736
Health and Human Services	69,245
Higher Education	323
Public Safety and Corrections	55,087
Transportation	57,443
Internal Service Funds	35,580
Total Governmental Activities	<u>\$ 342,665</u>
Business-type Activities:	
State Colleges and Universities	\$ 161,296
Lottery	2,892
Others	15,215
Total Business-type Activities	<u>\$ 179,403</u>

**Primary Government
Significant Project Authorizations and Commitments
As of June 30, 2024
(In Thousands)**

Description	Administration	Transportation
Authorization	\$ 1,437,997	\$ 2,105,093
Less: Expended (through June 30)	(760,468)	(1,679,160)
Less: Unexpended Commitment	(477,693)	(377,174)
Remaining Available Authorization	<u>\$ 199,836</u>	<u>\$ 48,759</u>

Component Units

Component Units
Capital Asset, including Right-to-Use Assets
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)

Asset Category	Major Component Units				Total
	Housing Finance Agency	Metropolitan Council	University of Minnesota	Nonmajor Component Units	
Capital Assets not Depreciated:					
Land	\$ —	\$ 326,893	\$ 271,830	\$ 32,145	\$ 630,868
Construction in Progress	—	2,939,791	162,540	4,301	3,106,632
Easements	—	—	5	—	5
Museums and Collections	—	—	122,802	—	122,802
Total Capital Assets not Depreciated	\$ —	\$ 3,266,684	\$ 557,177	\$ 36,446	\$ 3,860,307
Capital Assets Depreciated:					
Buildings, Structures, Improvements	\$ —	\$ 5,536,541	\$ 5,113,099	\$ 879,756	\$ 11,529,396
Infrastructure	—	—	460,704	43,814	504,518
Other Intangibles	—	—	6,903	—	6,903
Library	—	—	188,089	—	188,089
Internally Generated Computer Software	7,766	—	203,924	—	211,690
Equipment, Furniture, Fixtures	3,542	1,342,488	894,943	241,612	2,482,585
Total Capital Assets Depreciated	\$ 11,308	\$ 6,879,029	\$ 6,867,662	\$ 1,165,182	\$ 14,923,181
Total Accumulated Depreciation	\$ (9,564)	\$ (3,510,100)	\$ (4,350,106)	\$ (400,684)	\$ (8,270,454)
Total Capital Assets Depreciated, Net⁽¹⁾	\$ 1,744	\$ 3,368,929	\$ 2,517,556	\$ 764,498	\$ 6,652,727
Right-to-Use Assets Amortized:					
Leased Buildings, Structures, Improvements	\$ 9,739	\$ 9,045	\$ 291,849	\$ 6,224	\$ 316,857
Leased Easements	—	5,168	2,348	—	7,516
Leased Equipment, Furniture, Fixtures	—	—	4,349	1,175	5,524
IT Subscriptions	4,049	4,259	59,010	181	67,499
Total Right-to-Use Assets Amortized	\$ 13,788	\$ 18,472	\$ 357,556	\$ 7,580	\$ 397,396
Total Accumulated Amortization	\$ (7,352)	\$ (4,913)	\$ (107,132)	\$ (1,245)	\$ (120,642)
Total Right-to-Use Assets Amortized, Net	\$ 6,436	\$ 13,559	\$ 250,424	\$ 6,335	\$ 276,754
Component Units Capital Assets, including Right-to-Use Assets, Net	\$ 8,180	\$ 6,649,172	\$ 3,325,157	\$ 807,279	\$ 10,789,788

⁽¹⁾ In addition to this amount, the component units of the University of Minnesota had combined capital assets with a net value of \$21.368 million as of June 30, 2024.

Note 7 – Disaggregation of Payables

**Primary Government
Components of Accounts Payable
Government-wide
As of June 30, 2024
(In Thousands)**

Description	Governmental Activities			Total
	General Fund ⁽¹⁾	Federal Fund	Nonmajor Governmental Funds ⁽²⁾	
School Aid Programs	\$ 1,212,225	\$ 485,015	\$ 20	\$ 1,697,260
Tax Refunds	919,312	—	—	919,312
Medical Care Programs	1,101,699	1,649,236	13,817	2,764,752
Grants	577,710	296,489	422,134	1,296,333
Salaries and Benefits	97,909	15,515	44,383	157,807
Vendors/Service Providers	264,361	96,392	271,839	632,592
Net Payables	<u>\$ 4,173,216</u>	<u>\$ 2,542,647</u>	<u>\$ 752,193</u>	<u>\$ 7,468,056</u>

Description	Business-type Activities				Total
	Family Medical and Benefit Insurance	State Colleges and Universities	Unemployment Insurance	Nonmajor Enterprise Funds	
Salaries and Benefits	\$ 595	\$ 106,570	\$ —	\$ 7,167	\$ 114,332
Vendors/Service Providers	121	55,624	51,457	70,285	177,487
Net Payables	<u>\$ 716</u>	<u>\$ 162,194</u>	<u>\$ 51,457</u>	<u>\$ 77,452</u>	<u>\$ 291,819</u>

Total Government-wide
Net Payables \$ 7,759,875

⁽¹⁾ Includes \$5.000 million for an Interfund Payable to the Fiduciary Funds reclassified to Accounts Payable on the Government-wide Statement of Net Position.

⁽²⁾ Includes \$48.799 million for Internal Service Funds, less Internal Service Fund eliminations of \$105.032 million among Governmental Activities.

Note 8 – Pension and Investment Trust Funds

Primary Government Administered Plans

The state performs a fiduciary role for several pension and investment trust funds. For some of these funds, the state contributes as an employer and/or a non-employer contributing entity and performs only a fiduciary role for other funds. These trust funds are categorized as either defined benefit or defined contribution (pension trust funds) or investment trust funds.

Three plan administrators, who prepare and publish their own stand-alone annual comprehensive financial reports, including financial statements and required supplementary information, and Minnesota State Colleges and Universities (MnSCU), which publishes a stand-alone pension statement, provide the pension fund information. Each plan administrator accounts for one or more pension plans. Copies of these reports may be obtained directly from the organizations listed below. The Secure Choice Trust Fund only has administrative activity in fiscal year 2024, the plan will not be open for enrollment until mid- to late-2025, therefore it does not have a stand-alone report for fiscal year 2024.

Plan Administrator	Plans Covered
Minnesota State Retirement System (MSRS)	State Employees Retirement Fund Correctional Employees Retirement Fund Judges Retirement Fund Legislators Retirement Fund State Patrol Retirement Fund Hennepin County Supplemental Retirement Fund Health Care Savings Fund Unclassified Employees Retirement Fund Minnesota Deferred Compensation Fund
Public Employees Retirement Association (PERA)	General Employees Retirement Fund Police and Fire Fund Public Employees Correctional Fund Volunteer Firefighter Retirement Fund Defined Contribution Fund
Teachers Retirement Association (TRA)	Teachers Retirement Fund
Minnesota State Colleges and Universities (MnSCU)	State Colleges and Universities Retirement Fund
Secure Choice Retirement Program	Secure Choice Trust Fund

See Note 1 – Summary of Significant Accounting and Reporting Policies for addresses of MSRS, PERA, and TRA. The address of the administrative agent (TIAA-CREF), for MnSCU is included in the “Defined Contribution Funds” section of this note.

Basis of Accounting and Valuation of Investments

The plan administrators prepare financial statements using the accrual basis of accounting which is the basis used to determine the fiduciary net position used by the plans. Member and employer contributions are recognized in the period in which they are earned and become due. Expenses are recognized when the liability is incurred. Benefits and refunds are recognized when due and payable in accordance with the statutory terms of each plan.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 – Cash, Investments, and Derivative Instruments for more information.

The individual pension trust funds participate in internal investment pools sponsored by the state and administered by the State Board of Investment (SBI). The pools function much like mutual funds, with the various pension trust funds purchasing “units” in the pool rather than individual securities. At year-end, some security purchase and sale transactions entered into by SBI were not settled, resulting in security trade receivables and payables. These unsettled security trades are an essential element in determining the fair value of each pension trust fund’s pooled investment balance; therefore, the trades are reported in the combining statement of net position of pension trust funds as net amounts and allocated to the individual pension trust funds. As of June 30, 2024, this presentation resulted in a negative asset within the total investment pool participation.

Non-Primary Government Administered Plan

The state contributes as a non-employer contributing entity into the St. Paul Teachers’ Retirement Fund, but does not perform any other fiduciary responsibilities. Separately-issued financial statements for the St. Paul Teachers’ Retirement Fund Association may be obtained at St. Paul Teachers’ Retirement Association, 2550 University Ave W 312N, St. Paul, MN 55114-1005.

Defined Benefit Plans

Primary Government Administered Multiple-Employer Cost Sharing Plans

The State Employees Retirement Fund (SERF) covers most state employees, the University of Minnesota (component unit) non-faculty employees, and selected metropolitan agency employees. Fourteen employers participate in this plan. The plan provides retirement, survivor, and disability benefits.

Benefit Formula Members hired before July 1, 1989: Step or Level formula, whichever is greater.
Members hired on or after July 1, 1989: Level formula.

Step formula: 1.2 percent of the high-five average salary for each of the first 10 years of allowable service, and 1.7 percent for each year thereafter. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90 or greater).

Level formula: 1.7 percent of the high-five average salary for all years of allowable service, with full benefits at normal retirement age. Not eligible for benefits under the Rule of 90.

Annual Benefit Increase 1.0 percent through December 31, 2023 and 1.5 percent thereafter. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024.

The Correctional Employees Retirement Fund (CERF) primarily covers state employees who have direct contact with inmates or patients in Minnesota correctional facilities, the state operated forensic service program, or the Minnesota sex offender program. Three employers participate in this plan. The plan provides retirement, survivor, and disability benefits.

Benefit Formula Members hired before July 1, 2010: 2.4 percent of the high-five average salary for each year of allowable service.

Members hired on or after July 1, 2010: 2.2 percent of the high-five average salary for each year of allowable service.

Annual Benefit Increase 1.5 percent fixed rate. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024.

The General Employees Retirement Fund (GERF) covers employees of various governmental units and subdivisions, including counties, cities, school districts, and related organizations. Approximately 2,100 employers participate in this plan. The plan provides retirement, survivor, and disability benefits. Minneapolis Employees Retirement Fund (MERF) merged into GERF on January 1, 2015.

Membership Types Basic membership: Participants who are not covered by the Social Security Act.
Coordinated membership: Participants who are covered by the Social Security Act.

Benefit Formula Members hired before July 1, 1989: Step or Level formula, whichever is greater.
Members hired on or after July 1, 1989: Level formula.

Step Formula: 1.2 percent of the high-five average salary for each of the first 10 years of allowable service, then 1.7 percent for each year thereafter for Coordinated members. The rates are 2.2 percent and 2.7 percent, respectively, for Basic members. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90 or greater).

Level Formula: 1.7 percent of the high-five average salary for all years of allowable service for Coordinated members, and 2.7 percent for Basic members. Full benefits at normal retirement age. Not eligible for benefits under the Rule of 90.

Former MERF members: 2.0 percent of the high-five average salary for each of the first 10 years of allowable service and 2.5 percent for each year thereafter.

Annual Benefit Increase 50 percent of the Social Security Administration increase, but not less than 1.0 percent or more than 1.5 percent. The benefit increase of 1.25 percent is projected for all years. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and former MERF members of 4 percent minus the actual 2024 benefit increase and for coordinated members, 2.5 percent minus the actual 2024 benefit increase, payable in a lump sum by March 31, 2024.

The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental units and subdivisions. Approximately 430 employers participate in this plan. The plan provides retirement, survivor, and disability benefits.

Benefit Formula 3.0 percent of the high-five average salary for each year of allowable service.
Members hired after June 30, 2014 limited to 33 years of allowable service.

Annual Benefit Increase 1.0 percent fixed rate. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 3.0 percent payable in a lump sum by March 31, 2024.

The Public Employees Correctional Fund (PECF) covers employees in county and regional correctional facilities who are responsible for the security, custody, and control of the facilities and inmates. Approximately eighty employers participate in this plan. The plan provides retirement, survivor, and disability benefits.

Benefit Formula 1.9 percent of the high-five average salary for each year of allowable service before July 1, 2025 and 2.2 percent for each year of allowable service on or after July 1, 2025.

Annual Benefit Increase 100 percent of the Social Security Administration increase, but not less than 1.0 percent or more than 2.5 percent. If the plan's funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will change to 1.5 percent maximum until it no longer meets the conditions, then the benefit increase will return to 2.5 percent maximum. The benefit increase of 2.0 percent is projected for all years. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 benefit increase payable in a lump sum by March 31, 2024.

In the prior measurement period, the benefit increase of 2.0 percent was projected through 2055, and 1.5 percent thereafter.

The Teachers Retirement Fund (TRF) covers teachers and other related professionals employed by school districts or by the state except those teachers employed by the city of St Paul and the University of Minnesota. Approximately 600 employers participate in this plan. The plan provides retirement, survivor, and disability benefits.

Membership Types Basic membership: Participants who are not covered by the Social Security Act.
Coordinated membership: Participants who are covered by the Social Security Act.

Benefit Formula Members hired before July 1, 1989: Step or Level formula, whichever is greater.
Members hired on or after July 1, 1989: Level formula.

Step Formula: Coordinated members receive 1.2 percent of the high-five average salary for each of the first 10 years of allowable service prior to July 1, 2006, and 1.4 percent for any of the first 10 years after that date. For allowable years of service after the first ten years, Coordinated members receive 1.7 percent for each year prior to July 1, 2006 and 1.9 percent for years after that date.

Basic members receive 2.2 percent of the high-five average salary for each of the first 10 years of allowable service, and 2.7 percent for each year thereafter.

The Step formula also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90 or greater).

Level Formula: Coordinated members receive 1.7 percent of the high-five average salary for all years of allowable service prior to July 1, 2006 and 1.9 percent for years thereafter.

Basic members receive 2.7 percent of the high-five average salary for all years of allowable service.

The Level formula provides full benefits at normal retirement age. Not eligible for benefits under the Rule of 90.

Annual Benefit Increase 1.0 percent through December 31, 2023, then increase by 0.1 percent each year over five years, and 1.5 percent thereafter. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and coordinated members of 2.9 percent and 1.4 percent, respectively, payable in a lump sum by March 31, 2024. Benefit increases for retirements on or after January 1, 2024 are delayed until the retiree reaches normal retirement age.

Primary Government Administered Multiple-Employer Cost Sharing Plans
Statutory Contribution Rates
(In Thousands)

Description	SERF ⁽¹⁾⁽³⁾	CERF ⁽³⁾	GERF ⁽³⁾	P&FF ⁽³⁾⁽⁴⁾	TRF ⁽²⁾⁽³⁾⁽⁵⁾
Minnesota Statutory Authority	352.04	352.92	353.27 353.505	353.65	354.42 354.435,436
Required Contribution Rate:					
Active Members	5.5%	9.6%	6.5-9.75%	11.8%	7.75-11.25%
Employer(s)	6.25%	18.85%	7.5-11.78%	17.7%	8.75-12.75%
Non-Employer Contributing Entity	\$ 76,440	\$ 10,446	\$ 186,093	\$ 28,397	\$ 207,254
Primary Government Contributions – Reporting Period	\$ 269,703	\$ 72,546	\$ 187,472	\$ 28,968	\$ 227,067

⁽¹⁾ Member contribution rates increase by 0.50 percent effective fiscal year 2026.

⁽²⁾ An additional contribution of 3.64 percent of salary from Special School District No.1 brings the top of the Employer contribution range to 16.39 percent. Member contribution rates increase by 0.25 percent effective fiscal year 2026. Employer contribution rates increase by 0.75 percent effective fiscal year 2026.

⁽³⁾ Non-Employer contributions include a one-time state aid contribution for SERF, CERF, GERF, P&FF, and TRF of \$76.440 million, \$10.446 million, \$170.093 million, \$19.397 million, and \$176.167 million, respectively.

⁽⁴⁾ Non-Employer contributions include a \$9 million state contribution for P&FF until the earlier of the plan is fully funded for three consecutive years or July 1, 2048, this contribution was previously due to continue until the earlier of the plan is fully funded for one year or July 1, 2048.

⁽⁵⁾ A one-time state aid contribution for fiscal year 2025 for TRF will be \$28.462 million.

Primary Government Administered Multiple-Employer Cost Sharing Plans
Summary of Pension Amounts
As of June 30, 2024
(In Thousands)

Description	SERF ⁽¹⁾	CERF ⁽¹⁾	GERF ⁽¹⁾	P&FF ⁽¹⁾	TRF ⁽¹⁾	Total
Primary Government's Proportionate Share of the Net Pension Liability as an:						
Employer	\$ 734,188	\$ 537,961	\$ 14,125	\$ 4,467	\$ 293,451	\$ 1,584,192
Non-Employer Contributing Entity	—	—	150,014	66,866	472,132	689,012
Total	\$ 734,188	\$ 537,961	\$ 164,139	\$ 71,333	\$ 765,583	\$ 2,273,204
Primary Government's Total Proportionate Share Percentage of the Net Pension Liability as of:						
Current Year Measurement Date	76.41%	99.91%	2.94%	4.13%	9.27%	
Prior Year Measurement Date	76.37%	99.95%	3.13%	4.46%	9.36%	
Deferred Outflows of Resources	\$ 957,250	\$ 220,522	\$ 219,434	\$ 131,778	\$ 323,843	\$ 1,852,827
Deferred Inflows of Resources	\$ 698,494	\$ 98,934	\$ 66,609	\$ 114,317	\$ 94,405	\$ 1,072,759
Net Pension Expense	\$ 169,568	\$ 89,158	\$ 17,331	\$ 33,953	\$ (59,619)	\$ 250,391

⁽¹⁾ Proportionate share was determined based on the primary government's percentage of employer and non-employer contributing entity contributions into the plan.

**Primary Government Administered Multiple-Employer Cost Sharing Plans
Actuarial Assumptions**

Description	SERF ⁽¹⁾⁽⁵⁾⁽⁶⁾	CERF ⁽¹⁾	GERF ⁽¹⁾⁽⁶⁾	P&FF ⁽²⁾	TRF ⁽³⁾
Actuarial Valuation/ Measurement Date	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023
Long-Term Expected Rate	7.00%	7.00%	7.00%	7.00%	7.00%
20 Year Municipal Bond Rate ⁽⁴⁾	3.86%	3.86%	3.86%	3.86%	3.66%
Experience Study Dates	2014-2018	2015-2019	2014-2018	2015-2019	2014-2018
Inflation	2.25%	2.25%	2.25%	2.25%	2.50%
Salary Increases	Service Related Rates	Service Related Rates	Service Related Rates	Service Related Rates	2.85-9.25%
Payroll Growth	3.00%	3.00%	3.00%	3.00%	3.00%

⁽¹⁾ For SERF, CERF, and GERF mortality rate assumptions, the Pub-2010 General Mortality Table was used and adjusted for mortality improvements based on Scale MP-2018 for SERF, Scale MP-2019 for CERF, and Scale MP-2021 for GERF. There are various adjustments in each plan to match experience. In fiscal year 2025, SERF will adjust for mortality improvements based on Scale MP-2021.

⁽²⁾ For P&FF mortality rate assumptions, the Pub-2010 Public Safety Mortality Table was used and adjusted for mortality improvements based on Scale MP-2021. There are various adjustments to match experience. For the prior measurement period, Scale MP-2020 was used.

⁽³⁾ For TRF mortality rate assumptions, the RP-2014 Mortality Table was used and adjusted for mortality improvements based on Scale MP-2015. There are various adjustments to match experience. In fiscal year 2025, TRA will use the Pub-2010 Mortality Tables for mortality rate assumptions.

⁽⁴⁾ Source: Fidelity Index for SERF, CERF, GERF, and P&FF and Bond Buyers for TRF.

⁽⁵⁾ For SERF, in fiscal year 2025, the assumed rates of salary increases will change, resulting in a decrease in gross salary increase rates.

⁽⁶⁾ For SERF and GERF, in fiscal year 2025, the assumed rates of retirement will change.

**Primary Government Administered Multiple-Employer Cost Sharing Plans
Deferred Outflows of Resources
As of June 30, 2024
(In Thousands)**

Description	SERF	CERF	GERF	P&FF	TRF	Total
Difference Between Expected and Actual Experience	\$ 88,253	\$ 40,116	\$ 5,390	\$ 19,669	\$ 7,590	\$ 161,018
Changes in Assumption	573,161	107,725	26,572	82,776	89,186	879,420
Change in Proportionate Difference Between Actual Contributions and Proportionate Share of Contributions	26,133	135	—	365	—	26,633
Contributions Subsequent to the Measurement Date	269,703	72,546	187,472	28,968	227,067	785,756
Total	\$ 957,250	\$ 220,522	\$ 219,434	\$ 131,778	\$ 323,843	\$ 1,852,827

Primary Government Administered Multiple-Employer Cost Sharing Plans
Deferred Inflows of Resources
As of June 30, 2024
(In Thousands)

Description	SERF	CERF	GERF	P&FF	TRF	Total
Difference Between Expected and Actual Experience	\$ 5,052	\$ 1,892	\$ 1,131	\$ —	\$ 11,148	\$ 19,223
Changes in Assumption	618,450	90,617	44,989	100,295	—	854,351
Net Difference Between Projected and Actual Earnings on Investment	73,214	6,263	6,138	3,424	2,839	91,878
Change in Proportionate Share of Contributions	1,778	162	14,351	10,598	80,418	107,307
Total	\$ 698,494	\$ 98,934	\$ 66,609	\$ 114,317	\$ 94,405	\$ 1,072,759

Primary Government Administered Multiple-Employer Cost Sharing Plans
Net Deferred Outflows (Inflows) of Resources Recognized as Pension Expense
or a Reduction in Net Pension Liability
As of June 30, 2024
(In Thousands)

Description	SERF	CERF	GERF	P&FF	TRF	Total
2025	\$ (28,514)	\$ 20,138	\$ (1,064)	\$ (465)	\$ (19,984)	\$ (29,889)
2026	(22,742)	10,747	(32,197)	(2,957)	(27,415)	(74,564)
2027	147,151	24,404	1,173	16,240	70,824	259,792
2028	(106,842)	(6,247)	(2,559)	(5,705)	(18,428)	(139,781)
2029	—	—	—	(18,620)	(2,626)	(21,246)
Net Pension Expense	\$ (10,947)	\$ 49,042	\$ (34,647)	\$ (11,507)	\$ 2,371	\$ (5,688)
Deferred Outflow of Resources as a Reduction to Net Pension Liability	269,703	72,546	187,472	28,968	227,067	785,756
Net Deferred Outflows (Inflows) of Resources	\$ 258,756	\$ 121,588	\$ 152,825	\$ 17,461	\$ 229,438	\$ 780,068

Non-Primary Government Administered Multiple-Employer Cost Sharing Plan

The St. Paul Teachers' Retirement Fund (SPTRF) covers teachers and other related professionals employed by St. Paul Public Schools, St. Paul College, charter schools within the city of St. Paul, and SPTRF staff. The plan provides retirement, survivor, and disability benefits.

Membership Types Basic membership: Participants who are not covered by the Social Security Act.
Coordinated membership: Participants who are covered by the Social Security Act.

Benefit Formula Members hired before July 1, 1989: Tier 1 or Tier 2 formula, whichever is greater.
Members hired on or after July 1, 1989: Tier 2 formula.

Tier 1 Formula: Coordinated members receive 1.2 percent of the high-five average salary for each of the first 10 years of allowable service prior to July 1, 2015, and 1.4 percent for any of the first 10 years after that date. For allowable years of service after the first ten years, Coordinated members receive 1.7 percent for each year prior to July 1, 2015 and 1.9 percent for years after that date.

Basic members receive 2.0 percent of the high-five average salary for all years of allowable service.

The Tier 1 formula also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90 or greater).

Tier 2 Formula: Coordinated members receive 1.7 percent of the high-five average salary for all years of allowable service prior to July 1, 2015 and 1.9 percent for years thereafter.

Basic members receive 2.5 percent of the high-five average salary for all years of allowable service.

The Tier 2 formula provides full benefits at normal retirement age and for retirements on or after July 1, 2023 when a member is at least age 62 with at least 30 years of service. Not eligible for benefits under the Rule of 90.

Annual Benefit Increase 1.0 percent fixed rate. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and coordinated members of 3.0 percent and 1.5 percent, respectively, payable in a lump sum by March 31, 2024. Benefit increases for retirements on or after July 1, 2024 are delayed until the retiree reaches normal retirement age.

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Statutory Contribution Rates
(In Thousands)**

Description	SPTRF ⁽¹⁾⁽²⁾⁽³⁾
Minnesota Statutory Authority	354A.12
Required Contribution Rate:	
Active Members	7.75-10.25%
Employer(s)	9.0-12.5%
Primary Government as Non-Employer Contributing Entity - Statutory Requirement	\$ 31,411
Primary Government Contributions - Reporting Period	\$ 31,426

⁽¹⁾ An additional contribution of 3.64 and 3.84 percent of salary for basic and coordinated members, respectively, of St. Paul Teachers Retirement Fund Association brings the top of the Employer contribution to 16.14 percent. Member contribution rates decrease by 0.25 percent effective fiscal year 2025, then increase by 1.25 percent effective fiscal year 2026 and an additional increase by 0.25 percent effective fiscal year 2027. Employer contribution rates increase by 0.75 percent effective fiscal year 2026.

⁽²⁾ Non-Employer contributions include a one-time state aid contribution of \$15.747 million.

⁽³⁾ A one-time state aid contribution for fiscal year 2025 will be \$1.538 million.

Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Summary of Pension Amounts
As of June 30, 2024
(In Thousands)

Description	SPTRF ⁽¹⁾
Primary Government's Proportionate Share of the Net Pension Liability as an:	
Employer	\$ 250
Non-Employer Contributing Entity	195,832
Total	<u>\$ 196,082</u>
Primary Government's Total Proportionate Share Percentage of the Net Pension Liability as of:	
Current Measurement Date	29.06%
Prior Measurement Date	28.88%
Deferred Outflows of Resources	\$ 45,764
Deferred Inflows of Resources	\$ 12,768
Net Pension Expense	\$ 32,709

⁽¹⁾ Proportionate share was determined based on the Primary Government's percentage of employer and non-employer contributing entity contributions into the plan.

Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Actuarial Assumptions

Description	SPTRF ⁽¹⁾
Actuarial Valuation/Measurement Date	June 30, 2023
Long-Term Expected Rate	7.00%
20 Year Municipal Bond Rate ⁽²⁾	3.86%
Experience Study Dates	2016-2021
Inflation	2.50%
Salary Increases	2.50-8.00%
Payroll Growth	2.50%

⁽¹⁾ For mortality rate assumptions, the Pub-2010 Teachers Mortality table for males and females was used and adjusted for mortality improvements based on Scale MP-2021 for the current measurement period. There are various adjustments to match experience. In the prior year measurement period, the RP-2014 Mortality table was used and adjusted for mortality improvements based on Scale MP-2021.

⁽²⁾ Source: Fidelity Index 20-Year Municipal GO AA Index.

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Deferred Outflows of Resources
As of June 30, 2024
(In Thousands)**

Description	SPTRF
Changes in Assumption	\$ 9,879
Net Difference Between Projected and Actual Earnings on Investment	3,763
Change in Proportionate Share of Contributions	696
Contributions Subsequent to the Measurement Date	31,426
Total	<u>\$ 45,764</u>

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Deferred Inflows of Resources
As of June 30, 2024
(In Thousands)**

Description	SPTRF
Difference Between Expected and Actual Experience	\$ 4,260
Changes in Assumption	4,561
Change in Proportionate Share of Contributions	3,947
Total	<u>\$ 12,768</u>

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan
Net Deferred Outflows (Inflows) of Resources Recognized as Pension Expense
or a Reduction in Net Pension Liability
As of June 30, 2024
(In Thousands)**

Description	SPTRF
2025	\$ 1,631
2026	(7,472)
2027	9,263
2028	(1,852)
Net Pension Expense	<u>\$ 1,570</u>
Deferred Outflow of Resources as a Reduction to Net Pension Liability	31,426
Net Deferred Outflows (Inflows) of Resources	<u>\$ 32,996</u>

Primary Government Administered Multiple-Employer Agent Plan

The Volunteer Firefighter Retirement Fund (VFRF) was established on January 1, 2010, as a lump-sum defined benefit plan largely funded by fire state aid and covers volunteer firefighters. Members do not contribute to the plan. Employer contributions are determined annually. There are 217 employers participating in this plan. The plan provides retirement and survivor benefits only. If fire state aid plus investment income are not expected to cover the normal cost of benefits during the next calendar year, an employer contribution is calculated and payable by the end of the next calendar year. Benefits are determined by employee years of service multiplied by a benefit level chosen by the entity sponsoring the fire department from possible levels ranging from \$500 to \$15,000 per year of service. Plan provisions

include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent. The plan is established and administered in accordance with Minnesota Statutes 353G. The state is not an employer of participants in the plan, but performs in a fiduciary capacity.

Primary Government Administered Single-Employer Plans

The Judges Retirement Fund (JRF) covers judges of the Supreme Court, appellate, and district courts. The plan provides retirement, survivor, and disability benefits.

Benefit Formula Judges appointed or elected before July 1, 2013: 2.7 percent of the high-five average salary for each year of allowable service prior to July 1, 1980, and 3.2 percent for each year thereafter, up to 76.8 percent.

Judges appointed or elected on or after July 1, 2013: 2.5 percent of the high-five average salary for each year of allowable service. There is no maximum benefit.

Annual Benefit Increase 1.5 percent fixed rate. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024.

The Legislators Retirement Fund (LRF) covers constitutional officers and certain members of the state's House of Representatives and Senate who were first elected prior to July 1, 1997 and chose to retain coverage under this plan. The plan provides retirement and survivor benefits. This plan is closed to new entrants.

Benefit Formula 5.0 percent of high-five average salary for the first eight years of service prior to January 1, 1979, then 2.5 percent for subsequent years.

Annual Benefit Increase 1.0 percent through December 31, 2023, and 1.5 percent thereafter. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024.

The State Patrol Retirement Fund (SPRF) covers state troopers, conservation officers, and certain crime bureau and gambling enforcement agents. The plan provides retirement, survivor, and disability benefits.

Benefit Formula 3.0 percent of the high-five average salary for each year of allowable service up to 33 years. Members with at least 28 years of service as of July 1, 2013 are not subject to this limit.

Annual Benefit Increase 1.0 percent fixed rate. In addition, for January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 3.0 percent payable in a lump sum by March 31, 2024.

**Primary Government Administered Single-Employer Plans
Statutory Contribution Rates
(In Thousands)**

Description	JRF ⁽⁴⁾	LRF ⁽⁴⁾	SPRF ⁽⁴⁾
Minnesota Statutory Authority	490.123	3A.03	352B.02
Required Contribution Rate:			
Active Members	7.0-9.0%	9.0%	15.4%
Employer	22.5% ⁽¹⁾	N/A ⁽²⁾	23.1% ⁽³⁾
Primary Government Contributions – Reporting Period	\$ 19,534	\$ 8,813	\$ 46,035

⁽¹⁾ Employer contributions include an additional \$6 million each year until the earlier of the plan is fully funded for three consecutive years or July 1, 2048.

⁽²⁾ Employer contributions are funded on a pay-as-you-go basis.

⁽³⁾ Additional supplemental employer contributions rate is 7.0 percent. This brings the top of the Employer contribution range to 30.1 percent. The 7.0 percent will remain in effect until the plan is 100 percent funded for three consecutive years.

⁽⁴⁾ Employer contributions include a one-time state aid contribution for JRF, LRF, and SPRF of \$293 thousand, \$91 thousand, and \$11.971 million, respectively.

**Primary Government Administered Single-Employer Plans
Membership Statistics**

Description	JRF	LRF	SPRF
Members (or their beneficiaries)			
Currently Receiving Benefits	421	349	1,168
Members Entitled to, but not Receiving Benefits	17	19	76
Active Members	321	7	979

**Primary Government Administered Single-Employer Plans
Summary of Pension Amounts
As of June 30, 2024
(In Thousands)**

Description	JRF	LRF	SPRF	Total
Net Pension Liability	\$ 161,539	\$ 108,397	\$ 227,097	\$ 497,033
Deferred Outflows of Resources	30,636	8,813	128,680	168,129
Deferred Inflows of Resources	17,875	—	58,854	76,729
Net Pension Expense	17,176	3,089	16,371	36,636

**Primary Government Administered Single-Employer Plans
Actuarial Assumptions**

Description	JRF ⁽¹⁾	LRF ⁽¹⁾	SPRF ⁽¹⁾
Actuarial Valuation / Measurement Date	June 30, 2023	June 30, 2023	June 30, 2023
Long-Term Expected Rate	7.00%	N/A	7.00%
20 Year Municipal Bond Rate ⁽²⁾	3.86%	3.86%	3.86%
Experience Study Dates	2015-2019	N/A	2015-2019
Inflation	2.25%	2.25%	2.25%
Salary Increases	2.50%	4.25%	Service Related Rates
Payroll Growth	2.50%	N/A	3.00%

⁽¹⁾ For mortality rate assumptions, the Pub-2010 General Mortality Table was used and adjusted for mortality improvements based on Scale MP-2019 for JRF and SPRF, and Scale MP-2018 for LRF. There are various adjustments in each plan to match experience. In fiscal year 2025, LRF will adjust for mortality improvements based on Scale MP-2021.

⁽²⁾ Source: Fidelity Index 20-Year Municipal GO AA Index.

**Primary Government Administered Single-Employer Plans
Schedule of Net Pension Liability
As of June 30, 2024
(In Thousands)**

Description	JRF	LRF	SPRF	Total
Total Pension Liability (TPL):				
Service Cost	\$ 11,063	\$ 340	\$ 29,951	\$ 41,354
Interest on the Total Pension Liability	28,538	4,052	77,346	109,936
Benefit Changes	295	87	2,002	2,384
Difference Between Expected and Actual Experience of the Total Pension Liability	(2,002)	230	(1,787)	(3,559)
Changes in Assumptions	(9,979)	(1,607)	(34,912)	(46,498)
Benefit Payments, Including Refunds of Member Contributions	(29,287)	(8,712)	(66,580)	(104,579)
Net Change in Total Pension Liability	\$ (1,372)	\$ (5,610)	\$ 6,020	\$ (962)
Total Pension Liability, Beginning	\$ 431,898	\$ 114,007	\$ 1,164,176	\$ 1,710,081
Total Pension Liability, Ending	\$ 430,526	\$ 108,397	\$ 1,170,196	\$ 1,709,119
Fiduciary Net Position (FNP):				
Contributions – Employer	\$ 18,245	\$ 8,699	\$ 32,537	\$ 59,481
Contributions – Member	4,121	49	16,434	20,604
Net Investment Income	22,013	—	77,364	99,377
Benefit Payments, Including Refunds of Member Contributions	(29,287)	(8,712)	(66,580)	(104,579)
Pension Plan Administrative Expenses	(76)	(36)	(235)	(347)
Other Changes	—	—	(2)	(2)
Net Change in Plan Fiduciary Net Position	\$ 15,016	\$ —	\$ 59,518	\$ 74,534
Plan Fiduciary Net Position, Beginning	\$ 253,971	\$ —	\$ 883,581	\$ 1,137,552
Plan Fiduciary Net Position, Ending	\$ 268,987	\$ —	\$ 943,099	\$ 1,212,086
Net Pension Liability (NPL)	\$ 161,539	\$ 108,397	\$ 227,097	\$ 497,033

Primary Government Administered Single-Employer Plans
Deferred Outflows of Resources
As of June 30, 2024
(In Thousands)

Description	JRF	LRF	SPRF	Total
Difference Between Expected and Actual Experience	\$ 1,224	\$ —	\$ 37,573	\$ 38,797
Changes in Assumption	9,878	—	45,072	54,950
Contributions Subsequent to the Measurement Date	19,534	8,813	46,035	74,382
Total	\$ 30,636	\$ 8,813	\$ 128,680	\$ 168,129

Primary Government Administered Single-Employer Plans
Deferred Inflows of Resources
As of June 30, 2024
(In Thousands)

Description	JRF	SPRF	Total
Difference Between Expected and Actual Experience	\$ 2,356	\$ 1,668	\$ 4,024
Changes in Assumption	14,138	52,749	66,887
Net Difference Between Projected and Actual Earnings on Investment	1,381	4,437	5,818
Total	\$ 17,875	\$ 58,854	\$ 76,729

Primary Government Administered Single-Employer Plans
Net Deferred Outflows (Inflows) of Resources Recognized as Pension Expense
or a Reduction in Net Pension Liability
As of June 30, 2024
(In Thousands)

Description	JRF	LRF	SPRF	Total
2025	\$ (2,025)	\$ —	\$ 4,484	\$ 2,459
2026	(3,230)	—	(859)	(4,089)
2027	1,901	—	32,900	34,801
2028	(3,419)	—	(6,617)	(10,036)
2029	—	—	(6,117)	(6,117)
Net Pension Expense	\$ (6,773)	\$ —	\$ 23,791	\$ 17,018
Deferred Outflow of Resources as a Reduction to Net Pension Liability	19,534	8,813	46,035	74,382
Net Deferred Outflows (Inflows) of Resources	\$ 12,761	\$ 8,813	\$ 69,826	\$ 91,400

Summary of Defined Benefit Plans

Summary of Defined Benefit Plans As of June 30, 2024 (In Thousands)

Description	Primary Government Administered Multiple-Employer Cost Sharing Plans	Non-Primary Government Administered Multiple-Employer Cost Sharing Plan	Primary Government Administered Single-Employer Plans	Total
Net Pension Liability	\$ 2,273,204	\$ 196,082	\$ 497,033	\$ 2,966,319
Deferred Outflows of Resources	1,852,827	45,764	168,129	2,066,720
Deferred Inflows of Resources	1,072,759	12,768	76,729	1,162,256
Net Pension Expense	250,391	32,709	36,636	319,736

The State Board of Investment, which manages the investments of MSRS, PERA, and TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method using both long-term historical returns and long-term capital market expectations from a number of investments management and consulting organizations. Best-estimates of expected future real rates of return are developed for each major asset class. These asset class estimates, and target allocations are combined to produce a geometric, expected long-term rate of return as summarized in the following table:

Primary Government Administered Plans Asset Class Target Allocation and Expected Return As of June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Rate of Return (Geometric Mean)
Domestic Stocks	33.50 %	5.10 %
International Stocks	16.50 %	5.30 %
Bonds	25.00 %	0.75 %
Alternative Assets	25.00 %	5.90 %
Total	<u>100.00 %</u>	

The following table presents the net pension liability for each defined benefit plan with a primary government proportionate share of the net pension liability, calculated using the corresponding discount rate as well as what the net pension liability would be if the rate were one percentage point higher or lower.

**Primary Government Proportionate Share
Sensitivity of the Net Pension Liability to Changes in the Discount Rate
As of June 30, 2024
(In Thousands)**

Plan	With a 1% Decrease		Current Discount Rate		With a 1% Increase	
	Rate	NPL ⁽¹⁾	Rate	NPL ⁽¹⁾	Rate	NPL ⁽¹⁾
SERF ⁽³⁾	6.00 %	\$ 2,475,043	7.00 %	\$ 734,188	8.00 %	\$ (602,343)
CERF ⁽³⁾	6.00 %	853,555	7.00 %	537,961	8.00 %	281,777
GERF ⁽³⁾	6.00 %	290,375	7.00 %	164,139	8.00 %	60,305
P&FF ⁽³⁾	6.00 %	141,531	7.00 %	71,333	8.00 %	13,619
TRF	6.00 %	1,221,049	7.00 %	765,583	8.00 %	392,729
SPTRF	6.00 %	264,612	7.00 %	196,082	8.00 %	139,424
JRF ⁽³⁾	6.00 %	203,865	7.00 %	161,539	8.00 %	125,158
LRF ⁽³⁾⁽⁴⁾	2.86 %	118,494	3.86 % ⁽²⁾	108,397	4.86 %	99,741
SPRF ⁽³⁾	6.00 %	377,891	7.00 %	227,097	8.00 %	103,182

⁽¹⁾ Net Pension Liability (Asset).

⁽²⁾ LRF: The municipal bond rate was used for all years.

⁽³⁾ The discount rate changed from 6.75 percent for SERF, CERF, JRF, and SPRF, from 6.50 percent for GERF, from 5.40 percent for P&FF, and from 3.69 percent for LRF.

⁽⁴⁾ The discount rate for fiscal year 2025 will change to 3.97 percent for LRF.

Defined Contribution Plans

The defined contribution funds presented in the financial statements include various statewide public employee retirement funds and a state-sponsored private employee retirement fund. The benefits received are limited to an annuity, which can be purchased with the combined contributions of both the employee and employer or solely with employee contributions, depending on the fund. Accordingly, there is no unfunded liability for these funds; therefore, there is no actuarial accrued benefit liability or actuarially required contribution.

Plan Descriptions and Contribution Information

The Hennepin County Supplemental Retirement Fund (HCSRF), authorized by Minnesota Statutes 383B.46 to 383B.52, covers employees of Hennepin County who began employment prior to April 14, 1982. The employer (Hennepin County and Hennepin Healthcare System) and employee contribution rate is 1.0 percent of the employee's salary. Benefits are the participant's account balance, which includes investment earnings/losses.

Health Care Savings Fund (HCSF), authorized by Minnesota Statutes 352.98, creates a post-retirement health care savings plan by which public employees may save to cover post-retirement health care costs. Contributions to the plan are defined in a personnel policy or in a collective bargaining agreement. Contributions to the plan, by or on behalf of an employee, are held in trust for reimbursement of employee and dependent health-related expenses following termination of public service. The current plan is based

on state employee contributions without any matching provision by the state. A plan participant may request reimbursement until funds accumulated in the participant's account are exhausted. Benefits are the participant's account balance, which includes investment gains/losses and must be used for qualifying health-related expenses. The employee contributions were \$180,166,000 for the fiscal year ended June 30, 2024.

The Unclassified Employees Retirement Fund (UERF), authorized by Minnesota Statutes 352D, covers only those state employees who are included either by statutes or policy in the "unclassified service" of the state, specified employees of various statutorily designated entities, or judges who exceed the maximum benefit cap under the Judges Retirement Fund (pension trust fund). Statutory contribution rates are 5.50 percent of employee's salary for employee and 6.25 percent for the employer. Employee contribution rates increase by 0.50 percent effective fiscal year 2026. However, contribution rates for participating judges are 8.0 percent of employee's salary with no state contribution. Benefits are either an annuity based on age, value of the participant's account, and the effective actuarial assumptions, or the participant's account balance withdrawals.

The Minnesota Deferred Compensation Fund (DCPF) is a voluntary retirement savings plan authorized under section 457(b) of the Internal Revenue Code and Minnesota Statutes 352.965. The plan is primarily composed of employee contributions and accumulated investment gains or losses. Some employer units or bargaining units may match a portion of an employee's contributions annually. Participants may withdraw funds upon termination of public service or in the event of an unforeseeable emergency. Employees and elected officials of the state and its political subdivisions are eligible to participate in the plan.

The Defined Contribution Fund (DCF) is authorized by Minnesota Statutes 353D. The plan covers local units of government of which current or former elected officials elect to participate (with the exception of elected county sheriffs who are only eligible if they meet certain qualifications), emergency medical service personnel employed by or providing service to any of the participating ambulance services, and physicians employed at public facilities. The statutory contribution rate is 5.0 percent of employee's salary for both the employee and employer (local units of government, elected officials, and physicians). For other participants, the contribution rate is determined by the employer with a fixed percentage for the employee. Plan benefits depend solely on amounts contributed to the plan, plus investment earnings, less administrative expenses.

The State Colleges and Universities Retirement Fund (CURF), authorized by Minnesota Statutes 354B and 354C, covers unclassified teachers, librarians, administrators, and certain other staff members. Participation is mandatory for qualified employees. This fund consists of an Individual Retirement Account Plan (IRAP) and a Supplemental Retirement Plan (SRP). Two member groups, faculty and administrators, participate in the IRAP. For those members eligible before July 1, 2018, the employer and employee statutory contribution rates are 8.75 and 7.75 percent, respectively. For those members eligible after July 1, 2018, the employer and employee statutory contribution rates are 8.75 and 7.75 percent, respectively, and member contribution rates increase by 0.25 percent effective fiscal year 2026. For the SRP, the statutorily required contribution rate is 5.0 percent of salary for both the employer and employees with contribution maximums between \$1,700 and \$2,700 depending on the member group. Minnesota Statutes allow additional employer and employee contributions under specific circumstances.

Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) is the administrative agent for the State Colleges and Universities Retirement Fund. Separately-issued financial statements can be obtained from TIAA-CREF, Normandale Lake Office Park, 8000 Norman Center Drive, Suite 1100, Bloomington, MN 55437.

The Secure Choice Trust Fund, authorized by Minnesota Statutes 187, is a state-sponsored retirement program for employees in the private sector who have no opportunity to save for retirement through an

employer-sponsored retirement plan. The program offers IRAs as authorized under sections 408 and 408A of the Internal Revenue Code. It will not open for enrollment until mid- to late-2025. During fiscal year 2024, the General Fund made a one-time transfer of \$5 million to establish and administer the program. Employers that do not sponsor a retirement plan will be required to enroll employees in the program. Employees may change the contribution rate or opt out of the plan. Plan benefits will be either a lifetime income option or the participant’s account balance withdrawals.

**Primary Government
Defined Contribution Plans Contributions
As of June 30, 2024
(In Thousands)**

Description	HCSRF	UERF	DCPF	DCF	CURF
Member Contributions	\$ 31	\$ 9,090	\$ 403,877	\$ 2,374	\$ 55,648
Employer Contributions:					
Primary Government Contributions	\$ —	\$ 9,746	\$ 9,157	\$ —	\$ 61,162
Other Employer Contributions	31	609	—	2,475	—
Total Employer Contributions	<u>\$ 31</u>	<u>\$ 10,355</u>	<u>\$ 9,157</u>	<u>\$ 2,475</u>	<u>\$ 61,162</u>

Investment Trust Funds

The Supplemental Retirement and the Investment Trust funds (investment trust funds) are administered by the State Board of Investment, which issues a separate report (see Note 1 – Summary of Significant Accounting and Reporting Policies for the address). These funds are investment pools for external participants.

Component Units

The following component units are participants in the State Employees Retirement Fund (SERF), Police and Fire Fund (P&FF), and the Unclassified Employees Retirement Funds (UERF):

- Housing Finance Agency (HFA)
- Metropolitan Council (MC)
- University of Minnesota (U of M)
- Minnesota Sports Facilities Authority (MSFA)
- Office of Higher Education (OHE)
- Public Facilities Authority (PFA)

Component Units
Summary of Pension Amounts
State Employee Retirement Fund
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)

Description	Major Component Units			Nonmajor Component Units			Total
	HFA	MC	U of M	MSFA	OHE	PFA	
Proportionate Share of the Net Pension Liability	\$ 6,694	\$ 83,483	\$ 128,257	\$ 96	\$ 1,483	\$ 718	\$ 220,731
Deferred Outflows of Resources	8,031	86,288	150,488	110	1,779	861	247,557
Deferred Inflows of Resources	6,368	90,214	137,950	146	1,412	684	236,774
Net Pension Expense (Income)	1,546	12,895	14,386	13	342	166	29,348

Major Component Units
Summary of Pension Amounts
Police and Fire Fund
As of December 31, 2023 or June 30, 2024, as applicable
(In Thousands)

Description	MC	U of M	Total
Proportionate Share of the Net Pension Liability	\$ 18,647	\$ 12,275	\$ 30,922
Deferred Outflows of Resources	30,336	20,650	50,986
Deferred Inflows of Resources	29,720	18,039	47,759
Net Pension Expense	5,412	3,911	9,323

Note 9 – Termination and Postemployment Benefits

Primary Government – Termination Benefits

Early termination benefits are defined as benefits received for discontinuing services earlier than planned. A liability and expense for voluntary termination benefits are recognized when the offer is accepted, and the amount can be estimated. A liability and expense for involuntary termination benefits are recognized when a plan of termination has been approved, the plan has been communicated to the employees, and the amount can be estimated.

Only three state bargaining agreements provide for this benefit. These agreements, affecting only Minnesota State Colleges and Universities (MnSCU) employees, are the Minnesota State College Faculty, Inter Faculty Organization, and Minnesota State University Association of Administrative Service Faculty contracts. Faculty members who meet a combination of age and years of service plus certain eligibility requirements are eligible to receive an early retirement incentive cash payment based on base salary plus health insurance paid for one year after separation or up to age 65, depending on the contract. Approximately 57 former faculty members and staff currently receive this benefit. The cost of the benefits was \$2,309,000 during fiscal year ended June 30, 2024, with a remaining liability as of June 30, 2024, of \$2,372,000.

Primary Government Single Employer – Postemployment Benefits Other Than Pensions

Other postemployment benefits (OPEB) are available to state employees and their dependents through a single-employer defined benefit healthcare plan, as allowed by Minnesota Statutes 43A.27, Subdivision 3, and Minnesota Statutes 471.61, Subdivision 2a, and required under the terms of selected employment contracts. All pre-age-65 state retirees with at least 5 years of allowable pension service who are entitled at the time of retirement to receive an annuity under the state retirement program are eligible to participate in the state's health and dental insurance plan until age 65. Retirees not eligible for an employer subsidy must pay 100 percent of the premiums to continue receiving coverage. These employees are allowed to stay in the active employee risk pool with the same premium rate and are, therefore, subsidized by the insurance premiums rates for active state employees, resulting in an implicit rate subsidy.

The state also subsidizes the healthcare and dental premium rates for certain employees, primarily conservation officers, correctional officers at state correctional facilities, and state troopers through an explicit rate subsidy under terms of selected employment contracts. If the retiree terminates employment prior to age 55, the employer's premium contribution rate is frozen at the date of the employee's retirement and is payable by the state until the retiree is age 65. The retiree is responsible for any other portion of the premiums. Coverage and rate subsidies end at the retiree's attainment of age 65.

The state does not issue a separate financial report for its OPEB as the state does not fund an OPEB plan and operates on a pay-as-you-go basis. The amount paid for OPEB benefits during fiscal year 2024 was \$46,569,000.

Primary Government Single-Employer Plan Employee Statistics

Description	Employees
Inactive Employees (or their beneficiaries) Currently Receiving Benefits	3,173
Active Employees	46,941

**Primary Government Single-Employer Plan
Summary of OPEB Amounts
As of June 30, 2024
(In Thousands)**

Description	Amount ⁽¹⁾
Total OPEB Liability	\$ 786,228
Deferred Outflows of Resources	145,493
Deferred Inflows of Resources	89,603
Total OPEB Expense	62,730

⁽¹⁾ Amounts represent the primary government's total proportionate share of 99.6 percent. The remaining 0.4 percent represents discretely presented component units' proportionate share.

**Single-Employer Plan
Actuarial Assumptions**

Description	OPEB Plan
Actuarial Valuation ⁽¹⁾	July 1, 2022
Measurement Date ⁽¹⁾	June 30, 2023
Discount Rate: 20 Year Municipal Bond Rate ⁽²⁾	3.65%
Healthcare Cost Trend Rate	8.4% reduced to 3.7% by 2073
Experience Study Dates	2018 - 2022
Inflation	2.25%
Salary Increases	3.00%

⁽¹⁾ No significant events or material changes in benefit provisions occurred between the actuarial valuation date and the measurement date that required an adjustment to roll-forward of the Total OPEB Liability.

⁽²⁾ Source: Bond Buyer 20-year General Obligation Index.

The mortality rate assumptions use the Pub-2010 General Employee Headcount-Weighted Mortality Table with mortality improvement Scale MP-2021 as applicable to the employee group covered.

**Single-Employer Plan
Schedule of Total OPEB Liability
As of June 30, 2024
(In Thousands)**

Description	Primary Government's Share ⁽¹⁾	Component Unit's Share ⁽¹⁾	Plan Total
Total OPEB Liability:			
Service Cost	\$ 43,523	\$ 102	\$ 43,625
Interest	26,695	97	26,792
Differences between Expected and Actual Experience	9,717	35	9,752
Changes in Assumptions or Other Inputs	17,101	62	17,163
Benefit Payments	(42,350)	(154)	(42,504)
Net Changes in Total OPEB Liability	\$ 54,686	\$ 142	\$ 54,828
Total OPEB Liability, Beginning	731,542	2,726	734,268
Total OPEB Liability, Ending	<u>\$ 786,228</u>	<u>\$ 2,868</u>	<u>\$ 789,096</u>

⁽¹⁾ The primary government's total proportionate share is 99.6 percent and the component units' proportionate share is 0.4 percent of the state's single employer defined benefit OPEB plan.

**Primary Government Single-Employer Plan
Deferred Outflows and Deferred Inflows of Resources
Related to OPEB
As of June 30, 2024
(In Thousands)**

Description	Deferred Outflows of Resources ⁽¹⁾	Deferred Inflows of Resources ⁽¹⁾
Difference between Expected and Actual Experience	\$ 41,941	\$ 42,221
Changes of Assumption	56,983	47,382
Transactions Subsequent to the Measurement Date	46,569	NA
Total	<u>\$ 145,493</u>	<u>\$ 89,603</u>

⁽¹⁾ Amounts represent the primary government's total proportionate share of 99.6 percent. The remaining 0.4 percent represents discretely presented component units' proportionate share.

**Primary Government Single-Employer Plan
Net Deferred Outflows (Inflows) of Resources
Recognized as OPEB Expense or a Reduction to the Total OPEB Liability
As of June 30, 2024
(In Thousands)**

Description	Amount ⁽¹⁾
2025	\$ (4,245)
2026	1,895
2027	3,954
2028	1,778
2029	2,401
Thereafter	3,538
Net OPEB Expense	<u>\$ 9,321</u>
Deferred Outflow of Resources as a Reduction of the Total OPEB Liability	<u>46,569</u>
Net Deferred Outflows (Inflows) of Resources	<u><u>\$ 55,890</u></u>

⁽¹⁾ Amounts represent the primary government's total proportionate share of 99.6 percent. The remaining 0.4 percent represents discretely presented component units' proportionate share.

The following tables present the total OPEB liability (TOPEBL) for the defined benefit plan for the primary government's proportionate share of the TOPEBL, calculated using the corresponding discount rate and healthcare trend rate as well as what the TOPEBL would be if the rates were one percentage point higher or lower.

**Primary Government
Sensitivity of the Total OPEB liability to Changes in the Discount Rate
As of June 30, 2024
(In Thousands)**

With a 1% Decrease		Current Discount Rate		With a 1% Increase	
Rate	TOPEBL	Rate ⁽¹⁾	TOPEBL	Rate	TOPEBL
2.65%	\$ 843,770	3.65%	\$ 786,228	4.65%	\$ 731,944

⁽¹⁾ The discount rate changed from 3.54 percent.

**Sensitivity of the Total OPEB liability to Changes in the Healthcare Trend Rates
As of June 30, 2024
(In Thousands)**

With a 1% Decrease		Current Healthcare Trend Rate		With a 1% Increase	
Rate	TOPEBL	Rate	TOPEBL	Rate	TOPEBL
2.7%	\$ 706,649	3.7%	\$ 786,228	4.7%	\$ 879,301

Component Units – Postemployment Benefits Other Than Pensions

Housing Finance Agency (HFA) and the Office of Higher Education (OHE) participate in the primary government's single-employer defined benefit OPEB plan.

The Metropolitan Council (MC) administers an other postemployment benefit (OPEB) plan, a single-employer defined benefit health care and life insurance plan to eligible retirees, their spouses, and dependents. The funding for MC does not meet the requirements of GASB Statement 75, for OPEB. However, MC separately invested \$330 million as of December 31, 2023 for this purpose.

The University of Minnesota (U of M) administers an other postemployment benefit (OPEB) plan, a single-employer defined benefit health care plan to eligible employees, retirees, their spouses, and dependents, and an academic disability plan for faculty and academic professional and administrative employees. The U of M does not fund an OPEB plan and operates on a pay-as-you-go basis.

Component Units Summary of OPEB Amounts State OPEB Plan As of June 30, 2024 (In Thousands)

Description	Major Component Unit		Nonmajor Component Unit	Total		
	HFA		OHE			
Proportionate Share Total OPEB Liability	\$	2,269	\$	599	\$	2,868
Deferred Outflows of Resources		390		103		493
Deferred Inflows of Resources		255		67		322
Total OPEB Expense		187		60		247

Major Component Units Summary of OPEB Amounts Other Plans As of December 31, 2023 or June 30, 2024, as applicable (In Thousands)

Description	Major Component Units		Total			
	MC	U of M				
Proportionate Share Total OPEB Liability	\$	288,196	\$	48,560	\$	336,756
Deferred Outflows of Resources		29,752		7,525		37,277
Deferred Inflows of Resources		72,371		9,094		81,465
Total OPEB Expense		14,836		5,966		20,802

Note 10 – Long-Term Commitments

Primary Government

Governmental Funds

Long-term commitments consist of grant agreements, construction projects, and other contracts. A portion of these commitments will be funded by current reserves, and these amounts are included on the face of the financial statements in the restricted, committed, and assigned fund balance amounts. Resources provided by future bond proceeds, fuel taxes, motor vehicle registration taxes, and federal grants will fund the remaining commitments. Governmental funds' encumbrances, both current and long-term, as of June 30, 2024, were as follows:

Primary Government Encumbrances As of June 30, 2024 (In Thousands)	
Description	Amount
General Fund	\$ 1,551,580
Nonmajor Governmental Funds	3,612,250
Total Encumbrances	<u>\$ 5,163,830</u>

Enterprise Fund - Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities had commitments of \$187,866,000 for construction and renovation of college and university facilities and replacement of legacy ERP system as of June 30, 2024.

Component Units

As of June 30, 2024, the Housing Finance Agency had committed approximately \$1,184,553,000 for the purchase or origination of future loans or other housing assistance.

The Metropolitan Council entered into contracts for various purposes such as transit services and construction projects. As of December 31, 2023, unpaid commitments for Metro Transit Bus services were approximately \$429,807,000. Future commitments for Metro Transit Light Rail were approximately \$419,722,000, while future commitments for Metro Transit Commuter Rail were approximately \$5,889,000. Future commitments for Regional Transit and Environmental Services were approximately \$49,568,000 and \$233,137,000, respectively. Finally, amounts authorized and initiated in the calendar year 2023 budget but not completely expended in calendar year 2023 were \$4,579,000.

The University of Minnesota had construction projects in progress with an estimated completion cost of \$327,059,000 as of June 30, 2024. These costs will be funded from plant account assets and state appropriations.

As of June 30, 2024, the Public Facilities Authority (PFA) had committed approximately \$173,000,000 for the origination or disbursement of future loans under the Clean Water, Drinking Water, and Transportation Revolving Loan programs. PFA also committed \$129,000,000 for grants.

Note 11 – Long-Term Liabilities - Primary Government

Primary Government Long-Term Liabilities Year Ended June 30, 2024 (In Thousands)

Liability Type	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 7,211,161	\$ 1,124,868	\$ 1,338,717	\$ 6,997,312	\$ 580,339
Revenue Bonds	23,885	41,976	1,760	64,101	2,745
State Appropriation Bonds	449,028	26,080	46,839	428,269	46,575
Loans	61,713	74,527	22,861	113,379	22,297
Due to Component Units	1,936	—	302	1,634	311
Leases ^{(1) (3)}	318,804	35,421	89,206	265,019	64,912
IT Subscription Payables ⁽²⁾	78,426	42,643	56,339	64,730	25,236
Certificates of Participation	70,345	478,854	3,758	545,441	16,335
Claims	921,714	1,236,771	1,221,356	937,129	199,564
Compensated Absences ⁽³⁾	419,773	467,188	420,949	466,012	62,877
Other Postemployment Benefits	639,699	69,143	36,566	672,276	41,560
Net Pension Liability	3,401,286	40,188	846,478	2,594,996	—
Total	\$ 13,597,770	\$ 3,637,659	\$ 4,085,131	\$ 13,150,298	\$ 1,062,751
Business-type Activities:					
General Obligation Bonds	\$ 166,577	\$ 6,800	\$ 22,572	\$ 150,805	\$ 17,371
Revenue Bonds	188,542	—	15,489	173,053	15,590
Loans	22,855	—	1,126	21,729	1,202
Leases ^{(1) (3)}	38,763	21,664	17,824	42,603	10,467
IT Subscription Payables ⁽²⁾	36,260	6,510	12,563	30,207	11,339
Claims	24,217	235,292	234,101	25,408	23,792
Compensated Absences ⁽³⁾	165,641	40,040	32,680	173,001	21,558
Other Postemployment Benefits ⁽³⁾	91,843	27,894	5,785	113,952	6,992
Net Pension Liability ⁽³⁾	418,427	41,204	88,308	371,323	—
Total	\$ 1,153,125	\$ 379,404	\$ 430,448	\$ 1,102,081	\$ 108,311

⁽¹⁾ The increase and decrease columns for leases include remeasurement activity. For fiscal year 2024, increases in remeasurements for governmental and internal service funds totaled \$14,290 and \$214, respectively. For fiscal year 2024, decreases in remeasurements for governmental activities totaled \$9,083.

⁽²⁾ The increase and decrease columns for IT Subscription Payables include remeasurement activity. For fiscal year 2024, increases in remeasurements for governmental funds totaled \$7,758. For fiscal year 2024, decreases in remeasurements for governmental activities and internal service funds totaled \$14,866 and \$189, respectively and \$590 for Business-type Activities.

⁽³⁾ Leases, Compensated Absences, Other Postemployment Benefits and Net Pension Liability were restated in both the governmental activities and business-type by \$6,499, \$874, \$1,121, and \$2,818 as a result of the change in reporting entity. See Note 20 – Change in Reporting Entity and Change in Accounting Principle for further detail.

**Primary Government
Resources for Repayment of Long-Term Liabilities
Year Ended June 30, 2024
(In Thousands)**

Liability Type	Governmental Activities				Total
	General Fund	Special Revenue Funds	Internal Service Funds	Business-type Activities	
General Obligation Bonds	\$ 4,679,677	\$ 2,317,635	\$ —	\$ 150,805	\$ 7,148,117
Revenue Bonds	42,734	21,367	—	173,053	237,154
State Appropriation Bonds	428,269	—	—	—	428,269
Loans	46,708	2,587	64,084	21,729	135,108
Due to Component Units	—	1,634	—	—	1,634
Leases	146,643	99,878	18,498	42,603	307,622
IT Subscription Payables	38,107	5,236	21,387	30,207	94,937
Certificates of Participation	545,441	—	—	—	545,441
Claims	211,320	614,604	111,205	25,408	962,537
Compensated Absences	270,136	178,118	17,758	173,001	639,013
Other Postemployment Benefits	663,167	—	9,109	113,952	786,228
Net Pension Liability	2,567,822	—	27,174	371,323	2,966,319
Total	\$ 9,640,024	\$ 3,241,059	\$ 269,215	\$ 1,102,081	\$ 14,252,379

The following tables show principal and interest payment schedules for general obligation bonds, revenue bonds, state appropriation bonds, loans, due to component units, leases, IT subscription payables, and certificates of participation. There are no payment schedules for claims, compensated absences, other postemployment benefits, and net pension liability.

**Primary Government
General Obligation Bonds
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 580,339	\$ 249,968	\$ 17,371	\$ 6,017	\$ 597,710	\$ 255,985
2026	548,216	224,683	16,754	5,172	564,970	229,855
2027	513,780	200,953	14,910	4,453	528,690	205,406
2028	505,205	178,274	13,460	3,808	518,665	182,082
2029	488,113	156,849	11,437	3,242	499,550	160,091
2030-2034	1,974,747	512,196	41,963	10,162	2,016,710	522,358
2035-2039	1,098,110	183,626	19,155	3,052	1,117,265	186,678
2040-2044	402,880	28,535	4,455	351	407,335	28,886
Total	\$ 6,111,390	\$ 1,735,084	\$ 139,505	\$ 36,257	\$ 6,250,895	\$ 1,771,341
Bond Premium	885,922	—	11,300	—	897,222	—
Total	\$ 6,997,312	\$ 1,735,084	\$ 150,805	\$ 36,257	\$ 7,148,117	\$ 1,771,341

**Primary Government
Revenue Bonds
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,745	\$ 2,682	\$ 15,590	\$ 6,190	\$ 18,335	\$ 8,872
2026	3,125	2,569	19,260	5,422	22,385	7,991
2027	3,245	2,440	19,180	4,565	22,425	7,005
2028	3,380	2,303	17,395	3,757	20,775	6,060
2029	3,525	2,154	18,200	2,989	21,725	5,143
2030-2034	20,115	8,205	60,080	6,164	80,195	14,369
2035-2039	10,250	4,600	8,305	401	18,555	5,001
2040-2044	13,080	1,698	—	—	13,080	1,698
Total	\$ 59,465	\$ 26,651	\$ 158,010	\$ 29,488	\$ 217,475	\$ 56,139
Bond Premium	4,636	—	15,043	—	19,679	—
Total	<u>\$ 64,101</u>	<u>\$ 26,651</u>	<u>\$ 173,053</u>	<u>\$ 29,488</u>	<u>\$ 237,154</u>	<u>\$ 56,139</u>

**Primary Government
State Appropriation Bonds
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities	
	Principal	Interest
2025	\$ 46,575	\$ 17,739
2026	48,910	15,560
2027	52,415	13,269
2028	55,360	10,806
2029	58,490	8,210
2030-2034	85,305	16,225
2035-2039	40,820	7,685
2040-2044	21,660	1,208
Total	\$ 409,535	\$ 90,702
Bond Premium	18,734	—
Total	<u>\$ 428,269</u>	<u>\$ 90,702</u>

**Primary Government
Loans Payable and Due to Component Units
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 22,608	\$ 3,221	\$ 1,202	\$ 478	\$ 23,810	\$ 3,699
2026	19,353	2,506	1,283	447	20,636	2,953
2027	14,185	1,829	1,288	413	15,473	2,242
2028	10,006	1,307	1,287	384	11,293	1,691
2029	5,032	959	1,377	355	6,409	1,314
2030-2034	6,865	3,873	7,493	1,291	14,358	5,164
2035-2039	7,405	3,100	6,264	496	13,669	3,596
2040-2044	6,816	2,411	1,535	31	8,351	2,442
2045-2049	7,466	1,753	—	—	7,466	1,753
2050-2054	8,178	1,036	—	—	8,178	1,036
2055-2059	7,099	268	—	—	7,099	268
Total	<u>\$ 115,013</u>	<u>\$ 22,263</u>	<u>\$ 21,729</u>	<u>\$ 3,895</u>	<u>\$ 136,742</u>	<u>\$ 26,158</u>

**Primary Government
Leases
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 64,912	\$ 6,656	\$ 10,467	\$ 1,625	\$ 75,379	\$ 8,281
2026	54,516	5,022	7,515	1,512	62,031	6,534
2027	38,838	3,991	6,215	1,502	45,053	5,493
2028	32,944	3,057	3,943	978	36,887	4,035
2029	19,952	2,093	2,951	733	22,903	2,826
2030-2034	50,680	3,919	10,200	1,896	60,880	5,815
2035-2039	2,412	35	934	118	3,346	153
2040-2044	765	3	136	144	901	147
2045-2049	—	—	122	176	122	176
2050-2054	—	—	109	208	109	208
2055-2059	—	—	11	23	11	23
Total	<u>\$ 265,019</u>	<u>\$ 24,776</u>	<u>\$ 42,603</u>	<u>\$ 8,915</u>	<u>\$ 307,622</u>	<u>\$ 33,691</u>

**Primary Government
IT Subscription Payables
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 25,236	\$ 2,518	\$ 11,339	\$ 998	\$ 36,575	\$ 3,516
2026	18,418	1,312	8,306	813	26,724	2,125
2027	12,526	681	5,118	686	17,644	1,367
2028	6,470	253	2,509	418	8,979	671
2029	1,896	54	1,547	266	3,443	320
2030-2034	184	14	1,388	318	1,572	332
Total	<u>\$ 64,730</u>	<u>\$ 4,832</u>	<u>\$ 30,207</u>	<u>\$ 3,499</u>	<u>\$ 94,937</u>	<u>\$ 8,331</u>

**Primary Government
Certificates of Participation
Principal and Interest Payments
(In Thousands)**

Year Ended June 30	Governmental Activities	
	Principal	Interest
2025	\$ 16,335	\$ 25,374
2026	17,170	24,542
2027	18,045	23,665
2028	18,970	22,743
2029	19,935	21,774
2030-2034	116,030	92,520
2035-2039	148,845	59,708
2040-2044	158,940	20,662
Total	<u>\$ 514,270</u>	<u>\$ 290,988</u>
Premium on Certificates of Participation	31,171	—
Total	<u>\$ 545,441</u>	<u>\$ 290,988</u>

Debt Service Fund

For state general obligation bonds, Minnesota Statutes 16A.641 provides for an annual appropriation for transfer to the Debt Service Fund. The amount of the appropriation is to be such that, when combined with the balance on hand in the Debt Service Fund on December 1 of each year for state bonds, it will be sufficient to pay all general obligation bond principal and interest due and to become due through July 1 in the second ensuing year. If the amount appropriated is insufficient when combined with the balance on hand in the Debt Service Fund, the state constitution requires the state auditor to levy a statewide property tax to cover the deficiency. No such property tax has been levied since 1969 when the law requiring the appropriation was enacted.

For other annual appropriation debt, the amounts needed to pay principal and interest payments are appropriated each fiscal year for transfer to the Debt Service Fund. The state has no legal obligation to continue appropriating funds to make debt service payments. The annual appropriation debt is canceled on the earlier of the fiscal year for which the legislature does not appropriate sufficient amounts for debt service, an executive unallotment regarding continuing appropriations for debt service, or the date of the final principal and interest payment. The Minnesota Statutes governing outstanding annual appropriation debt are provided in the applicable sections in this note.

During fiscal year 2024, Minnesota Management and Budget made the necessary transfers to the Debt Service Fund as follows:

**Primary Government
Transfers to Debt Service Fund
Year Ended June 30, 2024
(In Thousands)**

Fund Type	Amount
General Fund	\$ 580,157
Special Revenue Funds:	
Trunk Highway Fund	\$ 229,906
Miscellaneous Special Revenue Fund	1,181
Total Special Revenue Funds	\$ 231,087
Capital Project Funds:	
Building Fund	\$ 511
Transportation Fund	79
Total Capital Project Funds	\$ 590
Internal Service Fund – Plant Management Fund	\$ 5,787
Total Transfers to Debt Service Fund	<u>\$ 817,621</u>

General Obligation Bond Issues

In August 2023, the state issued \$1,024,055,000 general obligation bonds, Series 2023A through Series 2023E:

- Series 2023A for \$160,725,000 in state various purpose bonds were issued at a true interest rate of 3.43 percent.
- Series 2023B for \$264,000,000 in state trunk highway bonds were issued at a true interest rate of 3.42 percent.
- Series 2023C for \$14,865,000 in taxable state various purpose bonds were issued at a true interest rate of 4.62 percent.
- Series 2023D for \$329,145,000 in state various purpose refunding bonds were issued at a true interest rate of 2.80 percent. The aggregate debt service payments decreased by \$16,648,000 and the economic gain (the present value of the debt service savings) for the state was \$20,016,000.
- Series 2023E for \$255,320,000 in state trunk highway refunding bonds were issued at a true interest rate of 2.75 percent. The aggregate debt service payments increased by \$16,387,000 and the economic gain (the present value of the debt service savings) for the state was \$12,864,000.

The state remains contingently liable to pay its advance refunded general obligation bonds as shown in the following table.

**Primary Government
General Obligation Bonds Outstanding Defeased Debt
As of June 30, 2024
(In Thousands)**

Refunding Date	Original Refunding Amount	Refunded Amount	Outstanding Amount	Refunded Bond Call/Maturity Date
November 2, 2022	N/A	\$ 10	\$ 10	August 1, 2024
March 14, 2024	N/A	10	10	August 1, 2025
March 14, 2024	N/A	20	20	August 1, 2025
March 14, 2024	N/A	40	40	August 1, 2025
March 14, 2024	N/A	5	5	August 1, 2025
March 14, 2024	N/A	10	10	August 1, 2025
Total	\$ —	\$ 95	\$ 95	

The following table is a schedule of general obligation bonds authorized, but unissued, and bonds outstanding as of June 30, 2024. This schedule includes all general obligation bonds that were sold, including bonds sold for the State Colleges and Universities Fund (enterprise fund).

**Primary Government
General Obligation Bonds Authorized, but Unissued, and Bonds Outstanding
As of June 30, 2024
(In Thousands)**

Purpose	Authorized But Unissued	Amount Outstanding	Interest Rates for Outstanding
Maximum Effort School Loan	\$ —	\$ 8,986	5.00%
Rural Finance Authority	45,550	90,067	1.35-5.00%
State Transportation	366,037	321,677	4.00-5.00%
Trunk Highway	1,586,505	1,753,105	1.50-5.00%
Trunk Highway Refunding Bonds	—	564,530	0.40-5.00%
Various Purpose	1,842,218	2,334,640	1.35-5.00%
Various Purpose Refunding Bonds	—	1,177,890	0.47-5.00%
Total	<u>\$ 3,840,310</u>	<u>\$ 6,250,895</u>	

State Appropriation Bonds

On October 31, 2012, the Minnesota Supreme Court concluded that the Appropriation Refunding Bonds do not constitute public debt for which the state has pledged its full faith, credit, and taxing powers. The Minnesota Supreme Court held that, accordingly, the bonds are not subject to the Minnesota Constitution’s Article XI, Section 5, restrictions on the use of the proceeds of “public debt.” Resulting from the decision of this court case, on November 21, 2012, the state sold state General Fund appropriation refunding bonds as authorized by Minnesota Statutes 16A.99. The bonds were issued for the purpose of refunding tobacco settlement revenue bonds Series 2011A and Series 2011B of the Tobacco Securitization Authority. These appropriation bonds are payable only from amounts appropriated by the Minnesota Legislature. In October 2022, the state issued \$338.3 million of state General Fund appropriation refunding bonds Series 2022A at a true interest rate of 3.27 percent. This issuance refunded State General Fund Appropriation Refunding Bonds Tax Exempt Series 2012B.

Minnesota Statutes 16A.967 as amended by the Laws of Minnesota Special Session 2017, Chapter 8, Article 2, Section 2, authorizes the state to issue state General Fund appropriation bonds not to exceed \$22,500,000 for financing land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia, extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold until the commissioner of Minnesota Management and Budget determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Grant agreements entered into under this section must provide for reimbursement to the state from any federal money provided for the project, consistent with the Lewis and Clark Regional Water System Incorporated Agreement. The nonstate match was met and in fiscal year 2017, state General Fund appropriation bonds of \$11,790,000 were issued. In fiscal year 2018, state General Fund appropriation bonds of \$7,570,000 were issued.

Minnesota Statutes 469.53 authorizes projects eligible for state appropriation support payments, upon approval by the city of Duluth. Eligible projects include: (1) two levels of expansion to an existing medical district parking ramp and a skywalk replacement; (2) a ramp with up to 1,400 new parking stalls to serve

the medical entity west; (3) extension of 6th Avenue East; (4) demolition of existing hospital structure; (5) roadway, utility, and site improvements and capacity upgrades to support medical entity west; (6) district energy connections; and (7) a ramp for up to 400 new parking stalls to serve the medical entity east. Minnesota Statutes 469.54 authorizes the city of Duluth, in lieu of directly receiving the appropriation support payments, to have the state issue state General Fund appropriation bonds. Minnesota Statutes 16A.968, as amended by Laws of Minnesota Regular Session 2020, Chapter 83, Article 1, Section 3, authorizes the state to issue state General Fund appropriation bonds not to exceed \$97,720,000 for the purpose of financing public infrastructure projects authorized and approved by the city of Duluth. In the event the state issues state General Fund appropriation bonds for these purposes, the amount of appropriation support payments in any year is reduced by an amount equal to the amount needed from the General Fund. Up to \$8,100,000 is appropriated from the General Fund each year beginning in fiscal year 2022 through fiscal year 2055 to pay debt service on the bonds, subject to Minnesota Statutes 469.54, subdivision 3 which allows a maximum appropriation support payment of \$3.7 million in fiscal year 2022. Debt service on these bonds is paid from a statutory General Fund appropriation that may be repealed, canceled, or unallotted. On November 5, 2020, the state issued \$66,300,000 in Duluth Regional Exchange District state General Fund appropriation bonds at a true interest rate of 2.50 percent. In October 2021, the state issued \$6,920,000 in Duluth Regional Exchange District state General Fund appropriation bonds at a true interest rate of 2.36 percent. In November 2023, the state issued \$26,080,000 in Duluth Regional Exchange District state General Fund appropriation bonds at a true interest rate of 5.91 percent.

Minnesota Statutes 16A.966 authorizes the state to issue state General Fund appropriation bonds not to exceed \$30,400,000 for the purpose of financing the cost of implementing environmental clean-up actions at four Superfund sites in Minnesota. In October 2021, the state issued \$29,670,000 state General Fund appropriation bonds for this purpose at a true interest rate of 2.36 percent. An amount needed to pay principal and interest on appropriation bonds is appropriated each fiscal year from the General Fund beginning in fiscal year 2021 and remains available through fiscal year 2042.

Minnesota Statutes 16A.964 authorizes the state to issue state General Fund appropriation bonds not to exceed \$15,000,000 for the purpose of financing grants to public television stations in Minnesota for the cost of acquiring and installing capital equipment. In October 2021, the state issued \$14,050,000 in state General Fund appropriation bonds for this purpose at a true interest rate of 1.70 percent. An amount needed to pay principal and interest on appropriation bonds is appropriated each fiscal year from the general fund beginning in fiscal year 2021 and remains available through fiscal year 2042.

Minnesota Statutes 16A.963 authorizes the state to issue state General Fund appropriation bonds not to exceed \$2,000,000 for the purpose of financing the cost of acquiring and installing electric vehicle charging infrastructure on publicly owned property. In October 2021, the state issued \$1,875,000 state General Fund appropriation bonds for this purpose at a true interest rate of 1.70 percent. An amount needed to pay principal and interest on appropriation bonds is appropriated each fiscal year from the General Fund beginning in fiscal year 2021 and remains available through fiscal year 2042.

The following table is a schedule of state appropriation bonds authorized, but unissued, and bonds outstanding as of June 30, 2024.

Primary Government
State Appropriation Bonds Authorized, but Unissued, and Bonds Outstanding
As of June 30, 2024
(In Thousands)

Purpose	Amount Outstanding ⁽¹⁾	Interest Rates
Refund Tobacco Securitization Authority	\$ 263,385	5.00-5.00%
Lewis and Clark Regional Water System ⁽²⁾	12,720	2.15-3.30%
Duluth Regional Exchange District Appropriation Bonds	92,925	1.55-7.00%
Electric Vehicle Infrastructure	1,545	2.10-3.00%
Public Television Equipment	11,565	2.10-3.00%
Environmental Response PCA Superfund	27,395	2.10-3.00%
Total	\$ 409,535	

⁽¹⁾ There were no state appropriation bonds authorized but unissued as of June 30, 2024.

⁽²⁾ In January 2022, the remaining Authorized But Unissued amount for the Lewis and Clark Regional Water System was cancelled as required by Minnesota Statutes 16A.642.

Loans Payable and Due to Component Unit

Governmental activities loans and due to component units are loans/due to component units for transportation projects, energy efficiency improvements, and equipment purchase loans. The capital assets purchased for energy efficiency improvements and equipment purchases are pledged as collateral on the loans incurred to finance the purchase. On June 30, 2024, the state has an unused line of credit of \$73,066,833 to finance additional equipment purchases.

Business-type activities loans include loans to purchase energy efficiency improvements and equipment. The capital assets purchased for energy efficiency improvements and equipment purchases are pledged as collateral on the loans incurred to finance the purchases.

Lease / IT Subscription Payables

The state implemented GASB Statement No. 87 "Leases" in fiscal year 2022, and GASB Statement No. 96 "Subscription-Based Information Technology Arrangements (SBITA)" in fiscal year 2023. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use leased asset. Similarly, under GASB Statement No. 96, a subscription liability (identified as IT Subscription Payables below) and an intangible right-to-use subscription asset are recognized for applicable SBITA contracts.

The state has entered into various leasing arrangement types where the state is the lessee for office space, storage, easements, and equipment. Lease payments and IT Subscription payments are calculated at net present value using the interest rate charged on the lease or subscription, if available, or the state's average annual short-term monthly incremental borrowing rate.

The governmental activities buildings, structures and improvement remaining lease terms are fixed payments ranging from one to 17 years. Two building lease agreements contain bargain purchase options. They are the Elmer L. Andersen and Orville L. Freeman Office buildings (Andersen and Freeman). When the final lease payment has been made in fiscal year 2026 for the Andersen and Freeman buildings, the titles will transfer to the state for minimal amounts.

The governmental activities equipment leases consist of copiers, multi-function devices, multi-frame hardware, and other office equipment. The remaining leases have fixed payments ranging from one to six years.

The business-type activities buildings, structures, and improvement lease terms are fixed payments ranging from one to 31 years. The business-type activities lease agreements for equipment range from one to five years.

The governmental activities and business-type activities IT subscription payables consists of arrangements with vendors for the right-to-use IT software. The remaining IT subscription payables have fixed payments ranging from one to eight years for governmental activities and one to six years for business-type activities.

For further information on leases and IT subscription payables, see Note 4 – Loans, Notes, and Leases Receivable and Note 6 – Capital Assets, including Right-to-Use Assets.

Certificates of Participation

In August 2014, the state issued \$80,100,000 of certificates of participation (COPs) at a true interest rate of 3.70 percent to finance the predesign, design, and construction and equipping of offices, hearing rooms, and parking facilities for a legislative office facility as authorized by Laws of Minnesota Regular Session 2013, Chapter 143, Article 12, Section 21.

In November 2023, the state issued \$454,175,000 of certificates of participation (COPs) Series 2023 at a true interest rate of 4.39 percent. The certificates are being issued for the purpose of providing financing for the design, renovation, expansion and equipping of a state office building serving the House of Representatives. The certificates were issued pursuant to Minnesota Statutes Section 16B.2406.

The COPs are not general or moral obligations of the state and no revenues are pledged to repay them. If the state defaults on the debt, the trustee has the right to terminate the lease terms of the project and to take whatever legal action may appear necessary to collect rental payment(s).

Revenue Bonds Payable

In October 2013, Iron Range Resources and Rehabilitation issued \$37,830,000 of education facilities revenue bonds at a true interest rate of 3.76 percent. Minnesota Laws of 2013, Chapter 143, Article 11, Section 11; Minnesota Statutes 298.22 through 298.32; and an order of the commissioner of Iron Range Resources and Rehabilitation authorized the issuance of the bonds. The bonds will be used to make grants to certain school districts located in the taconite relief areas, as defined in Minnesota Statutes 273.134. The interest rates for the bonds range from 3.00 percent to 4.30 percent over a 20-year term.

In December 2023, the Iron Range Resources and Rehabilitation issued \$37,395,000 of education facilities revenue bonds at a true interest rate of 3.63 percent. The bonds were issued pursuant to Minnesota Session Laws 2023, Chapter 64, Article 6, Section 13 (the “Authorizing Statute”), Minnesota Statutes, Sections 298.22 through 298.297 as amended. The proceeds of the Series 2023A Bonds will be used to make grants to certain school districts located in the taconite assistance area as defined in Section

273.1341 of the Act, to be used by the school districts to pay for building projects, such as energy efficiency, technology, infrastructure, health, safety and maintenance improvements. The interest rate for the bonds is 5.0 percent over a 20-year term.

To repay the bonds, Iron Range Resources and Rehabilitation has pledged future appropriations of the annual distribution of taconite production tax revenues to the Iron Range Resources and Rehabilitation account within the General Fund and the Douglas J. Johnson Economic Protection Trust Fund (special revenue fund). These tax distributions, totaling \$5,027,000 for fiscal year 2024, have averaged less than ten percent of the state's total annual taconite production tax revenues over the last five years. The debt service on the bonds is payable solely from these taconite production tax distributions. For fiscal year 2024, principal and interest paid by Iron Range Resources and Rehabilitation on the bonds was \$3,189,000. The total principal and interest remaining to be paid as of June 30, 2024, is \$86,116,000 payable through October 2043.

Minnesota State Colleges and Universities (MnSCU) (enterprise fund) is authorized by Minnesota Statutes 136F.98 to issue revenue bonds whose aggregate principal shall not exceed \$405,000,000 at any time. The proceeds of these bonds are used to finance the acquisition, construction, and remodeling of buildings for dormitory, residence hall, parking ramps, student union, and food service purposes at state universities. Revenue bonds currently outstanding have interest rates of 2.50 percent to 5.00 percent. The revenue bonds are payable solely from, and collateralized by, an irrevocable pledge of revenues to be derived from the operation of the financed buildings and from student fees. These revenue bonds are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 22 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$186,977,000. Principal and interest paid for the current year and total customer net revenues were \$19,972,000 and \$110,760,000, respectively. The bonds are accounted for in the State Colleges and Universities Fund (enterprise fund).

Itasca Community College issued revenue bonds through the Itasca County Housing Redevelopment Authority that are payable through 2026. These bonds are payable solely from, and collateralized by, an irrevocable pledge of revenues to be derived from the operation of the financed buildings. Annual principal and interest payments on the bonds are expected to require less than 30 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$521,000. Principal and interest paid and total customer net revenues during fiscal year 2024 were \$176,000 and \$507,000, respectively. These revenue bonds have a variable interest rate of 3.40 percent to 3.65 percent. The bonds are accounted for in the State Colleges and Universities Fund (enterprise fund).

Claims

The state has assumed responsibility for the long-term care of certain closed municipal solid waste facilities. Minnesota Statutes 115B.39 established the landfill cleanup program to provide environmental response to qualified, state-permitted, closed landfills. The state is responsible, in perpetuity, for performing cleanup and final closure work, as well as all postclosure maintenance and monitoring, at qualifying sites. Municipal solid waste landfill liabilities of \$420,944,000 for closure and postclosure care claims are payable from the Environmental and Remediation Fund (special revenue fund) and the General Fund. There are currently 112 landfills in the program and two more landfills that are qualified, but not yet enrolled. One of the qualified sites, Freeway Landfill, has a liability of \$165,905,000; approximately 39 percent of the total landfill liability. Estimated landfill closure and postclosure liabilities include planned response actions, future unknown additional remedies which have some probability of occurring, monitoring, and site operation and maintenance. Since costs are estimated at current value, actual costs could be different because of inflation, changes in technology, inclusion of additional qualifying sites, or changes in regulations, and future unanticipated response actions.

Funding for the state's ongoing claims at these landfills has historically come from the Environmental and Remediation Fund (special revenue fund). Currently, the majority of funds appropriated for spending from the Environmental and Remediation Fund are budgeted and expended annually on activities not associated with closure and postclosure care of landfills. The closed landfill investment account, established under Minnesota Statutes 115B.421, within the Environmental and Remediation Fund was created to address a portion of these required long-term postclosure costs through minimal withdrawals from a fund managed through the State Board of Investment to ensure long-term availability of resources and may be spent after fiscal year 2020. The Metropolitan Landfill Contingency Action Account is an account in the Environmental and Remediation Fund consisting of revenues from 25 percent of the metropolitan solid waste landfill fee, cost recovery of response actions expenses, and interest earned on investment of money in the account. The account appropriated for closure and post-closure care of mixed municipal solid waste disposal facilities in the metropolitan area for a 30-year period after closure if determined that the operator/owner cannot take the necessary actions as directed by the commissioner of the Minnesota Pollution Control Agency. Proceeds from the sale of state general obligation bonds, accounted for in the Building Fund (capital projects fund) and repaid by the General Fund, are now a significant source of funding for design and construction work at the publicly-owned landfills in the program.

The state of Minnesota is financially responsible to remediate certain known pollution present on either state-owned or non-state-owned land. In most cases, the state voluntarily assumes responsibility for site assessment and clean-up activities when the responsible party cannot be found or is financially unable to perform the remediation. Pollution remediation obligation liabilities as of June 30, 2024 were \$189,656,000. Of this total, \$139,337,000 was the liability for remediation on sites designated pursuant to state or federal superfund laws. The pollution remediation amounts are estimated through an analysis of existing polluted sites. The liabilities are based on the weighted average of the pollution remediation outlays expected to be incurred to settle those liabilities. Because the liabilities are measured at their current value, they are subject to change due to inflation, technology improvements, or changes to applicable laws and regulations.

Funding for the state's pollution remediation primarily comes from the Environmental and Remediation Fund (special revenue fund), which was established under Minnesota Statutes 116.155, and the Petroleum Tank Cleanup Fund (special revenue fund), which was established under Minnesota Statutes 115C.08. These statutes require the state to reimburse eligible applicants for a significant portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks. Reimbursements are made from the Petroleum Tank Cleanup Fund. As of July 2024, the Petroleum Tank Cleanup Fund has approved \$490,900,000 in reimbursements for eligible applicants since program inception in 1987. Future expenditures from the Petroleum Tank Cleanup Fund will be necessary as existing cleanup projects are completed and new cleanup projects are begun at currently undiscovered leak sites.

During the 2020 legislative session (fifth special session) the Minnesota Legislature authorized the sale of appropriation bonds for the purposes of financing the cost of implementing removal or remedial actions permitted under Minnesota Statutes 115B.17. These appropriations bonds will be used to address risks to human health and environment at four Superfund sites.

The governmental activities' and business-type activities' liability for workers' compensation of \$78,224,000 and \$4,144,000, respectively, are based on claims filed for injuries to state employees occurring prior to June 30, 2024 and is an undiscounted estimate of future payments. The liability will be liquidated using future resources at unspecified times.

Claims of \$28,600,000 are for workers' compensation claims of employees of uninsured and bankrupt firms. These claims are funded by an assessment on insurers and are payable from the Special Compensation Fund (special revenue fund).

Claims of \$108,500,000 are for reimbursements of supplementary and second injury benefits for old workers' compensation injuries. Legislative action ended both the supplementary and second injury programs. The claim amount represents the estimated discounted (5.00 percent) cost of supplementary benefits for injuries prior to October 1, 1995, and second injury program benefits for injuries prior to July 1, 1992. Without alteration by settlements, the liability is expected to extend to approximately 2058 for supplementary benefits and 2045 for second injuries.

The remaining claims represent \$15,294,000 in the Risk Management Fund (internal service fund), \$95,911,000 in the Employee Insurance Fund (internal service fund), and \$21,264,000 in the Public Employees Insurance Fund (enterprise fund).

Compensated Absences

The compensated absences liability for governmental activities and business-type activities of \$466,012,000 and \$173,001,000 respectively, are primarily for vacation leave and vested sick leave, which are payable as severance pay under specific conditions. Both amounts are paid in cash only when an employee terminates state employment. This obligation will be liquidated using future resources at unspecified times.

Arbitrage Liabilities

An arbitrage rebate payable to the federal government is required by the Tax Reform Act of 1986 and U.S. Treasury regulations and penalties if there are excess earnings on tax-exempt bond proceeds and debt service reserves. For fiscal year 2024, the state did not have excess earnings on tax-exempt bond proceeds and debt service.

Revenue Bonds Payable – Fiduciary Funds

On June 1, 2000, the state of Minnesota issued revenue bonds totaling \$29,000,000 on behalf of the state's three retirement systems. Minnesota Statutes 356.89 authorized the issuance of the revenue bonds for the construction of an administrative office building. On August 9, 2012, the state of Minnesota issued revenue refunding bonds totaling \$21,880,000 on behalf of the state's three retirement systems at a true rate of 1.63 percent. Minnesota Statutes 356B.10, authorized the issuance of the revenue bonds for a current refunding of the \$29,000,000 Retirement System Building Revenue Bonds, Series 2000, which were issued for the construction of an administrative office building. The revenue refunding bonds have an interest rate of 1.63 percent and are not general obligations of the state. The bonds are backed by the assets of the three retirement systems, excluding assets segregated for retired employees and assets of the systems' defined contribution funds.

The debt service payments are allocated to each system based on the percentage interest each has in the facility. For fiscal year 2024, principal and interest paid by the State Employees Retirement Fund (SERF), Teachers Retirement Fund (TRF), and General Employees Retirement Fund (GERF) was \$1,959,000. The total principal and interest remaining to be paid as of June 30, 2024 is \$1,040,000, payable through fiscal year 2025.

**Long-Term Debt Repayment Schedule
Fiduciary Funds
Revenue Bonds – SERF, TRF, and GERF
(In Thousands)**

Year Ended June 30	Principal	Interest
2025	\$ 1,000	\$ 40
Bond Premium	24	—
Total	\$ 1,024	\$ 40

Lease/IT Subscription Payables – Fiduciary Funds

The State Employees Retirement Fund (SERF) has a lease payable for office equipment. The remaining payments on the lease end in fiscal year 2026. Additionally, SERF has an IT subscription payable for fraud prevention and authentication software. The remaining payments on the subscription payable end in fiscal year 2027. The lease/IT subscription payable as of June 30, 2024 is \$192,000. The detail supporting the lease liability of the fiduciary funds of the state can be found within each organization’s financial statements and notes, as applicable.

Note 12 – Long-Term Liabilities - Component Units

General Obligation and Revenue Bonds

The Metropolitan Council (MC) issued general obligation bonds for parks, wastewater, and transit projects, backed by the full faith and credit and taxing powers of MC. MC had \$1,562,744,000 in general obligation bonds and direct borrowings outstanding on December 31, 2023, including unamortized discounts/premiums. During the year, \$4,580,000 of general obligation park bonds, \$50,600,000 of general obligation transit bonds, and \$89,765,000 of general obligation revenue wastewater bonds were issued.

MC's outstanding notes from direct borrowings of \$487,389,000 are Clean Water State Revolving Fund Loan agreements with the Public Facilities Authority (PFA) (component unit), which are evidenced by notes placed directly with PFA. These PFA loans finance various capital projects for the Environmental Services division. The loans are repaid from wastewater system revenues.

The University of Minnesota (U of M) issued general obligation bonds and revenue bonds for capital projects. On June 30, 2024, the principal amount of general obligation bonds and revenue bonds outstanding, including unamortized discounts/premiums, was \$1,441,507,000 and \$228,498,000, respectively. During the fiscal year 2024, U of M issued tax-exempt general obligation bonds Series 2024A, and 2024B for \$106,680,000 and \$43,825,000 respectively. Proceeds were used to refund the U of M's outstanding GO Bonds Series 2014B, and Series 2013A respectively, and certain costs of issuance.

Component Units General Obligation Bonds Major Component Units (In Thousands)					
Year Ended December 31	MC		Year Ended June 30	U of M	
	Principal	Interest ⁽¹⁾		Principal	Interest
2024	\$ 170,225	\$ 42,910	2025	\$ 46,000	\$ 55,162
2025	147,157	36,050	2026	46,310	54,754
2026	132,620	31,398	2027	48,445	52,693
2027	122,185	27,138	2028	50,520	50,512
2028	112,220	23,419	2029	52,745	48,214
2029-2033	427,770	74,823	2030-2034	233,175	208,208
2034-2038	243,933	26,849	2035-2039	195,665	160,351
2039-2043	68,004	4,920	2040-2044	142,565	120,868
2044-2048	—	—	2045-2049	12,745	101,658
2049-2053	—	—	2050-2054	500,000	60,720
Total	\$ 1,424,114	\$ 267,507	Total	\$ 1,328,170	\$ 913,140
Unamortized Discounts / Premiums and Issuance Costs	138,630	—	Unamortized Discounts / Premiums and Issuance Costs	113,337	—
Total	\$ 1,562,744	\$ 267,507	Total	\$ 1,441,507	\$ 913,140

⁽¹⁾ MC interest is net of Build America Bonds federal subsidy.

The Housing Finance Agency (HFA) is authorized by Minnesota Statutes 462A.06 to issue revenue bonds and notes to provide funds for rehabilitation, construction, and mortgage loans, or to refund bonds to sponsors of residential housing for families of low and moderate income. The amount outstanding on these bonds at any time shall not exceed \$5,000,000,000, according to Minnesota Statutes 462A.22. The principal amount of revenue bonds outstanding on June 30, 2024 was \$4,891,211,000, including unamortized discounts/premiums. The agency uses special redemption provisions to retire certain bonds prior to their maturity from unexpended bond proceeds. Substantially all bonds are subject to optional redemption after various dates at an amount equal to all of the unpaid principal and interest. The amount of bonds approved by June 30, 2024 to exercise the mandatory pass-through and optional redemption was \$53,207,000, and is considered part of current Bonds and Notes Payable.

Year Ended June 30	Component Units Revenue Bonds Major Component Units (In Thousands)			
	HFA		U of M	
	Principal	Interest	Principal	Interest ⁽¹⁾
2025	\$ 190,175	\$ 125,741	\$ 14,425	\$ 6,864
2026	80,470	184,091	15,050	6,233
2027	86,530	181,474	15,750	5,541
2028	80,330	178,699	16,475	4,812
2029	82,190	175,963	17,235	4,043
2030-2034	510,885	828,201	90,670	11,898
2035-2039	634,760	716,312	29,880	1,859
2040-2044	750,442	577,930	—	—
2045-2049	1,214,192	389,030	—	—
2050-2054	1,204,765	117,304	—	—
2055-2059	12,705	994	—	—
2060-2064	1,285	372	—	—
2065-2069	785	59	—	—
Total	\$ 4,849,514	\$ 3,476,170	\$ 199,485	\$ 41,250
Unamortized Discount / Premiums and Issuance Costs	41,697	—	29,013	—
Total	<u>\$ 4,891,211</u>	<u>\$ 3,476,170</u>	<u>\$ 228,498</u>	<u>\$ 41,250</u>

(1) Excludes interest on variable rate bonds with an outstanding principal balance of \$32.850 million.

The Office of Higher Education (OHE) is authorized by Minnesota Statutes 136A.171-136A.175 to issue revenue bonds and notes to finance guaranteed loans for students attending eligible post-secondary educational institutions. The amount outstanding on these bonds at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$850,000,000, according to Minnesota Statutes 136A.171. On June 30, 2024, the outstanding principal of revenue bonds was \$311,894,000, including unamortized discounts/premiums.

The Public Facilities Authority (PFA) is authorized by Minnesota Statutes 446A.04 to issue revenue bonds to make loans to municipalities for wastewater treatment facilities, and drinking water systems. The amount outstanding on these bonds at any time shall not exceed \$2,000,000,000, according to Minnesota Statutes 446A.12. The principal amount of bonds outstanding on June 30, 2024 was \$705,982,000, including unamortized discounts/premiums.

Year Ended June 30	Component Units Revenue Bonds Nonmajor Component Units (In Thousands)			
	OHE		PFA	
	Principal	Interest	Principal	Interest
2025	\$ 4,240	\$ 12,760	\$ 60,700	\$ 35,463
2026	5,540	12,548	61,020	28,463
2027	5,305	12,271	64,140	25,598
2028	8,195	11,953	59,075	22,391
2029	9,725	11,579	55,835	19,438
2030-2034	36,835	53,030	245,995	57,434
2035-2039	28,540	46,095	86,920	6,466
2040-2044	45,930	42,470	—	—
2045-2049	166,700	23,422	—	—
Total	\$ 311,010	\$ 226,128	\$ 633,685	\$ 195,253
Unamortized Discount / Premiums and Issuance Costs	884	—	72,297	—
Total	<u>\$ 311,894</u>	<u>\$ 226,128</u>	<u>\$ 705,982</u>	<u>\$ 195,253</u>

HFA has two indentures of trust that permit capital funding for loans for permanent supportive housing for long-term homeless households, preservation of federally assisted housing, and other purposes. These bonds are payable solely from the appropriations of the primary government's General Fund authorized by Minnesota Statutes 462A.36 and 462A.37. On June 30, 2024, \$493,277,000 in bonds were outstanding.

Component Units
State Appropriation-Backed Bonds
Major Component Units
(In Thousands)

Year Ended June 30	HFA	
	Principal	Interest
2025	\$ 18,055	\$ 19,247
2026	18,830	18,464
2027	19,710	17,605
2028	20,595	16,707
2029	21,510	15,800
2030-2034	118,165	63,590
2035-2039	126,440	35,666
2040-2044	99,150	11,154
2045-2049	6,325	136
Total	\$ 448,780	\$ 198,369
Bond Premium	44,497	—
Total	\$ 493,277	\$ 198,369

Loans and Notes Payable

Metropolitan Council

The Metropolitan Council (MC) received loans from the Housing Finance Agency (component unit) in calendar years 2002 and 2004 for \$400,000, and \$730,000, respectively. In 2004, MC received a \$275,000 loan from Hennepin County Housing and Redevelopment Authority for a total of \$1,405,000 of loans outstanding on December 31, 2023. The terms of the loan agreements are 30 years, although they may be extended indefinitely if all the terms of the loan agreement are met.

In 2021, the Housing and Redevelopment Authority of Edina issued a loan to MC in the amount of \$2,000,000 of which \$1,933,000 was drawn down in prior years. In 2022, MC confirmed the completion of the project and the Housing and Redevelopment Authority of Edina closed out the loan for the total as shown above. The agreement terms are 25 years after the last advance, then the loan will be deemed fully forgiven as of the forgiveness date.

Additionally, MC issued \$481,375,000 of general obligation grant anticipation notes to provide cash flows for the Southwest Green Line light rail extension project in anticipation of receipt of federal funds that were awarded the project. The notes were issued as three, four, and eight year serial notes that are secured by the Federal Transit Administration grant award together with the full faith and unlimited taxing powers of MC. On December 31, 2023, the total outstanding general obligation grant anticipation notes was \$270,715,000.

University of Minnesota

The University of Minnesota (U of M) issued taxable commercial paper notes of \$80,000,000 in 2024. On June 30, 2024, the outstanding taxable commercial paper notes were \$132,432,000 and tax-exempt commercial notes were \$79,895,000. Commercial paper is short-term in nature and is classified as current liabilities on the financial statements.

In fiscal year 2020, U of M executed a long-term promissory note payable to Otto Bremer Trust in the amount of \$4,500,000, and the proceeds were used to partially fund property acquisition, with the final interest payment and principal due in January 2025.

Housing Finance Agency

On June 30, 2024, HFA had in place a revolving line of credit with the Federal Home Loan Bank of Des Moines, and Royal Bank of Canada with an outstanding balance of \$25,000,000 and 3,200,000 respectively. Draws against the line of credit are required to be collateralized with mortgage-backed securities.

National Sports Center Foundation

On December 31, 2023, the National Sports Center Foundation's total outstanding loans and notes payable was \$6,488,000.

Lease/Subscription Payables

The following tables are schedules of lease and IT subscription payables. The IT subscription payables table is a result of the implementation of GASB Statement No. 96, "Subscription-Based Information Technology Agreements." The detail supporting the lease/subscription payables of the discretely presented component units of the state can be found within the individual component units' financial statements and notes.

Component Unit	Component Units Lease Payables (In Thousands)			
	Year Ended December 31		Year Ended June 30	
	Current	Noncurrent	Current	Noncurrent
Housing Finance Authority	\$ —	\$ —	\$ 1,437	\$ 3,490
Metropolitan Council	869	11,024	—	—
University of Minnesota	—	—	22,812	145,498
Minnesota Comprehensive Health Association	5	—	—	—
Minnesota Sports Facility Authority	—	—	401	5,784
Public Facilities Authority	—	—	64	70
Total Liability	\$ 874	\$ 11,024	\$ 24,714	\$ 154,842

Component Unit	Component Units IT Subscription Payables (In Thousands)			
	Year Ended December 31		Year Ended June 30	
	Current	Noncurrent	Current	Noncurrent
Housing Finance Authority	\$ —	\$ —	\$ 424	\$ 1,499
Metropolitan Council	925	490	—	—
University of Minnesota	—	—	8,266	14,339
Minnesota Sports Facility Authority	—	—	46	46
Total Liability	\$ 925	\$ 490	\$ 8,736	\$ 15,884

Variable Rate Debt

Housing Finance Agency

As of June 30, 2024, all of the HFA interest rate swap agreements have been determined to be effective hedges, as defined by GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments." The fair value was reported as an asset and a liability called "Instrument Rate Swap Agreements." The inception-to-date change in fair value as of June 30, 2024, was reported in deferred outflows or inflows of resources as "Accumulated Increase/Decrease in Fair Values of Derivative Instruments." Fair values were determined pursuant to GASB Statement No. 72 "Fair Value Measurement and Application," and the fair value hierarchy of interest rate swap agreements is determined to be Level 2. See Note 2 – Cash, Investments, and Derivative Instruments for more information.

Office of Higher Education

The rates on the tax-exempt Series 2012B-2 Bonds are variable rate. For the variable rate bonds, the rate is a monthly average of the daily Secured Overnight Financing Rate (SOFR) plus a set margin and the rate changes daily. The tax-exempt Series 2017C are also variable. The rate is a percentage of the one-month London Inter-Bank Rate (LIBOR) plus a set margin and the rate changes monthly. All of these bonds have a mandatory balloon payment due at final maturity.

Bond Defeasances

University of Minnesota

In prior years, U of M defeased general obligation bonds from various bond series by placing the proceeds from new bond issuances into an irrevocable trust to provide for all future debt service payments on the old bonds. The amount defeased was \$28,430,000 as of June 30, 2024. Neither the outstanding indebtedness nor the related trust account assets for this bond is included in U of M's financial statements as of June 30, 2024.

Certificates of Participation

Metropolitan Council

On December 1, 2004, the Metropolitan Council (MC) entered into an annual appropriation purchase agreement for land and facilities. The agreement is subject to non-appropriation by MC, in which event the agreement is terminated and there is no obligation of MC for future payments. MC intends to continue the agreement through its entire term. These Certificates of Participation do not meet the criteria of GASB Statement No. 87, "Leases" as the underlying asset will transfer ownership to MC. On December 31, 2023, the outstanding principal was \$760,000.

Note 13 – Segment Information

Primary Government Segment Information Financial Data Year Ended June 30, 2024 (In Thousands)

Description	State Colleges and Universities (MnSCU)	
	Revenue Fund	Itasca Residence Halls
Condensed Statement of Net Position		
Assets:		
Current Assets	\$ 120,853	\$ 926
Noncurrent Assets		
Restricted Assets	44,812	320
Leases Receivable	867	—
Capital Assets	310,896	1,885
Total Assets	\$ 477,428	\$ 3,131
Deferred Outflows of Resources	\$ 3,971	\$ 17
Liabilities:		
Current Liabilities	\$ 30,090	\$ 175
Noncurrent Liabilities	169,722	399
Total Liabilities	\$ 199,812	\$ 574
Deferred Inflows of Resources	\$ 4,292	\$ 10
Net Position:		
Net Investment in Capital Assets	\$ 153,498	\$ 1,385
Restricted	123,797	320
Unrestricted	—	859
Total Net Position	\$ 277,295	\$ 2,564
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Operating Revenues - Customer Charges	\$ 110,760	\$ 507
Depreciation Expense	(24,992)	(119)
Other Operating Expenses	(75,625)	(314)
Operating Income (Loss)	\$ 10,143	\$ 74
Nonoperating Revenues (Expenses):		
Interest Income	\$ 7,770	\$ 15
Capital Contributions	1,651	—
Interest Expense	(4,749)	(20)
Others	28	(16)
Change in Net Position	\$ 14,843	\$ 53
Beginning Net Position	\$ 262,452	\$ 2,511
Ending Net Position	\$ 277,295	\$ 2,564
Condensed Statement of Cash Flows		
Net Cash Provided (Used) by:		
Operating Activities	\$ 33,479	\$ 73
Noncapital Financing Activities	28	—
Capital and Related Financing Activities	(28,797)	(176)
Investing Activities	7,679	(16)
Net Increase (Decrease)	\$ 12,389	\$ (119)
Beginning Cash and Cash Equivalents	\$ 146,993	\$ 1,025
Ending Cash and Cash Equivalents	\$ 159,382	\$ 906

The types of goods or services provided by each segment are as follows:

- MnSCU Revenue Fund constructs, maintains, and operates college buildings for residence hall, student union, parking, and wellness purposes.
- MnSCU Itasca Residence Halls account for the construction of student housing at Itasca Community College.

Each segment has a revenue stream pledged to secure revenue bonds and provisions in the bond documents which require the separate reporting of each segment's financial operation and position.

Note 14 – Contingent Liabilities

University of Minnesota

The University of Minnesota (U of M), a component unit, issued state-secured revenue bonds to finance a football stadium on campus. In fiscal year 2006, the Minnesota Legislature appropriated from the General Fund \$10,250,000 per year not to exceed 25 years starting in fiscal year 2008 to pay a portion of the bonds. Grants from the General Fund are conditioned upon satisfaction of certain requirements by U of M. As of August 2024, there was \$39,950,000 outstanding on these bonds.

U of M issued state-secured revenue bonds to finance Biomedical Science Research facilities. In fiscal year 2008, the Minnesota Legislature appropriated from the General Fund amounts, amended in 2020, ranging from \$850,000 to \$15,550,000 per year for fiscal year 2010 to 2020, and up to \$13,930,000 per year beginning fiscal year 2021 through fiscal year 2039 to pay a portion of the bonds. Grants from the General Fund are conditioned upon satisfaction of certain requirements by U of M. In September 2021, state-secured revenue bonds were issued to refund and/or defease outstanding state supported bonds. As of August 2024, \$104,035,000 was outstanding on these bonds.

Housing Finance Agency

The Housing Finance Agency (HFA), a component unit, issued state-secured appropriation bonds to provide funds for rehabilitation, construction, and mortgage loans or to refund bonds to sponsors of residential housing for families of low and moderate income. In fiscal year 2008, the Minnesota Legislature appropriated from the General Fund up to \$2,400,000 per year for 22 years starting in fiscal year 2011 to pay a portion of the bonds. As of August 2024, there was \$15,910,000 outstanding on these bonds.

HFA issued state-secured appropriation bonds to finance housing infrastructure. In fiscal year 2012, the Minnesota Legislature appropriated from the General Fund up to \$2,200,000 per year starting in fiscal year 2014 through 2036 to pay a portion of the bonds. In fiscal year 2014, the Minnesota Legislature appropriated from the General Fund an additional \$6,400,000 per year beginning in fiscal year 2016 through 2038 to pay a portion of the bonds. In fiscal year 2015, the Minnesota Legislature appropriated from the General Fund an additional \$800,000 per year beginning in fiscal year 2018 through 2039 to pay a portion of the bonds. In fiscal year 2017, and as amended in 2018, the Minnesota Legislature appropriated from the General Fund up to an additional \$2,800,000 per year beginning in fiscal year 2020 through 2041. In fiscal year 2018, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2021 through 2042 an amount sufficient to pay debt service on bonds. In fiscal year 2019, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2023 through 2044 an amount sufficient to pay debt service on bonds. In fiscal year 2021, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2023 through 2044 an amount sufficient to pay debt service on bonds. Also in fiscal year 2021, with an effective date of January 2022, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2024 through 2045 an amount sufficient to pay debt service on bonds. In fiscal year 2024, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2027 through 2048 an amount sufficient to pay debt service on bonds. As of August 2024, \$416,490,000 was outstanding on these bonds. HFA issued state-secured appropriation bonds of \$12,960,000 in September 2024. For more information, see Note 21 – Subsequent Events.

Minnesota Loan Guarantee Program

The Minnesota Loan Guarantee Program, authorized through Minnesota Statutes 116J.035, is a federally funded small business loan guarantee program. The program helps enrolled lenders mitigate risk so they can increase capital to small businesses located across Minnesota. Loans and lending decisions are made by enrolled lenders. No loans come directly from the State of Minnesota. Borrowers must be small businesses located in Minnesota and use the loan proceeds for an eligible business purpose in Minnesota. Eligible business purposes include startup costs, working capital, equipment, inventory, the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes, and the purchase of any tangible or intangible assets except goodwill.

The program will guarantee 80% of the loan principal up to \$800,000. A lender may make a loan that is larger than \$1 million, but the program will cap the guaranteed amount at the program maximum. The guaranteed amount remains at 80% of the outstanding principal balance, not to exceed \$800,000, for the term of the guarantee. The term of the guarantee will be the lesser of the term of the loan or ten years. Lines of credit may be enrolled in the program and will be guaranteed for no more than three years, typically an initial one-year period plus up to two annual renewals. A fee of 0.25 percent of the guaranteed amount is charged for each enrolled loan. The fee is waived for loans to qualified socially and economically disadvantaged owned businesses and for loans with terms of less than one year.

Lenders must report defaults with their semi-annual reporting to the state. Lenders must manage the collection process in accordance with their policies and exhaust collection efforts prior to filing a guarantee claim. Guarantee claims must be submitted in writing to the state and should include collection activity details. If, at any time following the payment of a guaranty, additional repayment or recovery of proceeds is obtained by the lender, the funds are used to offset any remaining loss experienced by the lender. In the event that the lender has recovered the full non-guaranteed portion of the indebtedness, the funds will be used to reimburse the state.

The financial guarantees outstanding for the program, as of June 30th, 2024, were \$7.0 million, and the outstanding guarantees expire in Fiscal Year 2034. For fiscal year 2024, the state did not make any guarantee payments for the program, and as of June 30, 2024, no payments were pending. Qualitative factors and historical data were assessed, and the state determined that the state is not more likely than not to be required to make a payment for the program; therefore, the state has no liability as of June 30, 2024.

School District Credit Enhancement Program

Minnesota Statutes 126C.55 established a school district credit enhancement program. If a school district is unable to pay its debt service due on school district and intermediate school district certificates of indebtedness, capital notes, certificate of participation, or general obligation bonds enrolled in the program, the Minnesota Legislature appropriates annually from the General Fund the amounts necessary to make the debt service payments. This amount is repaid to the General Fund through a reduction in state aid payable to the school district or intermediate school district, or the levy of an ad valorem tax which may be made with the approval of the commissioner of Education. The total amount of debt enrolled in the program as of June 30, 2024, was \$19.8 billion. For fiscal year 2024, the state did not make any debt service payments for the School District Credit Enhancement Program, and as of June 30th, 2024, no payments were pending. Further, the state has not had to make any debt service payments on behalf of school districts or intermediate school districts in prior years.

City and County Credit Enhancement Program

Minnesota Statutes 446A.086 established a city and county credit enhancement program. If a city or county is unable to pay its debt service due on general obligation bonds enrolled in the program issued for the construction, improvement, or rehabilitation of certain projects, the Minnesota Legislature appropriates annually from the General Fund the amounts necessary to make the debt service payments. This amount is repaid to the General Fund through a reduction in state aid payable to the city or county, or the levy of an ad valorem tax which may be made with the approval of the Public Facilities Authority (component unit). As of June 30, 2024, the total amount of principal and interest guaranteed by the state through 2052, was \$1.1 billion. For fiscal year 2024, the state did not make any debt service payments for the City and County Credit Enhancement Program, and as of June 30, 2024, no payments were pending.

Note 15 – Equity

Restricted Net Position – Government-wide Statement of Net Position

The following table identifies the primary government’s restricted net position in greater detail than is presented on the face of the financial statements:

Primary Government Restricted Net Position Balances As of June 30, 2024 (In Thousands)				
Purpose of Restriction	Restricted by Constitution	Restricted by Enabling Legislation	Restricted by Other	Total
Improve Agricultural, Environmental, and Energy Resources	\$ 2,856,476	\$ 446,848	\$ 659,080	\$ 3,962,404
Enhance Arts and Culture	56,357	—	—	56,357
Acquire, Maintain, and Improve Land and Buildings	—	—	552	552
Retire Indebtedness	443,074	—	155,912	598,986
Develop Economy and Workforce	—	387,208	14,175	401,383
Enhance E-12 Education	—	15,844	9,614	25,458
Enhance State Government	—	42,396	14,218	56,614
Enhance Health and Human Services	—	208,633	47,787	256,420
Enhance Higher Education	—	542	23,165	23,707
Enhance 911 Services and Increase Safety	—	12,549	144,123	156,672
School Aid - Expendable	14,571	—	—	14,571
School Aid - Nonexpendable	2,146,483	—	1,000	2,147,483
Construct Highways and Improve Infrastructure	2,226,952	94,029	1,627	2,322,608
Unemployment Benefits	—	—	1,349,082	1,349,082
Other Purposes	—	—	113,500	113,500
Total Restricted Net Position	\$ 7,743,913	\$ 1,208,049	\$ 2,533,835	\$ 11,485,797

Fund Balances – Primary Government

The following table identifies governmental fund balances of the primary government in greater detail than is presented on the face of the financial statements:

Fund Balances	Governmental Funds			Total
	General Fund	Federal Fund	Nonmajor Governmental Funds	
Fund Balances				
As of June 30, 2024				
(In Thousands)				
		<u>Major Special Revenue Fund</u>		
Nonspendable:				
Inventory	\$ —	\$ —	\$ 62,987	\$ 62,987
Trust or Permanent Fund Principal	1,914,056	—	2,147,483	4,061,539
Total Nonspendable Fund Balances	\$ 1,914,056	\$ —	\$ 2,210,470	\$ 4,124,526
Purpose of Restriction:				
Improve Agricultural, Environmental, and Energy Resources	\$ —	\$ —	\$ 2,078,876	\$ 2,078,876
Enhance Arts and Culture	—	—	56,357	56,357
Acquire, Maintain, and Improve Land and Buildings	—	—	353,150	353,150
Retire Indebtedness	—	—	993,681	993,681
Develop Economy and Workforce	137,243	—	346,344	483,587
Enhance E-12 Education	1,414	219	37,474	39,107
Enhance State Government	—	6,809	48,050	54,859
Enhance Health and Human Services	—	114	125,620	125,734
Enhance Higher Education	—	—	530	530
Enhance 911 Services and Increase Safety	—	—	12,542	12,542
Construct Highways and Improve Infrastructure	—	—	2,310,746	2,310,746
Total Restricted Fund Balances	\$ 138,657	\$ 7,142	\$ 6,363,370	\$ 6,509,169

Continued

Governmental Funds
Fund Balances (continued)
As of June 30, 2024
(In Thousands)

Fund Balances	General Fund	Major Special Revenue Fund Federal Fund	Nonmajor Governmental Funds	Total
Purpose of Commitment:				
Improve Agricultural, Environmental and Energy Resources	\$ —	\$ —	\$ 349,058	\$ 349,058
Develop Economy and Workforce	—	—	424,118	424,118
Enhance E-12 Education	—	—	17,150	17,150
Enhance State Government	—	—	92,192	92,192
Enhance Health and Human Services	3,853	—	47,421	51,274
Enhance Higher Education	—	—	1,874	1,874
Enhance 911 Services and Increase Safety	—	—	200,704	200,704
Construct Highways and Improve Infrastructure	101,709	—	71,465	173,174
Total Committed Fund Balances	\$ 105,562	\$ —	\$ 1,203,982	\$ 1,309,544
Purpose of Assignment:				
Improve Agricultural, Environmental, and Energy Resources	\$ 1,301,162	\$ —	\$ —	\$ 1,301,162
Acquire, Maintain, and Improve Land and Buildings	—	—	1,003,980	1,003,980
Develop Economy and Workforce	618,685	—	—	618,685
Enhance E-12 Education	408,107	—	—	408,107
Enhance State Government	162,618	—	—	162,618
Enhance Health and Human Services	1,679,924	—	—	1,679,924
Enhance Higher Education	36,528	—	—	36,528
Enhance 911 Services and Increase Safety	315,950	—	—	315,950
Construct Highways and Improve Infrastructure	51,734	—	—	51,734
Total Assigned Fund Balances	\$ 4,574,708	\$ —	\$ 1,003,980	\$ 5,578,688
Unassigned	\$ 10,123,497	\$ —	\$ (62,100)	\$ 10,061,397
Total Fund Balances	\$ 16,856,480	\$ 7,142	\$ 10,719,702	\$ 27,583,324

Fund Balance or Net Position Deficits

The following funds have fund balance or net position deficits for the fiscal year ended June 30, 2024:

**Fund Balance or Net Position Deficits
As of June 30, 2024
(In Thousands)**

Fund Type	Fund Balance or Net Position
Nonmajor Capital Projects Funds:	
Transportation Fund	\$ 62,100
Nonmajor Enterprise Funds:	
State Lottery	\$ 2,879

A \$62,100,000 deficit total fund balance in the Transportation Fund (nonmajor capital projects fund) is a result of a delayed bond sale. The bond sale occurred after the end of the fiscal year.

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions and GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" (OPEB) required recording changes of total OPEB liability along with the inflows and outflows and expense associated with OPEB. The implementation of these generally accepted accounting principles caused the nonmajor enterprise fund noted in the table above to end fiscal year 2024 in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and the Minnesota Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due.

Note 16 – Risk Management

Primary Government

The state is exposed to various risks of loss related to torts, to theft of, damage to, or destruction of assets; to errors and omissions; and to employer obligations. The state manages these risks through the Risk Management Fund (internal service fund), a self-insurance fund, and other insurance and self-funding mechanisms. All health plans are self-insured.

Risk Management Fund

State agencies may elect to participate in the Risk Management Fund, which offers auto, liability, property, and related coverage. The agencies pay a premium to participate in this coverage. All agencies that own state vehicles are required to purchase automobile liability coverage from the fund.

The property coverage offers an agency a range of deductibles from \$1,000 through \$250,000 per loss. The fund covers the balance of the claim up to \$1,000,000 and co-participates with the reinsurance carriers by covering an additional 10 percent of the first \$25,000,000 of each loss. The reinsurance carriers provide coverage up to \$1,000,000,000. Once annual aggregate losses paid by the Risk Management Fund reach \$2,500,000 in any one fiscal year, the reinsurer will provide coverage in excess of a \$100,000 deductible for each additional claim with the Risk Management Fund's continued co-participation of 10 percent of the first \$25,000,000 on each loss. Agencies electing not to participate in the Risk Management Fund, and not able to cover the losses from their operating budget, must seek other reimbursements or additional appropriations from the Minnesota Legislature.

The liability coverage is up to the statutory limit (tort claims cap) of \$500,000 bodily injury and property damage per person, and \$1,500,000 bodily injury and property damage per occurrence. The casualty reinsurance program provides \$10,000,000 excess of a \$1,000,000 retention to protect the state from auto and general liability claims that are extra-territorial, as well as for suits brought in federal court which would be outside the state jurisdiction.

The Risk Management Fund purchases insurance policies for state agencies seeking insurance for specialized insurance needs for which the state does not self-insure. These coverages include aviation, medical malpractice, and travel accident insurance. The premiums for these policies are billed back to the agencies at cost.

Minnesota Statutes 15.38, Subdivision 8, permits the purchase of insurance on state-owned buildings and contents.

All losses of state property are covered by programs of the Risk Management Fund, by insurance policies purchased in the commercial market, or are uninsured and become the liability of the state.

Tort Claims

State agencies may elect to participate in the Risk Management Fund and obtain coverage for selected exposures, subject to the tort claims limits. Agencies not electing to participate in the Risk Management Fund are responsible for paying the cost of claims from their operating budget. The Minnesota Legislature also makes an annual Tort Claim Appropriation to cover claims that would unduly impair agency operations. Agencies not able to cover claims through these two avenues must seek additional appropriations from the Minnesota Legislature. Tort claims brought outside Minnesota state jurisdiction and in federal court have unlimited liability exposure.

Workers' Compensation

The state, as a self-insured employer, assumes all risks for workers' compensation-related claims and provides workers' compensation insurance coverage for state employees. The program provides a full-service workers' compensation insurance program, including workplace safety and loss control, rehabilitative and return to work services, claim services, and legal services.

The program is required by state law to be a member of the Workers' Compensation Reinsurance Association (WCRA). WCRA reimburses the state for catastrophic workers' compensation claims that exceed the current retention amount of \$2,000,000.

The recovery of claim costs that are less than the WCRA retention amount is the responsibility of each state agency. State agencies may participate in either a 'pay-as-you-go' revolving fund or a premium pool cost allocation fund. These costs are paid from each agency's operating budget.

The state estimates the liability for reported claims that have not yet been settled. These costs include anticipated indemnity and medical benefits related to the reported claim.

State Employee Group Insurance Program (SEGIP)

The Minnesota Legislature created the Employee Insurance Fund (internal service fund) dedicated solely for the purpose of this program. The fund is administered by SEGIP, to provide eligible employees and other eligible persons with life insurance and hospital, medical, and dental coverage through provider organizations. The Employee Insurance Fund is not associated with any other public risk pools. A contingency reserve is maintained to increase the controls over medical plan provisions and other insurance costs for the purpose of moderating premium and claim fluctuations, and to assume all inherent risk associated with the self-funded insurance programs, which would also include losses to the fund.

SEGIP provides benefits coverage to employees by contracting with carriers through a network of providers throughout the state. SEGIP had settlements of \$162,990 less than coverage during the fiscal year ended June 30, 2024.

In January 2000, the fund became fully self-insured for medical coverage and assumed all liability for medical claims. The self-funded programs within the fund establish claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not paid and of claims that have been incurred but not reported. These estimates are agreed to by the insurance carriers and the state and are reviewed for accuracy and reasonableness. The estimates are based on claim experience and claim lag timetables provided by the carriers and do not include additional estimates for subrogation, salvage, or unallocated claim adjustments.

Public Employees Insurance Program

The Public Employees Insurance Program (PEIP) is a public entity risk pool currently operating as an insurance program in the Public Employees Insurance Fund (enterprise fund). The risk pool was created by the Minnesota Legislature to provide public employees and other eligible persons with life insurance and hospital, medical, and dental coverage to result in a greater utilization of government resources and advance the health and welfare of the citizens of the state. The enabling legislation for PEIP is Minnesota Laws of 1987, codified as Minnesota Statutes 43A.316. Beginning in fiscal year 1998, medical benefits provided through PEIP became a self-insured program.

PEIP's membership as of June 30, 2024 was 17,078 members and their dependents. The members of the pool include 73 school districts, 122 cities/townships, 12 counties, and 72 other public employers. PEIP provides medical benefits coverage to public employees through a self-insured statewide program

administered through several private-sector claims administrators/managed care organizations, as well as fully insured life and dental coverage. The pool will be self-sustaining through member premiums. Stop-loss coverage was discontinued effective January 1, 2015.

The pool establishes claims liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported.

**Primary Government
Self-Insured Claims Liability
(In Thousands)**

Description	Beginning Claims Liability	Net Additions and Changes in Claims	Payment of Claims	Ending Claims Liability
Risk Management Fund:				
Fiscal Year Ended 6/30/2023	\$ 15,151	\$ 5,345	\$ 5,325	\$ 15,171
Fiscal Year Ended 6/30/2024	\$ 15,171	\$ 6,248	\$ 6,125	\$ 15,294
Tort Claims:				
Fiscal Year Ended 6/30/2023	\$ —	\$ 74	\$ 74	\$ —
Fiscal Year Ended 6/30/2024	\$ —	\$ 1,376	\$ 1,376	\$ —
Workers' Compensation:				
Fiscal Year Ended 6/30/2023	\$ 83,235	\$ 31,578	\$ 28,215	\$ 86,598
Fiscal Year Ended 6/30/2024	\$ 86,598	\$ 21,598	\$ 25,828	\$ 82,368
State Employee Group Insurance:				
Fiscal Year Ended 6/30/2023	\$ 91,201	\$ 1,022,043	\$ 1,027,093	\$ 86,151
Fiscal Year Ended 6/30/2024	\$ 86,151	\$ 1,136,059	\$ 1,126,299	\$ 95,911

**Primary Government
Public Employees Insurance Program
Medical Claims
(In Thousands)**

Description	Year Ended June 30	
	2024	2023
Unpaid Claims and Claim Adjustment Expenses, Beginning	\$ 19,448	\$ 30,707
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of Current Year	\$ 223,628	\$ 263,209
Increases (Decreases) in Provision for Insured Events of Prior Years	9,627	(2,090)
Total Incurred Claims and Claim Adjustment Expenses	\$ 233,255	\$ 261,119
Payments:		
Claims and Claims Adjustment Expenses Attributable to Insured Events of Current Year	\$ 203,277	\$ 244,684
Claims and Claims Adjustment Expenses Attributable to Insured Events of Prior Years	28,162	27,694
Total Payments	\$ 231,439	\$ 272,378
Total Unpaid Claims and Claim Adjustment Expenses, Ending	\$ 21,264	\$ 19,448

Component Units

Housing Finance Agency

The Housing Finance Agency (HFA) is exposed to various insurable risks of loss related to tort, theft of, damage to, or destruction of assets; to errors or omissions; and to employer obligations. HFA manages these risks through the primary government's insurance plans including the primary government's Risk Management Fund (internal service fund) and through purchased insurance coverage. HFA retains the risk of loss, although there have been no settlements or actual losses in excess of coverage in the last three years. HFA participates in SEGIP, which is administered by the Employee Insurance Fund (internal service fund). This program provides life insurance and hospital, medical, and dental coverage through provider organizations. HFA also participates in the primary government's Workers' Compensation Program. Annual premiums are assessed by the program based on average costs and claims.

Metropolitan Council

The Metropolitan Council (MC) is exposed to various risks of loss related to torts; to theft of, damage to, and destruction of assets; to errors and omissions; to employer obligations; and natural disasters. MC both purchases commercial insurance and self-insures for these risks of loss. MC has not experienced any significant reductions in insurance coverage from the prior year. MC has not had any settlements in excess of commercial coverage for the past three years.

MC either purchases general liability insurance or self-insures to protect all divisions of MC and recognizes a current liability for incurred, reported claims, and a long-term liability for claims incurred but not reported. Claims liabilities are calculated considering recent claim settlement trends including frequency and amount of payouts. Minnesota Statutes 466.04 generally limits MC's tort exposure to \$500,000 per claim and \$1,500,000 per occurrence for a claim arising on or after July 1, 2009. For claims arising earlier, the limits are \$400,000 per claim and \$1,200,000 per occurrence. In addition, an amount equal to twice these limits applies if the claim arises out of the release or threatened release of a hazardous substance.

MC has self-administered workers' compensation claims for all divisions. Liabilities are reported when information is available that suggests there has been an occurrence with probable loss incurred. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are re-evaluated periodically to consider recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using the 30-year Treasury yield. The self-insurance retention limit for workers' compensation is \$5,000,000 per single loss. For claims above the retention limit, the Workers' Compensation Reinsurance Association reimburses MC.

MC claims include workers' compensation claims and \$8,815,000 internal service fund claims.

University of Minnesota

The University of Minnesota (U of M) is insured for professional, general, non-profit organization, and automobile liability and indemnified for property insurance deductible expenditures through RUMINCO, Ltd., a wholly-owned single parent captive insurance company. Claims are reported to a third-party administrator, which pays expenses and estimates claim liabilities. The total expense of a claim is estimated and booked as a liability when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated in the year in which it is reported. In addition, an actuarial liability is established for incurred but not reported claims using a discount rate of 4.71 percent.

U of M is also self-insured for workers' compensation through an internally maintained fund. The internal fund for workers' compensation is maintained only to fund current year expected payouts. Excess insurance

is maintained through the Workers' Compensation Reinsurance Association. Each year, an actuarial estimate of U of M's liability for workers' compensation is compiled and recorded, however the liability is not funded in a separate reserve.

U of M's medical (health) and dental coverage for faculty and staff is a self-insured program. Under the plan, U of M pays claims, while the administration of the program is handled by three independent administrators. U of M's graduate assistant medical plan, student health plan, and medical residents and fellows plan, are also all self-insured. Each year, an actuarial estimate of U of M's liability for medical claims, including incurred but not reported claims, is recorded.

**Component Units
Claims Liability
(In Thousands)**

Description	Beginning Claims Liability	Net Additions and Changes in Claims	Payment of Claims	Ending Claims Liability
Metropolitan Council - Workers' Compensation:				
Fiscal Year Ended 12/31/2022	\$ 23,929	\$ 6,535	\$ 9,036	\$ 21,428
Fiscal Year Ended 12/31/2023	\$ 21,428	\$ 11,217	\$ 8,242	\$ 24,403
University of Minnesota - RUMINCO, Ltd:				
Fiscal Year Ended 6/30/2023	\$ 9,890	\$ 5,265	\$ 3,319	\$ 11,836
Fiscal Year Ended 6/30/2024	\$ 11,836	\$ 5,580	\$ 5,681	\$ 11,735
University of Minnesota - Workers' Compensation:				
Fiscal Year Ended 6/30/2023	\$ 9,542	\$ 2,754	\$ 3,009	\$ 9,287
Fiscal Year Ended 6/30/2024	\$ 9,287	\$ 4,321	\$ 4,686	\$ 8,922
University of Minnesota - Medical/Dental:				
Fiscal Year Ended 6/30/2023	\$ 38,821	\$ 380,304	\$ 380,546	\$ 38,579
Fiscal Year Ended 6/30/2024	\$ 38,579	\$ 410,362	\$ 408,276	\$ 40,665

Note 17 – Budgetary Basis vs. GAAP

Actual revenues, transfers-in, expenditures, encumbrances, and transfers-out on the budgetary basis do not equal those on the GAAP basis in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. This inequality results primarily from the differences in the recognition of accruals, reimbursements, deferred revenue, intrafund, and loan transactions. In addition, encumbrances are recognized as expenditures in the year encumbered on a budgetary basis. The modified accrual basis of accounting recognizes expenditures when the goods or services are received, regardless of the year funds are encumbered. The GAAP General Fund also includes several funds that are not included in the budgetary General Fund. A reconciliation of the fund balances under the two bases of accounting for the General Fund is provided in the following table.

**General Fund
Reconciliation of GAAP Basis Fund Balance
to Budgetary Fund Balance
As of June 30, 2024
(In Thousands)**

Description	Amount
GAAP Basis Fund Balance	\$ 16,856,480
Less: Encumbrances ⁽¹⁾	1,035,834
Unassigned Fund Balance	<u>\$ 15,820,646</u>
Basis of Accounting Differences:	
Revenue Accruals/Adjustments:	
Taxes Receivable	\$ (1,302,432)
Tax Refunds Payable	758,062
Human Services Receivable	(158,268)
Unearned Revenue	144,577
Escheat Asset	(38,302)
Other Receivables	(24,997)
Permanent School Fund Reimbursement	(1,517)
Investments at Market	(246,068)
Expenditure Accruals/Adjustments:	
Medical Care Programs	1,095,803
Human Services Grants Payable	61,417
Education Aids	1,150,737
Police and Fire Aid	155,814
Other Payables	48,766
Other Financial Sources (Uses):	
Transfers-In	(574)
Perspective Differences:	
Account with no Legally Adopted Budget	(4,680,922)
Appropriation Carryover	(2,658,698)
Long-Term Receivables	(7,590)
Budgetary Reserve	<u>(3,275,308)</u>
Budgetary Basis:	
Unassigned Fund Balance	<u><u>\$ 6,841,146</u></u>

⁽¹⁾ Encumbrances related to funds included in the budgetary General Fund.

Note 18 – Litigation

Payment of tort claims against the state is made from funds appropriated by the Minnesota Legislature to agencies for their general operations to the extent such funds are available without unduly hindering the operation of the agency, from appropriations of dedicated receipts if practicable, or from funds appropriated for the payment of tort claims. The Tort Claims appropriations for each of the fiscal years ending June 30, 2024 and 2025 are \$761,000. The maximum limit of liability for tort claims arising out of a single occurrence in Minnesota on or before January 1, 2000, and before January 1, 2008, is \$1,000,000. The maximum limited liability for any one claim is \$300,000 for claims arising before August 1, 2007, and \$400,000 for claims arising on or after August 1, 2007, and before July 1, 2009, for any one claim and the maximum limits of liability for tort claims arising in Minnesota on or after January 1, 2008, and prior to July 1, 2009, is \$1,200,000 for any number of claims arising out of a single occurrence. For tort claims arising in Minnesota on or after July 1, 2009, the maximum limits are \$500,000 for any one claim and \$1,500,000 for any number of claims arising out of a single occurrence.

Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases, or categories of cases, in which the state, its officers or employees, are defendants have been noted because an adverse decision in each case or category of case could result in an expenditure of state moneys of over \$15 million in excess of current levels.

- At any one time, there are hundreds of Minnesota Department of Transportation (MnDOT) eminent domain actions being litigated in district courts throughout the state. There is a continuous flow of such cases, with the actual number depending on many factors such as the number of parcels of land that can be acquired by direct purchase, the construction needs of the department, and revenues available for highway projects. In the aggregate, the potential cost to the state for property which has been, or will be, acquired exceeds \$15 million. Liability arising out of decisions unfavorable to the state may impact the state's Trunk Highway Fund (special revenue fund).
- *Dakota Drug, Inc. v. Commissioner of Revenue* (Minnesota Tax Court). This case involves a wholesale distribution tax assessment against Dakota Drug, a wholesale drug distributor. Under the department's interpretation of the tax statute, wholesale drug distributors are not allowed to lower their gross revenues by rebates the distributors pay to their customers as part of a rebate program. In the audit, the department disallowed the reduction the taxpayer made to its gross revenues for the rebates it paid to its customers during the audit period 2016 to 2019. The Tax Court ruled in favor of Dakota Drug, and the Commissioner of Revenue appealed to the Minnesota Supreme Court. On November 6, 2024, the Minnesota Supreme Court issued an opinion affirming the Tax Court's decision in favor of Dakota Drug. As a result, Dakota Drug was not required to pay additional taxes for the years at issue. Because rebate programs are common in the wholesale drug distribution industry, as a result of the decision, other distributors may file refund claims totaling \$42,000,000 in fiscal year 2023, \$10,900,000 in fiscal year 2024, and \$11,400,000 in fiscal year 2025.
- *E.I. du Pont de Nemours and Company v. Commissioner of Revenue* (Minnesota Tax Court). This case involves a corporate franchise tax assessment against the DuPont Chemical Company and a dispute about which transactions should be included in computing the company's apportionment factor. The apportionment factor is computed by dividing Minnesota sales by sales everywhere. The company's net income is then multiplied by the apportionment factor. At issue is the proper treatment of forward exchange contracts ("FECs"), involved in currency trading. DuPont includes the gross revenue from the FECs in its everywhere sales, which for the assessment period, reduced its apportionment factor by 72%. The Department of Revenue excluded the FEC income. The Minnesota Tax Court affirmed the Department of Revenue's assessment against DuPont on August 12, 2024, and DuPont has appealed to the Minnesota Supreme Court on October 7, 2024. Briefing

will be completed in January 2025, with any oral argument to follow. An adverse decision at the Minnesota Supreme Court could have a broad impact by allowing the inclusion of all forms of derivative contracts to calculate the apportionment factor used to calculate a multi-state's corporate franchise tax liability to Minnesota. It is estimated that an adverse decision could result in refunds to other corporations subject to Minnesota corporate franchise tax of \$85,700,000.

- South Country Health Alliance et al. v. Minnesota Department of Human Services (DHS) et al. (Ramsey County District Court). On August 14, 2023, the Court of Appeals reversed the district court's judgment in part, holding DHS did not comply with Minnesota law when it denied Plaintiffs the Medicaid contracts they sought. DHS and the other co-defendants appealed the decision to the Minnesota Supreme Court. Oral arguments were heard by the Minnesota Supreme Court on June 3, 2024, and a decision has not been issued to date. While Plaintiffs do not seek monetary relief (other than attorneys' fees and costs), the injunctive relief Plaintiffs seek could put at risk the federal government's share of the state's Medical Assistance program. The federal government's share was over \$7 billion in fiscal year 2020.
- Sporleder v. State, et al., Demars v. St. Louis County, et al. (Ramsey County District Court). In accordance with the United States Supreme Court's decision in Tyler v. Hennepin County, Defendants successfully reached a \$109 million settlement agreement with the class representatives, which the Legislature funded in May of 2024, and the district court has preliminarily approved. No objections were filed by the deadline. The court will hold a hearing in December 2024 to determine whether to give final approval to the settlement.
- The Jamar Company d/b/a Asdco v. State of Minnesota, et al. (Itasca County District Court) and Hammerlund Construction Inc., et al. v. State of Minnesota, et al. (Itasca County District Court). These mechanics' lien suits involve similar claims but different tax-forfeited properties in Itasca County. The subject properties were leased for mining purposes by Itasca County to Magnetation LLC ("Magnetation"), which filed for chapter 11 bankruptcy in May 2015. The state is a named defendant in these suits because it owns the subject properties in trust for Itasca County, the taxing district, which has the authority to manage the properties. Jamar, Hammerlund, and approximately 20 other contractors and subcontractors, which supplied materials and/or labor to the properties for Magnetation, have filed claims and cross-claims against the state and the other defendants that total approximately \$22.2 million exclusive of interest and attorneys' fees. Magnetation disposed of substantially all of its assets in bankruptcy through a sale in December 2016 to an entity called ERP Iron Ore, LLC ("ERP"). The mechanic's liens asserted by the contractors and subcontractors, as described above, were deemed permitted encumbrances on the assets, which ERP agreed to assume as a condition of the sale to permit the suits to continue. Before any further resolution of the mechanic's lien cases, ERP itself became a chapter 7 bankruptcy debtor in May 2018.

Note 19 – Tax Abatements

The state of Minnesota provides tax abatement agreements through five programs operated by the Minnesota Department of Employment and Economic Development, Minnesota Department of Administration, and Minnesota Department of Revenue: Greater MN Job Expansion Program, Border City Enterprise Zones, Angel Tax Credit, Historic Structure Rehabilitation Credit, and Film Production Tax Credit. Minnesota Statutes 270B.02 classifies tax return information as private data. As the population of program participants is so small, reporting aggregate data may identify individual taxpayers, except for the Border City Enterprise Zones program, the Angel Tax Credit program, and the Historic Structure Rehabilitation Credit.

The Greater MN Job Expansion Program provides sales tax abatements to expand employment within cities in greater Minnesota. Qualified businesses are eligible for a sales tax exemption up to \$5 million annually, and \$40 million during the agreement period. The agreement period is seven years after a business is certified, except for businesses investing at least \$200 million over a ten-year period, in which case the agreement period is ten years. A qualified business must have operated in greater Minnesota for at least one year prior to applying, agree to pay employees, including benefits, on an annualized basis equal to at least 120 percent of the federal poverty level for a family of four, increase the number of full-time equivalent employees by two employees or ten percent, whichever is greater, and enter into a subsidy agreement with the state that pledges to satisfy the employment expansion within three years. The subsidy agreements include recapture provisions. The authority for the sales tax abatement is Minnesota Statutes 116J.8738.

The Border City Enterprise Zones program provides tax abatements to partially mitigate the effects of disparate taxation of businesses in six cities located near neighboring states as incentives to attract and retain businesses in Minnesota. Taxes abated include: sales taxes, income taxes, or property taxes. Border cities establish eligibility criteria of recipient business, provided that business is not prohibited by Minnesota Statutes 469.171, Subdivision 4. Sales taxes are reduced through exemptions on construction materials and equipment. Income taxes are reduced as credits for additional workers employed within the zone, up to \$3,000 per employee per year, or for a retained worker in the zone, up to \$1,500 per employee per year. Additionally, income taxes are reduced as a credit for a percentage of cost of debt financing for construction. Property taxes are reduced as a credit for a portion of property tax paid by new facilities as determined by the border city based on its eligibility criteria. The total amount of tax abatements is determined through allocations to each border city defined in Minnesota Statutes. Prior to entering a tax abatement agreement with a business, the border city must submit the proposed tax reductions to the Minnesota Department of Employment and Economic Development to evaluate the proposed investment the business will make in the border city, the number and quality of new jobs created, the overall positive economic impact within the border city, and the extent that economic benefits are dependent on the tax abatements to the business. Businesses must maintain operation within the border city. Businesses which receive tax abatements that cease to operate within the border city must repay the tax abatements received during the prior two years; other recapture provisions may exist between the border city and the business. The authority for Border City Enterprise Zone tax abatements are Minnesota Statutes 469.166-469.1735.

The Angel Tax Credit program provides income tax abatements as an incentive for investors to make investments in start-up businesses by helping to raise the equity financing needed to further business growth and the potential to create jobs. Qualified investors are eligible for up to 25 percent of the investment made and must receive an annual certification to make investments in a qualified small business. Qualified investors are required to hold investments in a qualified business for a period of at least three years. If a qualified investor does not meet the three years holding requirement, the investor must repay the income tax credit. A qualified small business must satisfy all the following conditions: be headquartered in Minnesota, have at least 51 percent of its employees and payroll in Minnesota, and be

engaged in or committed to engage in innovation in Minnesota. The primary business activity must be in a qualified field of technology, agriculture, tourism, forestry, mining, manufacturing, or transportation. The business must have fewer than 25 employees and must pay employees annual wages of at least 175 percent of federal poverty guidelines for a family of four. The business may not have previously received private equity investments of more than \$4 million, be disqualified under Minnesota Statutes 80A.50, or issued securities traded on a public exchange. The business may not have been in operation for more than ten years, or more than twenty years if the business is engaged in the research, development, or production of medical devices or pharmaceuticals for which Food and Drug Administration approval is required. If it is determined that a qualified business did not maintain at least 51 percent of its employees and payroll in Minnesota during the first five years following its most recent qualified investment, the business must repay the income tax credit provided to its investors based on a fixed percentage scale. The program will sunset at the end of calendar year 2024, except for some reporting requirements. The authority for the tax abatement is Minnesota Statutes 116J.8737.

The Historic Structure Rehabilitation Credit program incentivizes substantial reinvestment in the development of historic buildings listed on the National Register of Historic Places. This program parallels the Federal Rehabilitation Tax Credit and state tax credits are limited by the federal amount. A project is eligible for the program if the property is listed on the National Register of Historic Places or is certified as contributing to a National Register Historic District, or Certified Historic District. The owner must apply for the credit prior to the start of construction, plans must be approved by the National Park Service (NPS), and the work must meet the “substantial rehabilitation test”. The completed work must be approved by the NPS and be allowed the federal tax credit. The qualified historic structure must be used as an income producing property for at least five years after the construction is completed. Investors will be eligible for a tax credit or the option of a grant in lieu of tax in the year the renovated building is placed in service. The program will sunset after fiscal year 2030, except for issuing credit certificates and completing reporting requirements. The authority for the tax abatement is Minnesota Statutes 290.0681.

The Film Production Tax Credit program provides an assignable income tax credit to producers of feature films, national television or internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. The program provides a 25 percent credit to production companies provided they apply for an allocation prior to beginning principal photography in Minnesota, spend a minimum of \$1 million in eligible expenses during the taxable year, employ Minnesota residents to the extent practicable, promote Minnesota by visibly displaying a static or animated logo in the end credits, remain in good business standing with the Secretary of State of Minnesota, and submit a tax clearance statement from the Minnesota Department of Revenue. Applications are accepted on a rolling basis, and allocations are made on a first-come, first-served basis. The program will sunset after calendar year 2030. The authority for the tax abatement is Minnesota Statutes 116U.26-116U.27.

**Tax Abatements
Year Ended June 30, 2024
(In Thousands)**

Description	Amount
Border City Enterprise Zones:	
Corporate Taxes	\$ 340
Income Taxes	102
Total Border City Enterprise Zones	<u>\$ 442</u>
Angel Tax Credit: Income Taxes	<u>\$ 4,144</u>
Historic Structure Rehabilitation Credit: Income Tax	<u>\$ 1,475</u>
Total Tax Abatements	<u><u>\$ 6,061</u></u>

Note 20 – Change in Reporting Entity and Change in Accounting Principle

Government-Wide, Governmental Funds and Proprietary Funds

Change in Reporting Entity

Minnesota Statute 246.18, created and established the Behavioral Services Fund (enterprise fund), which was subsequently repealed by Minnesota Session Laws - 2023, Regular Session Chapter 61, Article 9, Section 2, Subdivisions 19(b) and 20. Effective July 1, 2023, all activity from the Behavioral Services Fund was transferred to the General Fund. This change in reporting entity relates to activity that falls under both the modified accrual and full accrual basis of accounting. The amount transferred between the Governmental Activities from the Business-type Activities/Proprietary Fund was \$1,481,000. Activity transferred to the General Fund under the modified accrual basis was \$4,714,000 as noted in the table below.

Fiduciary Funds

Change in Accounting Principle

During fiscal year 2024, the State Employees Retirement Fund (pension trust fund), managed by the Minnesota State Retirement System (MSRS), implemented updated guidance from the Governmental Accounting Standards Board (GASB) Implementation Guide No. 2021-1 "Implementation Guidance Update - 2021." The objective of this guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. Implementation of the updated guidance resulted in a change in accounting principle of \$224,000 for bulk purchases of laptops that were greater than MSRS's threshold for capital assets.

Change in Reporting Entity

Minnesota Statutes 353G allows volunteer firefighters to be covered by the Volunteer Firefighter Retirement Fund (pension trust fund). During fiscal year 2024, nineteen firefighter groups joined the Volunteer Firefighter Retirement Fund managed by the Public Employees Retirement Association. Investment balances of \$17,212,000 were reported as a change in reporting entity in the Volunteer Firefighter Retirement Fund.

Minnesota Statutes 424A allows volunteer firefighter relief associations to be covered by the Supplemental Retirement Fund (investment trust fund). During fiscal year 2024, three volunteer firefighter relief associations became part of the Supplemental Retirement Fund managed by the board of trustees of each relief association. Investment balances of \$1,159,000 were reported as a change in reporting entity in the Supplemental Retirement Fund.

Minnesota Statutes 353G, allows volunteer firefighters to be covered by the Volunteer Firefighter Retirement Fund (pension trust fund). During fiscal year 2024, three firefighter groups transferred from the volunteer fire accounts, part of the Supplemental Retirement Fund (investment trust fund), into the Volunteer Firefighter Retirement Fund managed by the Public Employees Retirement Association. The transfer was reported as a change in reporting entity of \$1,018,000 in the Supplemental Retirement Fund and the Volunteer Firefighter Retirement Fund.

Beginning Balance Reconciliation
Year Ended June 30, 2024
(In Thousands)

	Net Position/ Fund Balance, Beginning, as Reported	Change in Accounting Principle	Change in Reporting Entity		Net Position/ Fund Balance, Beginning, as Restated
			Investment	Transfer	
Government-Wide					
Governmental Activities	\$ 39,423,759	\$ —	\$ —	\$ 1,481	\$ 39,425,240
Business-Type Activities	4,037,245	—	—	(1,481)	4,035,764
Total Primary Government	<u>\$ 43,461,004</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 43,461,004</u>
Governmental Funds					
General	\$ 19,632,710	\$ —	\$ —	\$ 4,714	\$ 19,637,424
Federal	10,541	—	—	—	10,541
Nonmajor Funds	8,616,238	—	—	—	8,616,238
Total Governmental Funds	<u>\$ 28,259,489</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,714</u>	<u>\$ 28,264,203</u>
Proprietary Funds					
State Colleges and Universities	\$ 1,993,602	\$ —	\$ —	\$ —	\$ 1,993,602
Unemployment Insurance	1,622,933	—	—	—	1,622,933
Nonmajor Enterprise Funds	420,710	—	—	(1,481)	419,229
Total Enterprise Funds	<u>\$ 4,037,245</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1,481)</u>	<u>\$ 4,035,764</u>
Fiduciary Funds					
Pension Trust	\$ 100,295,906	\$ 224	\$ 17,212	\$ 1,018	\$ 100,314,360
Investment Trust	\$ 1,371,865	\$ —	\$ 1,159	\$ (1,018)	\$ 1,372,006

Note 21 – Subsequent Events

Primary Government

In August 2024, the state issued the following general obligation bonds. These bonds are backed by the full faith and credit and taxing powers of the state.

- \$879.6 million of general obligation state various purpose bonds Series 2024A at a true interest rate of 3.28 percent.
- \$352.8 million of general obligation state trunk highway bonds Series 2024B at a true interest rate of 3.23 percent.
- \$30.0 million of general obligation taxable state various purpose bonds Series 2024C at a true interest rate of 4.08 percent.
- \$190.2 million of general obligation state various purpose refunding bonds Series 2024D at a true interest rate of 2.64 percent.
- \$141.2 million of general obligation state trunk highway refunding bonds Series 2024E at a true interest rate of 2.65 percent.

Component Units

Housing Finance Agency

In September 2024, the Housing Finance Agency (HFA) issued \$13.0 million state appropriation bonds (Housing Infrastructure) Series 2024A. The proceeds of the bonds will be used to provide money to fund housing infrastructure loans and to pay the costs of issuance of the Series Bonds. For information on the state appropriation for these bonds, see Note 14 – Contingent Liabilities.

HFA issued a series of housing finance bonds after June 30, 2024 as follows. In July 2024, HFA issued \$225.0 million Series 2024LMN. In August 2024, HFA issued \$225.0 million Series 2024OPQ. In September 2024, HFA issued \$75.0 million Series 2024RS. In December 2024, HFA issued \$250.0 million Series 2024TUVW.

HFA made, or committed to make, draws from index bank notes subsequent to June 30, 2024 totaling \$61.9 million. In July 2024 and August 2024, HFA repaid \$35.4 million and \$9.6 million, respectively, of the Non-ATM portion of the index bank notes.

Metropolitan Council

In February 2024, Metropolitan Council (MC) agreed to a \$42.0 million loan Series 2024A from the Public Facilities Authority (component unit) for financing eligible capital expenditures.

In May 2024, MC issued \$59.6 million general obligation wastewater revenue bonds Series 2024B.

Required
Supplementary
Information

2024
Annual
Comprehensive
Financial Report

2024 Annual Comprehensive Financial Report Required Supplementary Information

Modified Approach for Infrastructure

The state uses the modified approach for reporting selected infrastructure assets. Under this approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 29,000 lane miles of pavement and approximately 3,000 bridges and tunnels maintained by the state.

To utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Lane Miles of Pavement

Measurement Scale

The Minnesota Department of Transportation (MnDOT) uses three pavement condition indices to determine the condition of the trunk highway system: Present Serviceability Rating (PSR), Surface Rating (SR), and Pavement Quality Index (PQI). The PSR is a measure of pavement smoothness, the SR measures pavement distress (cracking), and the PQI is a composite index equal to the square root of the PSR multiplied by the square root of the SR.

The five qualitative categories used to describe pavement condition are shown in the table below:

Description	PQI Range	PSR Range	SR Range
Very Good	3.7 - 4.5	4.1 - 5.0	3.3 - 4.0
Good	2.8 - 3.6	3.1 - 4.0	2.5 - 3.2
Fair	1.9 - 2.7	2.1 - 3.0	1.7 - 2.4
Poor	1.0 - 1.8	1.1 - 2.0	0.9 - 1.6
Very Poor	0.0 - 0.9	0.0 - 1.0	0.0 - 0.8

The PQI is used as the index for determining whether the pavement infrastructure is being maintained in a serviceable level. The PQI is an overall index, combining both pavement smoothness (PSR) and cracking (SR).

Established Condition Level

Principal arterial pavements will be maintained at 3.0 PQI (good) or higher, and all other pavements will be maintained at 2.8 PQI (good) or higher.

Assessed Conditions

The state assesses condition on 100 percent of the pavement surfaces at least once every two years.

Description	2023	2022	2021
Principal Arterial Average PQI	3.6	3.6	3.6
Non-Principal Arterial Average PQI	3.4	3.4	3.5

Bridges and Tunnels

Measurement Scale

MnDOT utilizes three performance measures to maintain and improve the bridge system: Structural Condition Rating, Geometric Rating, and Posted Bridge and Bridge Load Carrying Capacity. The Structural Condition Rating is used to determine if the bridge system is being maintained at a serviceable level for the condition of the bridges under MnDOT's jurisdiction.

The Structural Condition Rating is a broad measure of the structural condition of a bridge. Each bridge is rated as Good, Fair, or Poor by using three National Bridge Inventory (NBI) condition codes and two NBI appraisal ratings to place each bridge in a category.

The three NBI condition codes are Deck Condition, Superstructure Condition, and Substructure Condition. The two NBI appraisal ratings are Structural Evaluation and Waterway Adequacy. Both the condition codes and the appraisal ratings use a scale of 0 (failed) through 9 (excellent).

Rating	Description
9	Excellent.
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound, but may have some minor section loss, cracking, spalling, or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored, it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service, beyond corrective action.

The criteria for placing a bridge in each of the three categories are as follows:

Rating	Description
Good	If all of the condition codes are 7 or greater, and if both of the appraisal ratings are 6 or greater.
Fair	If any of the condition codes are 5 or 6, or if either of the appraisal ratings are 3, 4, or 5.
Poor	If any of the condition codes are 4 or less, or if either of the appraisal ratings are 2 or less. This is also defined as structurally deficient.

Established Condition Level

Ninety-two percent of principal arterial system bridges will be maintained at fair to good, while 80 percent of all other system bridges will also be maintained at fair to good.

Assessed Conditions

Description	2023	2022	2021
Principal Arterial: Fair to Good	93.7%	93.8%	94.0%
All Other Systems: Fair to Good	93.0%	93.1%	93.4%

Budgeted and Estimated Costs to Maintain

The following table presents the state’s estimate of spending necessary to preserve and maintain the pavement and bridges at, or above, the established condition levels cited above, and the actual amount spent (in thousands):

		Costs to be Capitalized			Maintenance of System			Total Construction Program
		Bridges	Pavement	Total Costs	Bridges	Pavement	Total Costs	
Budget	2024	\$ 72,512	\$ 464,077	\$ 536,589	\$ 87,014	\$ 826,637	\$ 913,651	\$ 1,450,240
	2023	84,480	450,560	535,040	98,560	774,400	872,960	1,408,000
	2022	62,000	434,000	496,000	124,000	620,000	744,000	1,240,000
	2021	65,300	472,400	537,700	95,600	660,700	756,300	1,294,000
	2020	76,000	364,000	440,000	84,800	712,200	797,000	1,237,000
Actual	2024	\$ 65,287	\$ 443,943	\$ 509,230	\$ 79,631	\$ 839,027	\$ 918,658	\$ 1,427,888
	2023	88,421	432,591	521,012	119,070	767,671	886,741	1,407,753
	2022	50,890	410,334	461,224	110,736	652,357	763,093	1,224,317
	2021	50,887	505,490	556,377	85,859	635,307	721,166	1,277,543
	2020	71,650	405,796	477,446	78,244	736,188	814,432	1,291,878

Defined Benefit Plans – State Participating

The state of Minnesota currently contributes as an employer and/or non-employer contributing entity into five primary government administered multiple-employer cost sharing plans, one non-primary government administered multiple-employer cost sharing plan, and three primary government administered single-employer plans. During the fiscal year 2015 reporting period, the Minneapolis Employees Retirement Fund merged with the General Employees Retirement Fund and the Duluth Teachers' Retirement Fund merged with the Teachers Retirement Fund. See Note 8 – Pension and Investment Trust Funds for more information on each plan.

Covered-Member Payroll is an estimate in the reporting year and is restated in the following year to reflect actual Covered-Member Payroll. Required supplementary information is provided for the following plans:

- State Employees Retirement Fund (SERF)
- Correctional Employees Retirement Fund (CERF)
- General Employees Retirement Fund (GERF)
- Police and Fire Fund (P&FF)
- Teachers Retirement Fund (TRF)
- Minneapolis Employees Retirement Fund (MERF)
- St. Paul Teachers' Retirement Fund (SPTRF)
- Duluth Teachers' Retirement Fund (DTRF)
- Judges Retirement Fund (JRF)
- Legislators Retirement Fund (LRF)
- State Patrol Retirement Fund (SPRF)

Required Supplementary Information
Primary Government Administered Multiple-Employer Cost Sharing Plans
Schedule of Contributions
(In Thousands)

State Employees Retirement Fund

	2015	2016	2017	2018
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	\$ 107,313	\$ 110,804	\$ 116,552	\$ 121,322
Non-Employer Contributing Entity ⁽¹⁾	—	—	—	—
Total Statutorily Required Contribution	\$ 107,313	\$ 110,804	\$ 116,552	\$ 121,322
Covered-Member Payroll	\$ 2,006,862	\$ 2,066,651	\$ 2,179,626	\$ 2,256,825
Required Employer Contributions as a Percentage of Covered-Member Payroll	5.3%	5.4%	5.3%	5.4%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2019: The required contribution rate for employers increased from 5.5 percent to 5.875 percent.

⁽³⁾ 2020: The required contribution rate for employers increased to 6.25 percent.

⁽⁴⁾ 2024: Non-Employer contributions include a one-time state aid contribution of \$76.440 million.

Correctional Employees Retirement Fund

	2015	2016	2017	2018
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	\$ 29,378	\$ 30,624	\$ 31,663	\$ 32,840
Non-Employer Contributing Entity ⁽¹⁾	—	—	—	—
Total Statutorily Required Contribution	\$ 29,378	\$ 30,624	\$ 31,663	\$ 32,840
Covered-Member Payroll	\$ 231,126	\$ 241,020	\$ 248,653	\$ 257,055
Required Employer Contributions as a Percentage of Covered-Member Payroll	12.7%	12.7%	12.7%	12.8%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2019: The required contribution rate for employers increased from 12.9 percent to 14.4 percent.

⁽³⁾ 2020: The required contribution rate for employers increased to 15.85 percent.

⁽⁴⁾ 2021: The required contribution rate for employers increased to 17.35 percent.

⁽⁵⁾ 2022: The required contribution rate for employers increased to 18.85 percent.

⁽⁶⁾ 2024: Non-Employer contributions include a one-time state aid contribution of \$10.446 million.

General Employees Retirement Fund

	2015	2016	2017	2018
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	\$ 2,655	\$ 2,540	\$ 3,155	\$ 2,283
Non-Employer Contributing Entity ⁽¹⁾	—	6,000	6,000	16,000
Total Statutorily Required Contribution	\$ 2,655	\$ 8,540	\$ 9,155	\$ 18,283
Covered-Member Payroll	\$ 34,289	\$ 41,328	\$ 31,105	\$ 28,849
Required Employer Contributions as a Percentage of Covered-Member Payroll	7.7%	6.1%	10.1%	7.9%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2024: Non-Employer contributions include a one-time state aid contribution of \$170.093 million.

2019 ⁽²⁾	2020 ⁽³⁾	2021	2022	2023	2024 ⁽⁴⁾
\$ 136,157	\$ 152,523	\$ 156,738	\$ 161,340	\$ 172,451	\$ 193,263
—	—	—	—	—	76,440
<u>\$ 136,157</u>	<u>\$ 152,523</u>	<u>\$ 156,738</u>	<u>\$ 161,340</u>	<u>\$ 172,451</u>	<u>\$ 269,703</u>
\$ 2,374,710	\$ 2,480,800	\$ 2,545,750	\$ 2,622,904	\$ 2,787,717	\$ 2,975,418
5.7%	6.1%	6.2%	6.2%	6.2%	6.5%

2019 ⁽²⁾	2020 ⁽³⁾	2021 ⁽⁴⁾	2022 ⁽⁵⁾	2023	2024 ⁽⁶⁾
\$ 38,141	\$ 43,594	\$ 48,662	\$ 54,939	\$ 58,356	\$ 62,100
—	—	—	—	—	10,446
<u>\$ 38,141</u>	<u>\$ 43,594</u>	<u>\$ 48,662</u>	<u>\$ 54,939</u>	<u>\$ 58,356</u>	<u>\$ 72,546</u>
\$ 267,212	\$ 278,340	\$ 282,542	\$ 294,329	\$ 310,576	\$ 315,375
14.3%	15.7%	17.2%	18.7%	18.8%	19.7%

2019	2020	2021	2022	2023	2024 ⁽²⁾
\$ 2,138	\$ 1,949	\$ 1,720	\$ 1,582	\$ 1,439	\$ 1,379
16,000	16,000	16,000	16,000	16,000	186,093
<u>\$ 18,138</u>	<u>\$ 17,949</u>	<u>\$ 17,720</u>	<u>\$ 17,582</u>	<u>\$ 17,439</u>	<u>\$ 187,472</u>
\$ 26,936	\$ 24,638	\$ 21,880	\$ 20,120	\$ 18,930	\$ 18,322
7.9%	7.9%	7.9%	7.9%	7.6%	7.5%

Required Supplementary Information
Primary Government Administered Multiple-Employer Cost Sharing Plans
Schedule of Contributions (Continued)
(In Thousands)

	Police and Fire Fund⁽²⁾			
	2015	2016	2017	2018
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	N/A	N/A	N/A	N/A
Non-Employer Contributing Entity ⁽¹⁾	N/A	N/A	N/A	N/A
Total Statutorily Required Contribution	N/A	N/A	N/A	N/A
Covered-Member Payroll	N/A	N/A	N/A	N/A
Required Employer Contributions as a Percentage of Covered-Member Payroll	N/A	N/A	N/A	N/A

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ Reporting data for P&FF begins with fiscal year 2019, due to a change in the statutorily required contribution.

⁽³⁾ 2020: The required contribution rate for employers increased from 16.95 percent to 17.7 percent.

⁽⁴⁾ 2024: Non-Employer contributions include a one-time state aid contribution of \$19.397 million.

	Teachers Retirement Fund			
	2015	2016	2017	2018
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	\$ 14,542	\$ 14,514	\$ 14,885	\$ 14,678
Non-Employer Contributing Entity ⁽¹⁾	29,831	31,088	31,087	30,886
Total Statutorily Required Contribution	\$ 44,373	\$ 45,602	\$ 45,972	\$ 45,564
Covered-Member Payroll	\$ 166,870	\$ 168,264	\$ 174,018	\$ 170,196
Required Employer Contributions as a Percentage of Covered-Member Payroll	8.7%	8.6%	8.6%	8.6%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2019: The required contribution rate for employers increased from 7.5-11.5 percent to 7.71-11.71 percent.

⁽³⁾ 2020: The required contribution rate for employers increased to 7.92-11.92 percent.

⁽⁴⁾ 2021: The required contribution rate for employers increased to 8.13-12.13 percent.

⁽⁵⁾ 2022: The required contribution rate for employers increased to 8.34-12.34 percent.

⁽⁶⁾ 2023: The required contribution rate for employers increased to 8.55-12.55 percent.

⁽⁷⁾ 2024: The required contribution rate for employers increased to 8.75-12.75 percent. Non-Employer contributions include a one-time state aid contribution of \$176.167 million.

	Minneapolis Employees Retirement Fund⁽²⁾
	2015
Statutorily Required Contribution as a Non-Employer Contributing Entity ⁽¹⁾	\$ 24,000
Covered-Member Payroll	N/A
Required Employer Contributions as a Percentage of Covered-Member Payroll	N/A

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ MERF merged with GERF in reporting fiscal year 2015.

2019	2020 ⁽³⁾	2021	2022	2023	2024 ⁽⁴⁾
\$ —	\$ 543	\$ 586	\$ 586	\$ 584	\$ 571
4,500	4,500	9,000	9,000	9,000	28,397
<u>\$ 4,500</u>	<u>\$ 5,043</u>	<u>\$ 9,586</u>	<u>\$ 9,586</u>	<u>\$ 9,584</u>	<u>\$ 28,968</u>
N/A	\$ 2,949	\$ 3,052	\$ 3,088	\$ 3,167	\$ 3,226
N/A	18.4%	19.2%	19.0%	18.4%	17.7%

2019 ⁽²⁾	2020 ⁽³⁾	2021 ⁽⁴⁾	2022 ⁽⁵⁾	2023 ⁽⁶⁾	2024 ⁽⁷⁾
\$ 15,447	\$ 16,115	\$ 16,609	\$ 17,139	\$ 18,489	\$ 19,813
31,087	31,087	31,087	31,087	31,087	207,254
<u>\$ 46,534</u>	<u>\$ 47,202</u>	<u>\$ 47,696</u>	<u>\$ 48,226</u>	<u>\$ 49,576</u>	<u>\$ 227,067</u>
\$ 177,753	\$ 179,645	\$ 183,607	\$ 185,816	\$ 203,848	\$ 216,363
8.7%	9.0%	9.0%	9.2%	9.1%	9.2%

Required Supplementary Information
Non-Primary Government Administered Multiple-Employer Cost Sharing Plans
Schedule of Contributions
(In Thousands)

St. Paul Teachers' Retirement Fund

	2015	2016 ⁽²⁾	2017 ⁽³⁾	2018 ⁽⁴⁾
Statutorily Required Contribution as an:				
Employer ⁽¹⁾	\$ 86	\$ 64	\$ 66	\$ 41
Non-Employer Contributing Entity ⁽¹⁾	9,827	10,665	10,665	10,665
Total Statutorily Required Contribution	\$ 9,913	\$ 10,729	\$ 10,731	\$ 10,706
Covered-Member Payroll	\$ 628	\$ 443	\$ 465	\$ 274
Required Employer Contributions as a Percentage of Covered-Member Payroll	13.7%	14.4%	14.2%	15.0%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2016: The required contribution rate for employers increased from 5.50-9.00 percent to 6.00-9.50 percent.

⁽³⁾ 2017: The required contribution rate for employers increased to 6.25-9.75 percent.

⁽⁴⁾ 2018: The required contribution rate for employers increased to 6.50-10.00 percent.

⁽⁵⁾ 2019: The required contribution rate for employers increased to 7.335-10.835 percent.

⁽⁶⁾ 2020: The required contribution rate for employers increased to 8.17-11.67 percent.

⁽⁷⁾ 2021: The required contribution rate for employers increased to 8.38-11.88 percent.

⁽⁸⁾ 2022: The required contribution rate for employers increased to 8.59-12.09 percent.

⁽⁹⁾ 2023: The required contribution rate for employers increased to 8.80-12.30 percent.

⁽¹⁰⁾ 2024: The required contribution rate for employers increased to 9.00-12.50 percent. Non-Employer contributions include a one-time state aid contribution of \$15.747 million.

Duluth Teachers' Retirement Fund⁽²⁾

	2015
Statutorily Required Contribution as an:	
Employer ⁽¹⁾	\$ 56
Non-Employer Contributing Entity ⁽¹⁾	6,346
Total Statutorily Required Contribution	\$ 6,402
Covered-Member Payroll	\$ 760
Required Employer Contributions as a Percentage of Covered-Member Payroll	7.4%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ DTRF merged with TRF in reporting fiscal year 2015.

2019 ⁽⁵⁾	2020 ⁽⁶⁾	2021 ⁽⁷⁾	2022 ⁽⁸⁾	2023 ⁽⁹⁾	2024 ⁽¹⁰⁾
\$ 47	\$ 38	\$ 27	\$ 19	\$ 20	\$ 15
15,666	15,663	15,664	15,665	15,663	31,411
<u>\$ 15,713</u>	<u>\$ 15,701</u>	<u>\$ 15,691</u>	<u>\$ 15,684</u>	<u>\$ 15,683</u>	<u>\$ 31,426</u>
\$ 271	\$ 211	\$ 148	\$ 106	\$ 110	\$ 117
17.3%	18.0%	18.2%	17.9%	18.2%	12.8%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability
(In Thousands)

	State Employees Retirement Fund			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Primary Government's Proportion of the Net Pension Liability as an Employer	73.38%	73.93%	73.88%	74.15%
Primary Government's Proportionate Share of the Net Pension Liability as an Employer	\$ 1,189,902	\$ 1,138,125	\$ 9,160,172	\$ 5,500,428
Primary Government's Covered-Member Payroll – Measurement Period	\$ 1,923,040	\$ 2,006,862	\$ 2,066,651	\$ 2,179,626
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	61.9%	56.7%	443.2%	252.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.6%	88.3%	47.5%	62.7%

⁽¹⁾ 2016: Benefit increase of 2.5 percent was projected to start in 2044 instead of 2016.

⁽²⁾ 2017: Benefit increase was changed to 2.0 percent for all future years. The discount rate changed from 7.9 percent to 4.17 percent.

⁽³⁾ 2018: The discount rate changed to 5.42 percent.

⁽⁴⁾ 2019: Benefit increase was changed to 2.0 percent through December 31, 2018, 1.0 percent through December 31, 2023, and 1.5 percent thereafter. The discount rate changed to 7.5 percent.

⁽⁵⁾ 2022: The discount rate changed to 6.5 percent.

⁽⁶⁾ 2023: The discount rate changed to 6.75 percent.

⁽⁷⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 7.0 percent.

2019 ⁽⁴⁾	2020	2021	2022 ⁽⁵⁾	2023 ⁽⁶⁾	2024 ⁽⁷⁾
74.45%	74.94%	75.21%	76.55%	76.37%	76.41%
\$ 1,031,909	\$ 1,054,276	\$ 998,968	\$ 62,413	\$ 1,255,049	\$ 734,188
\$ 2,256,825	\$ 2,374,710	\$ 2,480,800	\$ 2,545,750	\$ 2,622,904	\$ 2,787,717
45.7%	44.4%	40.3%	2.5%	47.8%	26.3%
90.6%	90.7%	91.3%	99.5%	90.6%	94.5%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

Correctional Employees Retirement Fund				
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Primary Government's Proportion of the Net Pension Liability as an Employer	99.80%	99.86%	99.91%	99.91%
Primary Government's Proportionate Share of the Net Pension Liability as an Employer	\$ 475,387	\$ 653,352	\$ 1,331,563	\$ 1,127,087
Primary Government's Covered-Member Payroll – Measurement Period	\$ 218,860	\$ 231,126	\$ 241,020	\$ 248,653
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	217.2%	282.7%	552.5%	453.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.8%	58.1%	40.3%	47.6%

⁽¹⁾ 2016: Benefit increase was projected to remain at 2.0 percent instead of increasing to 2.5 percent in 2016.

⁽²⁾ 2017: The discount rate changed from 6.25 percent to 4.24 percent.

⁽³⁾ 2018: The discount rate changed to 5.02 percent.

⁽⁴⁾ 2019: Benefit increase was changed to 2.0 percent through December 31, 2018, and 1.5 percent thereafter. The discount rate changed to 7.5 percent.

⁽⁵⁾ 2022: The discount rate changed to 6.5 percent.

⁽⁶⁾ 2023: The discount rate changed to 6.75 percent.

⁽⁷⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 7.0 percent.

2019 ⁽⁴⁾	2020	2021	2022 ⁽⁵⁾	2023 ⁽⁶⁾	2024 ⁽⁷⁾
99.89%	99.87%	99.95%	99.96%	99.95%	99.91%
\$ 375,232	\$ 394,861	\$ 447,093	\$ 441,892	\$ 599,385	\$ 537,961
\$ 257,055	\$ 267,212	\$ 278,340	\$ 282,542	\$ 294,329	\$ 310,576
146.0%	147.8%	160.6%	156.4%	203.6%	173.2%
74.8%	75.0%	73.2%	78.2%	71.1%	74.8%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

General Employees Retirement Fund				
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Primary Government's Proportion of the Net Pension Liability as an:				
Employer	0.70%	0.62%	0.72%	0.51%
Non-Employer Contributing Entity	—%	3.56%	1.29%	1.24%
Total Primary Government's Proportion of the Net Pension Liability	0.70%	4.18%	2.01%	1.75%
Primary Government's Proportionate Share of the Net Pension Liability as an:				
Employer	\$ 33,103	\$ 32,022	\$ 58,119	\$ 32,252
Non-Employer Contributing Entity	—	184,478	104,677	79,275
Total Primary Government's Proportionate Share of the Net Pension Liability	\$ 33,103	\$ 216,500	\$ 162,796	\$ 111,527
Primary Government's Covered-Member Payroll – Measurement Period	\$ 37,715	\$ 34,289	\$ 41,328	\$ 31,105
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	87.8%	93.4%	140.6%	103.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.7%	78.2%	68.9%	75.9%

⁽¹⁾ 2016: Benefit increase of 2.5 percent was projected to start in 2036 instead of 2031.

⁽²⁾ 2017: Benefit increase changed to 1.0 percent for all future years. The discount rate changed from 7.9 percent to 7.5 percent.

⁽³⁾ 2018: Benefit increase changed to 1.0 percent through 2044 and 2.5 percent thereafter.

⁽⁴⁾ 2019: Benefit increase changed to 1.25 percent for all future years.

⁽⁵⁾ 2022: The discount rate changed to 6.5 percent.

⁽⁶⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and former MERF members of 4 percent minus the actual 2024 benefit increase and for coordinated members, 2.5 percent minus the actual 2024 benefit increase, payable in a lump sum by March 31, 2024. The discount rate changed to 7.0 percent.

2019 ⁽⁴⁾	2020	2021	2022 ⁽⁵⁾	2023	2024 ⁽⁶⁾
0.46%	0.41%	0.37%	0.32%	0.28%	0.25%
3.18%	3.02%	2.99%	2.97%	2.85%	2.69%
<u>3.64%</u>	<u>3.43%</u>	<u>3.36%</u>	<u>3.29%</u>	<u>3.13%</u>	<u>2.94%</u>
\$ 25,408	\$ 22,829	\$ 22,051	\$ 13,819	\$ 22,628	\$ 14,125
176,191	166,659	179,348	126,546	225,578	150,014
<u>\$ 201,599</u>	<u>\$ 189,488</u>	<u>\$ 201,399</u>	<u>\$ 140,365</u>	<u>\$ 248,206</u>	<u>\$ 164,139</u>
\$ 28,849	\$ 26,936	\$ 24,638	\$ 21,880	\$ 20,120	\$ 18,930
88.1%	84.8%	89.5%	63.2%	112.5%	74.6%
79.5%	80.2%	79.1%	87.0%	76.7%	83.1%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

	Police and Fire Fund⁽¹⁾			
	2015	2016	2017	2018
Primary Government's Proportion of the Net Pension Liability as an:				
Employer	N/A	N/A	N/A	N/A
Non-Employer Contributing Entity	N/A	N/A	N/A	N/A
Total Primary Government's Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A
Primary Government's Proportionate Share of the Net Pension Liability as an:				
Employer	N/A	N/A	N/A	N/A
Non-Employer Contributing Entity	N/A	N/A	N/A	N/A
Total Primary Government's Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A
Primary Government's Covered-Member Payroll – Measurement Period	N/A	N/A	N/A	N/A
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A

⁽¹⁾ Reporting data for P&FF begins with fiscal year 2019, due to a change in the statutorily required contribution.

⁽²⁾ 2022: The discount rate changed from 7.5 percent to 6.5 percent.

⁽³⁾ 2023: The discount rate changed to 5.4 percent.

⁽⁴⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 3.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 7.0 percent.

2019	2020	2021	2022 ⁽²⁾	2023 ⁽³⁾	2024 ⁽⁴⁾
—%	0.25%	0.28%	0.28%	0.27%	0.26%
5.27%	5.15%	4.60%	4.30%	4.19%	3.87%
<u>5.27%</u>	<u>5.40%</u>	<u>4.88%</u>	<u>4.58%</u>	<u>4.46%</u>	<u>4.13%</u>
\$ —	\$ 2,687	\$ 3,635	\$ 2,149	\$ 11,919	\$ 4,467
56,187	54,801	60,676	33,209	182,147	66,866
<u>\$ 56,187</u>	<u>\$ 57,488</u>	<u>\$ 64,311</u>	<u>\$ 35,358</u>	<u>\$ 194,066</u>	<u>\$ 71,333</u>
N/A	\$ 2,553	\$ 2,949	\$ 3,052	\$ 3,088	\$ 3,167
N/A	105.2%	123.3%	70.4%	386.0%	141.0%
88.8%	89.3%	87.2%	93.7%	70.5%	86.5%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

	Teachers Retirement Fund			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Primary Government's Proportion of the Net Pension Liability as an:				
Employer	4.13%	3.88%	3.72%	3.71%
Non-Employer Contributing Entity	5.17%	9.74%	7.97%	7.70%
Total Primary Government's Proportion of the Net Pension Liability	9.30%	13.62%	11.69%	11.41%
Primary Government's Proportionate Share of the Net Pension Liability as an:				
Employer	\$ 190,460	\$ 239,701	\$ 888,788	\$ 740,843
Non-Employer Contributing Entity	237,958	602,738	1,900,653	1,537,059
Total Primary Government's Proportionate Share of the Net Pension Liability	\$ 428,418	\$ 842,439	\$ 2,789,441	\$ 2,277,902
Primary Government's Covered-Member Payroll – Measurement Period	\$ 167,667	\$ 166,870	\$ 168,264	\$ 174,018
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	113.6%	143.6%	528.2%	425.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.5%	76.8%	44.9%	51.6%

⁽¹⁾ 2016: The discount rate changed from 8.25 percent to 8.00 percent.

⁽²⁾ 2017: A benefit increase was not projected to be attained instead of 2.5 percent in 2037. The discount rate changed to 4.66 percent.

⁽³⁾ 2018: Benefit increase of 2.5 percent was projected to start in 2045. The discount rate changed to 5.12 percent.

⁽⁴⁾ 2019: Benefit increase changed to 2.0 percent through December 31, 2018, 1.0 percent through December 31, 2023, then increase by 0.1 percent each year over five years, and 1.5 percent thereafter. The discount rate changed to 7.5 percent.

⁽⁵⁾ 2022: The discount rate changed to 7.0 percent.

⁽⁶⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and coordinated members of 2.9 percent and 1.4 percent, respectively, payable in a lump sum by March 31, 2024.

2019 ⁽⁴⁾	2020	2021	2022 ⁽⁵⁾	2023	2024 ⁽⁶⁾
3.52%	3.55%	3.48%	3.45%	3.33%	3.55%
7.50%	7.10%	6.75%	6.39%	6.03%	5.72%
<u>11.02%</u>	<u>10.65%</u>	<u>10.23%</u>	<u>9.84%</u>	<u>9.36%</u>	<u>9.27%</u>
\$ 221,190	\$ 226,558	\$ 256,907	\$ 150,864	\$ 266,953	\$ 293,451
471,220	452,696	499,032	279,641	482,875	472,132
<u>\$ 692,410</u>	<u>\$ 679,254</u>	<u>\$ 755,939</u>	<u>\$ 430,505</u>	<u>\$ 749,828</u>	<u>\$ 765,583</u>
\$ 170,196	\$ 177,753	\$ 179,645	\$ 183,607	\$ 185,816	\$ 203,848
130.0%	127.5%	143.0%	82.2%	143.7%	144.0%
78.1%	78.2%	75.5%	86.6%	76.2%	76.4%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

St. Paul Teachers' Retirement Fund				
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Primary Government's Proportion of the Net Pension Liability as an:				
Employer	0.31%	0.24%	0.17%	0.18%
Non-Employer Contributing Entity	30.34%	29.52%	28.79%	27.97%
Total Primary Government's Proportion of the Net Pension Liability	30.65%	29.76%	28.96%	28.15%
Primary Government's Proportionate Share of the Net Pension Liability as an:				
Employer	\$ 1,666	\$ 1,385	\$ 1,082	\$ 1,019
Non-Employer Contributing Entity	162,576	171,776	182,226	161,970
Total Primary Government's Proportionate Share of the Net Pension Liability	\$ 164,242	\$ 173,161	\$ 183,308	\$ 162,989
Primary Government's Covered-Member Payroll – Measurement Period	\$ 1,749	\$ 628	\$ 443	\$ 465
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	95.3%	220.5%	244.2%	219.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.1%	63.6%	60.3%	64.1%

⁽¹⁾ 2016: Benefit increase if the plan is at least 90 percent funded was up to 2.5 percent instead of up to 5.0 percent.

⁽²⁾ 2017: Benefit increase of 2.0 percent was projected to start in 2055 and 2.5 percent in 2066 instead of 2041 and 2051, respectively.

⁽³⁾ 2018: Benefit increase of 2.0 percent was projected to start in 2042 and 2.5 percent in 2052.

⁽⁴⁾ 2019: Benefit increase changed to 1.0 percent through December 31, 2018, no benefit increases through December 31, 2020, and 1.0 percent thereafter. The discount rate changed from 8.0 percent to 7.5 percent.

⁽⁵⁾ 2023: The discount rate changed to 7.0 percent.

⁽⁶⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase for basic members and coordinated members of 3.0 percent and 1.5 percent, respectively, payable in a lump sum by March 31, 2024.

2019 ⁽⁴⁾	2020	2021	2022	2023 ⁽⁵⁾	2024 ⁽⁶⁾
0.10%	0.10%	0.08%	0.05%	0.04%	0.04%
27.48%	33.67%	31.67%	30.90%	28.84%	29.02%
<u>27.58%</u>	<u>33.77%</u>	<u>31.75%</u>	<u>30.95%</u>	<u>28.88%</u>	<u>29.06%</u>
\$ 630	\$ 617	\$ 503	\$ 230	\$ 243	\$ 250
166,431	205,790	207,016	134,248	200,407	195,832
<u>\$ 167,061</u>	<u>\$ 206,407</u>	<u>\$ 207,519</u>	<u>\$ 134,478</u>	<u>\$ 200,650</u>	<u>\$ 196,082</u>
\$ 274	\$ 271	\$ 211	\$ 148	\$ 106	\$ 110
229.9%	227.7%	238.4%	155.4%	229.2%	227.3%
63.9%	63.9%	61.4%	74.9%	62.4%	64.3%

Required Supplementary Information
Multiple-Employer Cost Sharing Plans
Schedule of the Proportionate Share of the Net Pension Liability (Continued)
(In Thousands)

	Minneapolis Employee Retirement Fund⁽¹⁾	Duluth Teachers' Retirement Fund⁽²⁾
	2015	2015
Primary Government's Proportion of the Net Pension Liability as an:		
Employer	—%	0.55%
Non-Employer Contributing Entity	43.35%	64.98%
Total Primary Government's Proportion of the Net Pension Liability	<u>43.35%</u>	<u>65.53%</u>
Primary Government's Proportionate Share of the Net Pension Liability as an:		
Employer	\$ —	\$ 1,401
Non-Employer Contributing Entity	95,900	166,948
Total Primary Government's Proportionate Share of the Net Pension Liability	<u>\$ 95,900</u>	<u>\$ 168,349</u>
Primary Government's Covered-Member Payroll – Measurement Period	N/A	\$ 729
Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll	N/A	192.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.9%	46.8%

⁽¹⁾ MERF merged with GERF in reporting fiscal year 2015.

⁽²⁾ DTRF merged with TRF in reporting fiscal year 2015.



Required Supplementary Information
Primary Government Administered Single-Employer Plans
Schedule of Contributions
(In Thousands)

Judges Retirement Fund

	2015	2016	2017 ⁽²⁾	2018 ⁽³⁾
Statutorily Required Contribution ⁽¹⁾	\$ 9,776	\$ 10,219	\$ 13,758	\$ 17,027
Covered-Member Payroll	\$ 43,449	\$ 45,418	\$ 47,813	\$ 49,009
Contributions as a Percentage of Covered-Member Payroll	22.5%	22.5%	28.8%	34.7%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2017: The required employer contribution rate included an additional \$3 million over the percentage of covered payroll.

⁽³⁾ 2018: The required employer contribution rate included an additional \$3 million for a total of \$6 million over the percentage of covered payroll each year until the earlier of the plan is fully funded for three consecutive years or July 1, 2048.

⁽⁴⁾ 2024: Employer contributions include a one-time state aid contribution of \$293 thousand.

Legislators Retirement Fund ⁽²⁾

	2015	2016	2017	2018
Statutorily Required Contribution ⁽¹⁾	\$ 3,216	\$ 5,087	\$ 8,716	\$ 8,856
Covered-Member Payroll	\$ 1,700	\$ 989	\$ 889	\$ 1,033
Contributions as a Percentage of Covered-Member Payroll	189.2%	514.4%	980.4%	857.3%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ LRF employer contributions are on a pay-as-you-go basis.

⁽³⁾ 2024: Employer contributions include a one-time state aid contribution of \$91 thousand.

State Patrol Retirement Fund

	2015	2016	2017 ⁽²⁾	2018
Statutorily Required Contribution ⁽¹⁾	\$ 13,763	\$ 13,938	\$ 15,783	\$ 15,952
Covered-Member Payroll	\$ 68,463	\$ 69,343	\$ 73,056	\$ 74,007
Contributions as a Percentage of Covered-Member Payroll	20.1%	20.1%	21.6%	21.6%

⁽¹⁾ Statutorily required contributions equal actual required contributions.

⁽²⁾ 2017: The required employer contribution rate changed from 20.1 percent to 21.6 percent.

⁽³⁾ 2019: The required employer contribution rate changed to 22.35 percent, plus an additional supplemental employer contribution of 1.75 percent.

⁽⁴⁾ 2020: The required employer contribution rate changed to 23.1 percent, plus an additional supplemental employer contribution of 3.0 percent.

⁽⁵⁾ 2021: The additional supplemental employer contribution rate changed to 5.0 percent.

⁽⁶⁾ 2022: The additional supplemental employer contribution rate changed to 7.0 percent.

⁽⁷⁾ 2024: Employer contributions include a one-time state aid contribution of \$11.971 million.

	2019	2020	2021	2022	2023	2024 ⁽⁴⁾
\$	17,287	\$ 17,766	\$ 17,915	\$ 18,248	\$ 18,245	\$ 19,534
\$	50,164	\$ 52,298	\$ 52,960	\$ 54,436	\$ 54,422	\$ 55,399
	34.5%	34.0%	33.8%	33.5%	33.5%	35.3%

	2019	2020	2021	2022	2023	2024 ⁽³⁾
\$	8,798	\$ 8,764	\$ 8,639	\$ 8,682	\$ 8,699	\$ 8,813
\$	1,011	\$ 967	\$ 856	\$ 689	\$ 544	\$ 428
	870.2%	906.3%	1009.2%	1260.1%	1599.1%	2059.1%

	2019 ⁽³⁾	2020 ⁽⁴⁾	2021 ⁽⁵⁾	2022 ⁽⁶⁾	2023	2024 ⁽⁷⁾
\$	19,479	\$ 21,975	\$ 24,809	\$ 32,258	\$ 31,537	\$ 46,035
\$	80,792	\$ 84,530	\$ 88,351	\$ 107,240	\$ 106,714	\$ 108,324
	24.1%	26.0%	28.1%	30.1%	29.6%	42.5%

Required Supplementary Information
Primary Government Administered Single-Employer Plans
Schedule of Changes in the Net Pension Liability and Related Ratios
(In Thousands)

	Judges Retirement Fund			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Total Pension Liability				
Service Cost	\$ 12,075	\$ 12,251	\$ 13,711	\$ 9,483
Interest on the Total Pension Liability	20,535	21,773	21,349	25,366
Benefit Changes	—	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	5,080	(4,366)	7,135	(4,958)
Changes in Assumptions	(8,416)	21,696	(85,756)	11,652
Benefit Payments, Including Refunds of Member Contributions	(20,802)	(21,893)	(22,378)	(23,094)
Net Change in Total Pension Liability	\$ 8,472	\$ 29,461	\$ (65,939)	\$ 18,449
Total Pension Liability, Beginning	\$ 373,039	\$ 381,511	\$ 410,972	\$ 345,033
Total Pension Liability, Ending	<u>\$ 381,511</u>	<u>\$ 410,972</u>	<u>\$ 345,033</u>	<u>\$ 363,482</u>
Fiduciary Net Position				
Contributions – Employer	\$ 9,426	\$ 9,776	\$ 10,219	\$ 13,758
Contributions – Member	3,578	3,629	3,763	3,932
Net Investment Income	28,011	7,572	(186)	24,729
Benefit Payments, Including Refunds of Member Contributions	(20,802)	(21,893)	(22,378)	(23,094)
Pension Plan Administrative Expenses	(55)	(60)	(94)	(89)
Net Change in Plan Fiduciary Net Position	\$ 20,158	\$ (976)	\$ (8,676)	\$ 19,236
Plan Fiduciary Net Position, Beginning	\$ 155,398	\$ 175,556	\$ 174,580	\$ 165,904
Plan Fiduciary Net Position, Ending	<u>\$ 175,556</u>	<u>\$ 174,580</u>	<u>\$ 165,904</u>	<u>\$ 185,140</u>
Net Pension Liability	<u>\$ 205,955</u>	<u>\$ 236,392</u>	<u>\$ 179,129</u>	<u>\$ 178,342</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.0%	42.5%	48.1%	50.9%
Covered-Member Payroll – Measurement Period	\$ 41,893	\$ 43,449	\$ 45,418	\$ 47,813
Net Pension Liability as a Percentage of Covered-Member Payroll	491.6%	544.1%	394.4%	373.0%

⁽¹⁾ 2016: The discount rate changed from 5.78 percent to 5.25 percent.

⁽²⁾ 2017: Benefit increase of 1.75 percent was projected for all future years changed to 1.75 percent through 2041, 2.0 percent for 2042-2054, and 2.5 percent thereafter. The discount rate changed to 7.50 percent.

⁽³⁾ 2018: Benefit increase rate changed to 1.75 percent through 2038, 2.0 percent for 2039-2053, and 2.5 percent thereafter.

⁽⁴⁾ 2019: Benefit increase rate changed to 1.75 percent through 2037, 2.0 percent for 2038-2051, and 2.5 percent thereafter.

⁽⁵⁾ 2020: Benefit increase rate changed to 1.75 percent through 2039, 2.0 percent for 2040-2056, and 2.5 percent thereafter.

⁽⁶⁾ 2021: Benefit increase rate changed to 1.75 percent through 2041, 2.0 percent for 2042-2058, and 2.5 percent thereafter.

⁽⁷⁾ 2022: Benefit increase rate changed to 1.75 percent through December 31, 2021 and 1.5 percent thereafter. The discount rate changed to 6.5 percent.

⁽⁸⁾ 2023: The discount rate changed to 6.75 percent.

⁽⁹⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 7.00 percent.

	2019 ⁽⁴⁾	2020 ⁽⁵⁾	2021 ⁽⁶⁾	2022 ⁽⁷⁾	2023 ⁽⁸⁾	2024 ⁽⁹⁾
\$	9,857	\$ 9,881	\$ 9,897	\$ 10,204	\$ 11,707	\$ 11,063
	26,747	27,769	28,721	29,568	27,360	28,538
	—	—	—	(9,525)	—	295
	1,424	804	(802)	(1,481)	2,040	(2,002)
	—	—	—	24,695	(10,257)	(9,979)
	(23,585)	(25,233)	(26,302)	(27,038)	(28,035)	(29,287)
\$	14,443	\$ 13,221	\$ 11,514	\$ 26,423	\$ 2,815	\$ (1,372)
\$	363,482	\$ 377,925	\$ 391,146	\$ 402,660	\$ 429,083	\$ 431,898
\$	377,925	\$ 391,146	\$ 402,660	\$ 429,083	\$ 431,898	\$ 430,526
\$	17,027	\$ 17,287	\$ 17,766	\$ 17,915	\$ 18,248	\$ 18,245
	3,973	4,049	4,168	4,166	4,214	4,121
	19,265	14,491	8,955	64,934	(17,022)	22,013
	(23,585)	(25,233)	(26,302)	(27,038)	(28,035)	(29,287)
	(65)	(87)	(112)	(76)	(72)	(76)
\$	16,615	\$ 10,507	\$ 4,475	\$ 59,901	\$ (22,667)	\$ 15,016
\$	185,140	\$ 201,755	\$ 212,262	\$ 216,737	\$ 276,638	\$ 253,971
\$	201,755	\$ 212,262	\$ 216,737	\$ 276,638	\$ 253,971	\$ 268,987
\$	176,170	\$ 178,884	\$ 185,923	\$ 152,445	\$ 177,927	\$ 161,539
	53.4%	54.3%	53.8%	64.5%	58.8%	62.5%
\$	49,009	\$ 50,164	\$ 52,298	\$ 52,960	\$ 54,436	\$ 54,422
	359.5%	356.6%	355.5%	287.8%	326.9%	296.8%

Required Supplementary Information
Primary Government Administered Single-Employer Plans
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
(In Thousands)

	Legislators Retirement Fund			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Total Pension Liability				
Service Cost	\$ 398	\$ 428	\$ 495	\$ 546
Interest on the Total Pension Liability	6,177	6,113	5,332	4,293
Benefit Changes	—	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(237)	(7,303)	(1,597)	1,518
Changes in Assumptions	11,201	7,057	14,653	(5,017)
Benefit Payments, Including Refunds of Member Contributions	(8,486)	(8,441)	(8,536)	(8,716)
Net Change in Total Pension Liability	\$ 9,053	\$ (2,146)	\$ 10,347	\$ (7,376)
Total Pension Liability, Beginning	\$ 137,446	\$ 146,499	\$ 144,353	\$ 154,700
Total Pension Liability, Ending	<u>\$ 146,499</u>	<u>\$ 144,353</u>	<u>\$ 154,700</u>	<u>\$ 147,324</u>
Fiduciary Net Position				
Contributions – Employer	\$ 3,436	\$ 3,216	\$ 5,087	\$ 8,716
Contributions – Member	101	153	89	80
Net Investment Income	1,750	281	(69)	—
Benefit Payments, Including Refunds of Member Contributions	(8,486)	(8,441)	(8,536)	(8,716)
Pension Plan Administrative Expenses	(36)	(37)	(42)	(39)
Other Changes	—	—	41	(41)
Net Change in Plan Fiduciary Net Position	\$ (3,235)	\$ (4,828)	\$ (3,430)	\$ —
Plan Fiduciary Net Position, Beginning	\$ 11,493	\$ 8,258	\$ 3,430	\$ —
Plan Fiduciary Net Position, Ending	\$ 8,258	\$ 3,430	\$ —	\$ —
Net Pension Liability	<u>\$ 138,241</u>	<u>\$ 140,923</u>	<u>\$ 154,700</u>	<u>\$ 147,324</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	5.6%	2.4%	—%	—%
Covered-Member Payroll – Measurement Period	\$ 1,122	\$ 1,700	\$ 989	\$ 889
Net Pension Liability as a Percentage of Covered-Member Payroll	12,320.9%	8,289.6%	15,642.1%	16,571.9%

⁽¹⁾ 2016: Benefit increase of 2.5 percent was projected to start in 2044 instead of 2015. The discount rate changed from 4.29 percent to 3.80 percent.

⁽²⁾ 2017: Benefit increase changed to 2.0 percent for all future years. The discount rate changed to 2.85 percent.

⁽³⁾ 2018: The discount rate changed to 3.56 percent.

⁽⁴⁾ 2019: Benefit increase rate changed to 2.0 percent through December 31, 2018, 1.0 percent through December 31, 2023, and 1.5 percent thereafter. The discount rate changed to 3.62 percent.

⁽⁵⁾ 2020: The discount rate changed to 3.13 percent.

⁽⁶⁾ 2021: The discount rate changed to 2.45 percent.

⁽⁷⁾ 2022: The discount rate changed to 1.92 percent.

⁽⁸⁾ 2023: The discount rate changed to 3.69 percent.

⁽⁹⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 1.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 3.86 percent.

	2019 ⁽⁴⁾	2020 ⁽⁵⁾	2021 ⁽⁶⁾	2022 ⁽⁷⁾	2023 ⁽⁸⁾	2024 ⁽⁹⁾
\$	437	\$ 496	\$ 527	\$ 657	\$ 532	\$ 340
	5,094	4,894	4,258	3,498	2,625	4,052
	(9,839)	—	—	—	—	87
	6,119	(2,441)	645	(527)	(415)	230
	(856)	6,722	9,986	(942)	(20,826)	(1,607)
	(8,912)	(8,853)	(8,812)	(8,679)	(8,705)	(8,712)
\$	(7,957)	\$ 818	\$ 6,604	\$ (5,993)	\$ (26,789)	\$ (5,610)
\$	147,324	\$ 139,367	\$ 140,185	\$ 146,789	\$ 140,796	\$ 114,007
\$	139,367	\$ 140,185	\$ 146,789	\$ 140,796	\$ 114,007	\$ 108,397
\$	8,856	\$ 8,798	\$ 8,764	\$ 8,639	\$ 8,682	\$ 8,699
	93	91	87	77	62	49
	—	—	—	—	—	—
	(8,912)	(8,853)	(8,812)	(8,679)	(8,705)	(8,712)
	(37)	(36)	(39)	(37)	(39)	(36)
	—	—	—	—	—	—
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
\$	139,367	\$ 140,185	\$ 146,789	\$ 140,796	\$ 114,007	\$ 108,397
	—%	—%	—%	—%	—%	—%
\$	1,033	\$ 1,011	\$ 967	\$ 856	\$ 689	\$ 544
	13,491.5%	13,866.0%	15,179.8%	16,448.1%	16,546.7%	19,925.9%

Required Supplementary Information
Primary Government Administered Single-Employer Plans
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
(In Thousands)

	State Patrol Retirement Fund			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Total Pension Liability				
Service Cost	\$ 14,514	\$ 16,144	\$ 16,555	\$ 29,758
Interest on the Total Pension Liability	60,183	63,753	64,592	58,865
Benefit Changes	—	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(5,771)	(12,855)	(22,222)	(2,418)
Changes in Assumptions	30,058	—	283,584	(112,694)
Benefit Payments, Including Refunds of Member Contributions	(53,722)	(55,480)	(57,774)	(58,565)
Net Change in Total Pension Liability	\$ 45,262	\$ 11,562	\$ 284,735	\$ (85,054)
Total Pension Liability, Beginning	\$ 781,411	\$ 826,673	\$ 838,235	\$ 1,122,970
Total Pension Liability, Ending	<u>\$ 826,673</u>	<u>\$ 838,235</u>	<u>\$ 1,122,970</u>	<u>\$ 1,037,916</u>
Fiduciary Net Position				
Contributions – Employer	\$ 12,894	\$ 14,763	\$ 14,938	\$ 16,783
Contributions – Member	7,930	9,174	9,292	10,520
Net Investment Income	107,187	28,903	(774)	93,077
Benefit Payments, Including Refunds of Member Contributions	(53,722)	(55,480)	(57,774)	(58,565)
Pension Plan Administrative Expenses	(150)	(170)	(220)	(208)
Other Changes	—	—	—	—
Net Change in Plan Fiduciary Net Position	\$ 74,139	\$ (2,810)	\$ (34,538)	\$ 61,607
Plan Fiduciary Net Position, Beginning	\$ 593,201	\$ 667,340	\$ 664,530	\$ 629,992
Plan Fiduciary Net Position, Ending	<u>\$ 667,340</u>	<u>\$ 664,530</u>	<u>\$ 629,992</u>	<u>\$ 691,599</u>
Net Pension Liability	<u>\$ 159,333</u>	<u>\$ 173,705</u>	<u>\$ 492,978</u>	<u>\$ 346,317</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.7%	79.3%	56.1%	66.6%
Covered-Member Payroll – Measurement Period	\$ 63,952	\$ 68,463	\$ 69,343	\$ 73,056
Net Pension Liability as a Percentage of Covered-Member Payroll	249.1%	253.7%	710.9%	474.0%

⁽¹⁾ 2016: Benefit increase of 1.0 percent was projected to start in 2031 instead of 2018, 1.5 percent through 2052 instead of 2045 and 2.5 percent thereafter.

⁽²⁾ 2017: Benefit increase changed to 1.0 percent for all future years. The discount rate changed from 7.9 percent to 5.31 percent.

⁽³⁾ 2018: Benefit increase changed to 1.0 percent through 2064, and 1.5 percent thereafter. The discount rate changed to 6.38 percent.

⁽⁴⁾ 2019: Benefit increase changed to 1.0 percent for all future years. The discount rate changed to 7.5 percent.

⁽⁵⁾ 2022: The discount rate changed to 6.5 percent.

⁽⁶⁾ 2023: The discount rate changed to 6.75 percent.

⁽⁷⁾ 2024: For January 1, 2024 through December 31, 2024 there is a one-time, non-compounding benefit increase of 3.0 percent payable in a lump sum by March 31, 2024. The discount rate changed to 7.00 percent.

	2019 ⁽⁴⁾	2020	2021	2022 ⁽⁵⁾	2023 ⁽⁶⁾	2024 ⁽⁷⁾
\$	24,935	\$ 19,375	\$ 21,122	\$ 21,795	\$ 26,648	\$ 29,951
	65,110	68,227	70,465	72,625	71,049	77,346
	(2,604)	—	—	—	—	2,002
	(8,369)	2,757	(535)	1,596	54,474	(1,787)
	(126,888)	—	—	90,144	(35,484)	(34,912)
	(59,692)	(60,803)	(61,971)	(63,210)	(64,506)	(66,580)
\$	(107,508)	\$ 29,556	\$ 29,081	\$ 122,950	\$ 52,181	\$ 6,020
\$	1,037,916	\$ 930,408	\$ 959,964	\$ 989,045	\$ 1,111,995	\$ 1,164,176
\$	930,408	\$ 959,964	\$ 989,045	\$ 1,111,995	\$ 1,164,176	\$ 1,170,196
\$	16,952	\$ 20,479	\$ 22,975	\$ 25,809	\$ 33,258	\$ 32,537
	10,657	12,038	12,595	13,606	16,515	16,434
	70,474	51,823	31,073	224,273	(59,360)	77,364
	(59,692)	(60,803)	(61,971)	(63,210)	(64,506)	(66,580)
	(184)	(191)	(224)	(204)	(190)	(235)
	(7)	(1)	(2)	—	—	(2)
\$	38,200	\$ 23,345	\$ 4,446	\$ 200,274	\$ (74,283)	\$ 59,518
\$	691,599	\$ 729,799	\$ 753,144	\$ 757,590	\$ 957,864	\$ 883,581
\$	729,799	\$ 753,144	\$ 757,590	\$ 957,864	\$ 883,581	\$ 943,099
\$	200,609	\$ 206,820	\$ 231,455	\$ 154,131	\$ 280,595	\$ 227,097
	78.4%	78.5%	76.6%	86.1%	75.9%	80.6%
\$	74,007	\$ 80,792	\$ 84,530	\$ 88,351	\$ 107,240	\$ 106,714
	271.1%	256.0%	273.8%	174.5%	261.7%	212.8%

Defined Benefit Other Postemployment Benefits

The state of Minnesota offers other postemployment benefits (OPEB) to state employees and their dependents through a single-employer defined benefit health care plan. The state does not fund this plan and operates on a pay-as-you-go basis. The state implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" in fiscal year 2018, which is the first year the data is available. This statement requires the presentation of supplementary information for each of the ten most recent years. However, until a full 10-year trend is available, the state will present information for the years which the information is available.

Required Supplementary Information
Single Employer Defined Benefit OPEB Plan
Schedule of Changes in Total OPEB Liability
(In Thousands)

	2018	2019 ⁽²⁾	2020 ⁽³⁾	2021 ⁽⁴⁾
Total OPEB Liability⁽¹⁾				
Service Cost	\$ 51,415	\$ 48,056	\$ 47,473	\$ 46,502
Interest	18,612	23,378	24,963	23,128
Differences Between Expected and Actual Experience	—	(42,541)	(16,846)	(76,320)
Changes in Assumptions or Other Inputs	(32,277)	(596)	(2,444)	101,123
Benefit Payments	(32,627)	(36,358)	(35,030)	(37,754)
Net Changes in Total OPEB Liability	<u>\$ 5,123</u>	<u>\$ (8,061)</u>	<u>\$ 18,116</u>	<u>\$ 56,679</u>
Total OPEB Liability, Beginning	<u>\$ 617,856</u>	<u>\$ 622,979</u>	<u>\$ 614,918</u>	<u>\$ 633,034</u>
Total OPEB Liability, Ending	<u><u>\$ 622,979</u></u>	<u><u>\$ 614,918</u></u>	<u><u>\$ 633,034</u></u>	<u><u>\$ 689,713</u></u>
Covered-Employee Payroll	\$ 3,545,697	\$ 3,603,462	\$ 3,664,566	\$ 3,814,738
Total OPEB Liability as a Percentage of Covered-Employee Payroll	17.6%	17.1%	17.3%	18.1%

(1) Amounts represent the total of the primary government's proportionate share and its discretely presented component units' proportionate share.

(2) 2019: The discount rate changed from 3.58 percent to 3.87 percent.

(3) 2020: The discount rate changed to 3.50 percent.

(4) 2021: The discount rate changed to 2.21 percent.

(5) 2022: The discount rate changed to 2.16 percent.

(6) 2023: The discount rate changed to 3.54 percent.

(7) 2024: The discount rate changed to 3.65 percent.

<u>2022</u> ⁽⁵⁾	<u>2023</u> ⁽⁶⁾	<u>2024</u> ⁽⁷⁾
\$ 48,014	\$ 49,853	\$ 43,625
15,947	16,278	26,792
—	48,361	9,752
2,571	(63,846)	17,163
(32,518)	(40,105)	(42,504)
\$ 34,014	\$ 10,541	\$ 54,828
\$ 689,713	\$ 723,727	\$ 734,268
\$ 723,727	\$ 734,268	\$ 789,096
\$ 3,949,086	\$ 3,997,574	\$ 4,225,121
18.3%	18.4%	18.7%

Public Employees Insurance Program Development Information

The Public Employees Insurance Program's medical claim is a self-funded program. The following table illustrates how the fund's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the fund as of the end of each of the past ten years (in thousands).

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Required Contribution and Investment Revenue:										
Earned	\$ 96,008	\$109,484	\$120,780	\$169,172	\$208,391	\$268,602	\$331,570	\$333,233	\$293,294	\$260,706
Ceded	(4,607)	—	—	—	—	—	—	—	—	—
Net Earned	\$ 91,401	\$109,484	\$120,780	\$169,172	\$208,391	\$268,602	\$331,570	\$333,233	\$293,294	\$260,706
2. Unallocated Expenses:										
	\$ 7,435	\$ 7,846	\$ 8,518	\$ 10,891	\$ 13,213	\$ 15,822	\$ 19,737	\$ 18,830	\$ 16,223	\$ 14,478
3. Estimated Claims and Expenses End of Policy Year:										
Incurred	\$ 86,276	\$ 97,089	\$ 99,399	\$148,773	\$196,311	\$247,273	\$314,643	\$318,330	\$263,209	\$223,628
Ceded	(7,571)	—	—	—	—	—	—	—	—	—
Net Incurred	\$ 78,705	\$ 97,089	\$ 99,399	\$148,773	\$196,311	\$247,273	\$314,643	\$318,330	\$263,209	\$223,628
4. Net Paid (Cumulative) as of:										
End of Policy Year	\$ 70,741	\$ 87,378	\$ 90,091	\$135,199	\$180,716	\$223,215	\$284,132	\$288,708	\$244,684	\$203,277
One Year Later	79,461	96,681	98,880	147,318	195,547	246,968	322,890	315,565	272,095	
Two Years Later	79,762	96,506	98,873	148,026	195,573	247,971	323,832	316,338		
Three Years Later	79,906	96,506	99,131	147,987	195,572	247,866	323,810			
Four Years Later	79,906	96,602	99,131	147,987	195,572	247,866				
Five Years Later	79,906	96,602	99,131	147,987	195,572					
Six Years Later	79,906	96,602	99,131	147,987						
Seven Years Later	79,906	96,602	99,131							
Eight Years Later	79,906	96,602								
Nine Years Later	79,906									
5. Reestimated Ceded Claims and Expenses:										
	\$ 7,374	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
6. Reestimated Net Incurred Claims and Expenses:										
End of Policy Year	\$ 78,705	\$ 97,089	\$ 99,399	\$148,773	\$196,311	\$247,273	\$314,643	\$318,330	\$263,209	\$223,628
One Year Later	80,027	97,415	99,323	148,678	196,227	247,611	323,974	316,487	273,007	
Two Years Later	79,981	96,506	99,443	148,167	195,573	247,971	323,832	316,338		
Three Years Later	79,906	96,601	99,131	147,987	195,572	247,866	323,810			
Four Years Later	79,906	96,602	99,131	147,987	195,572	247,866				
Five Years Later	79,906	96,602	99,131	147,987	195,572					
Six Years Later	79,906	96,602	99,131	147,987						
Seven Years Later	79,906	96,602	99,131							
Eight Years Later	79,906	96,602								
Nine Years Later	79,906									
7. Increase (Decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year:										
	\$ 1201	\$ (487)	\$ (268)	\$ (786)	\$ (739)	\$ 593	\$ 9167	\$ (1992)	\$ 9,798	\$ —

The rows of the table are defined as follows:

1. This section shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims.
3. This section shows the fund's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, re-evaluation of existing information on known claims, and emergence of new claims not previously known.)
7. This line compares the latest reestimated net incurred claims amount to the amount originally established (section 3) and shows whether this latest estimate of net claims cost is greater or less than originally estimated. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.



Combining and
Individual Fund
Statements –
Nonmajor Funds

2024
Annual
Comprehensive
Financial Report



Nonmajor Special Revenue, Debt Service, Permanent and Capital Projects Funds

Debt Service Fund

The fund accounts for the accumulation of resources for, and the payment of, most general obligation and state appropriation long-term debt principal and interest as well as lease-purchase financing for technology improvement.

Permanent Fund

Permanent School Fund

The constitutionally established trust fund receives revenue from investments and the sale of state land and timber for distribution to school districts.

2024
Annual
Comprehensive
Financial Report

STATE OF MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING BALANCE SHEET

JUNE 30, 2024

(IN THOUSANDS)

	SPECIAL REVENUE	DEBT SERVICE	PERMANENT PERMANENT SCHOOL	CAPITAL PROJECTS	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 5,904,143	\$ 793,866	\$ 74,113	\$ 1,603,503	\$ 8,375,625
Investments	425,330	114,205	2,069,265	—	2,608,800
Accounts Receivable	507,461	—	4,013	59	511,533
Interfund Receivables	253,469	308	—	23,192	276,969
Due from Component Units	—	105,005	—	—	105,005
Accrued Investment/Interest Earnings	3,919	670	7,268	—	11,857
Federal Aid Receivable	107,440	—	—	—	107,440
Inventories	62,987	—	—	—	62,987
Loans and Notes Receivable	159,994	—	—	—	159,994
Leases Receivable	4,134	—	—	—	4,134
Investment in Land	—	—	15,943	—	15,943
Total Assets	<u>\$ 7,428,877</u>	<u>\$ 1,014,054</u>	<u>\$ 2,170,602</u>	<u>\$ 1,626,754</u>	<u>\$ 12,240,287</u>
LIABILITIES					
Accounts Payable	\$ 684,193	\$ 5	\$ 31	\$ 124,197	\$ 808,426
Interfund Payables	168,616	20,368	9,517	188,239	386,740
Due to Component Units	81,312	—	—	19,288	100,600
Unearned Revenue	13,755	—	—	—	13,755
Total Liabilities	<u>\$ 947,876</u>	<u>\$ 20,373</u>	<u>\$ 9,548</u>	<u>\$ 331,724</u>	<u>\$ 1,309,521</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Leases	\$ 4,134	\$ —	\$ —	\$ —	\$ 4,134
Deferred Revenue	206,605	—	325	—	206,930
Total Deferred Inflows of Resources	<u>\$ 210,739</u>	<u>\$ —</u>	<u>\$ 325</u>	<u>\$ —</u>	<u>\$ 211,064</u>
FUND BALANCES					
Nonspendable	\$ 63,987	\$ —	\$ 2,146,483	\$ —	\$ 2,210,470
Restricted	5,002,293	993,681	14,246	353,150	6,363,370
Committed	1,203,982	—	—	—	1,203,982
Assigned	—	—	—	1,003,980	1,003,980
Unassigned	—	—	—	(62,100)	(62,100)
Total Fund Balances	<u>\$ 6,270,262</u>	<u>\$ 993,681</u>	<u>\$ 2,160,729</u>	<u>\$ 1,295,030</u>	<u>\$ 10,719,702</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,428,877</u>	<u>\$ 1,014,054</u>	<u>\$ 2,170,602</u>	<u>\$ 1,626,754</u>	<u>\$ 12,240,287</u>

STATE OF MINNESOTA

**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	SPECIAL REVENUE	DEBT SERVICE	PERMANENT PERMANENT SCHOOL	CAPITAL PROJECTS	TOTAL
Net Revenues:					
Sales Taxes.....	\$ 1,188,375	\$ —	\$ —	\$ —	\$ 1,188,375
Motor Vehicle Taxes.....	1,592,050	—	—	—	1,592,050
Fuel Taxes.....	887,712	—	—	—	887,712
Other Taxes.....	287,190	—	—	—	287,190
Tobacco Settlement.....	17,750	—	—	—	17,750
Federal Revenues.....	642,386	—	—	—	642,386
Licenses and Fees.....	490,440	—	195	—	490,635
Departmental Services.....	190,591	—	30,894	—	221,485
Investment/Interest Earnings.....	304,560	61,501	263,462	—	629,523
Other Revenues.....	330,980	387	880	12	332,259
Net Revenues.....	<u>\$ 5,932,034</u>	<u>\$ 61,888</u>	<u>\$ 295,431</u>	<u>\$ 12</u>	<u>\$ 6,289,365</u>
Expenditures:					
Agricultural, Environmental and Energy Resources.....	\$ 814,130	\$ —	\$ 8,836	\$ 42,119	\$ 865,085
Economic and Workforce Development.....	224,206	—	—	264,963	489,169
General Education.....	50,083	—	50,944	3,277	104,304
General Government.....	116,795	403	—	39,334	156,532
Health and Human Services.....	236,789	—	—	8,850	245,639
Higher Education.....	42,071	—	—	27,004	69,075
Intergovernmental Aid.....	6,036	—	—	—	6,036
Public Safety and Corrections.....	304,414	—	—	12,062	316,476
Transportation.....	2,920,231	—	—	186,313	3,106,544
Total Current Expenditures.....	<u>\$ 4,714,755</u>	<u>\$ 403</u>	<u>\$ 59,780</u>	<u>\$ 583,922</u>	<u>\$ 5,358,860</u>
Capital Outlay.....	550,445	—	—	262,034	812,479
Debt Service.....	31,481	959,050	—	—	990,531
Total Expenditures.....	<u>\$ 5,296,681</u>	<u>\$ 959,453</u>	<u>\$ 59,780</u>	<u>\$ 845,956</u>	<u>\$ 7,161,870</u>
Excess of Revenues over (under) Expenditures.....	<u>\$ 635,353</u>	<u>\$ (897,565)</u>	<u>\$ 235,651</u>	<u>\$ (845,944)</u>	<u>\$ (872,505)</u>
Other Financing Sources (Uses):					
Bond Issuance.....	\$ —	\$ 18,835	\$ —	\$ 440,813	\$ 459,648
Certification of Participation Issuance.....	—	—	—	454,175	454,175
Loan Issuance.....	200	—	—	—	200
Right-to-Use Issuance.....	1,442	—	—	—	1,442
Issuance of Refunding Bonds.....	—	584,465	—	—	584,465
Payment to Refunded Bonds Escrow Agent.....	—	(584,465)	—	—	(584,465)
Bond Issuance Premium.....	—	87,353	—	19,312	106,665
Certificate of Participation Issuance Premium.....	—	—	—	24,679	24,679
Transfers-In.....	400,211	817,621	3,898	1,071,013	2,292,743
Transfers-Out.....	(319,770)	—	—	(43,813)	(363,583)
Net Other Financing Sources (Uses).....	<u>\$ 82,083</u>	<u>\$ 923,809</u>	<u>\$ 3,898</u>	<u>\$ 1,966,179</u>	<u>\$ 2,975,969</u>
Net Change in Fund Balances.....	<u>\$ 717,436</u>	<u>\$ 26,244</u>	<u>\$ 239,549</u>	<u>\$ 1,120,235</u>	<u>\$ 2,103,464</u>
Fund Balances, Beginning, as Reported.....	<u>\$ 5,552,826</u>	<u>\$ 967,437</u>	<u>\$ 1,921,180</u>	<u>\$ 174,795</u>	<u>\$ 8,616,238</u>
Fund Balances, Ending.....	<u>\$ 6,270,262</u>	<u>\$ 993,681</u>	<u>\$ 2,160,729</u>	<u>\$ 1,295,030</u>	<u>\$ 10,719,702</u>

Nonmajor Special Revenue Funds

Trunk Highway Fund

The fund receives a portion of the revenue from taxes on motor vehicles and motor fuels and federal grants to plan, design, construct, and maintain the state trunk highway system.

Highway User Tax Distribution Fund

The fund receives a portion of the revenue from taxes on motor vehicles and motor fuels to administer vehicle licensing services.

State Airports Fund

The fund uses revenue from aviation-related taxes and fees to provide technical and financial assistance to municipal airports and to promote aviation safety, planning, and regulation.

Municipal State-Aid Street Fund

The fund receives a portion of the revenue from taxes on motor vehicles and motor fuels to plan, design, construct, and maintain the municipal state aid street system.

County State-Aid Highway Fund

The fund receives a portion of the revenue from taxes on motor vehicles and motor fuels to plan, design, construct, and maintain the county state aid highway system.

Petroleum Tank Cleanup Fund

The fund receives funding from a fee imposed on petroleum distributors to reimburse responsible parties for most of their costs to clean up environmental contamination from petroleum tanks.

Nonmajor Special Revenue Funds – Continued

Natural Resources Fund

The fund receives taxes from fuel used in recreational vehicles, and fees and donations that are used to fund management of the related natural resource programs.

Game and Fish Fund

The fund receives revenues from license fees and fines related to hunting and fishing which are spent for related purposes.

Environmental and Remediation Fund

The fund accounts for activities that monitor and control environmental problems using taxes and fees from activities and industries contributing to environmental problems. It also accounts for activities that respond to, and correct releases of, hazardous substances, pollutants, chemicals, and petroleum, as well as environmental actions at qualified landfill facilities.

Douglas J. Johnson Economic Protection Trust Fund

The fund receives distribution from taconite production taxes to be held in trust or expended only in economic emergency for the purposes of rehabilitation and diversification of industry in the area largely dependent on the taconite mining industry.

Heritage Fund

The fund receives a portion of sales and use taxes to restore, protect, and enhance the outdoors, water quality, parks and trails, and arts and cultural heritage.

Endowment Fund

The fund receives gifts and donations that may be expended only for those purposes specified by the donors.

Housing Assistance Fund

The fund receives metropolitan regional sales and use taxes for qualifying projects, such as emergency rental assistance, financial support to nonprofits, and construction projects.

Special Compensation Fund

The fund receives assessments on all insurers for administration of the state workers' compensation program, including enforcement, reimbursement of certain supplemental benefits, and payment of claims to employees of uninsured and bankrupt firms.

Workforce Development Fund

The fund receives special assessments levied on employers for employment and training programs.

Miscellaneous Special Revenue Fund

The fund includes numerous smaller accounts whose revenues are restricted or committed to a variety of specific purposes.

STATE OF MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	STATE AIRPORTS
ASSETS			
Cash and Cash Equivalents	\$ 1,029,172	\$ 109,981	\$ 48,479
Investments	—	—	—
Accounts Receivable	47,539	33,605	1,514
Interfund Receivables	113,237	—	—
Accrued Investment/Interest Earnings	—	—	—
Federal Aid Receivable	102,774	—	—
Inventories	62,981	—	—
Loans and Notes Receivable	—	—	3,109
Leases Receivable	134	—	—
Total Assets	\$ 1,355,837	\$ 143,586	\$ 53,102
LIABILITIES			
Accounts Payable	\$ 194,542	\$ 1,508	\$ 5,993
Interfund Payables	1,254	142,078	—
Due to Component Units	865	—	—
Unearned Revenue	13,755	—	—
Total Liabilities	\$ 210,416	\$ 143,586	\$ 5,993
DEFERRED INFLOWS OF RESOURCES			
Deferred Leases	\$ 134	\$ —	\$ —
Deferred Revenue	4,134	—	4
Total Deferred Inflows of Resources	\$ 4,268	\$ —	\$ 4
FUND BALANCES			
Nonspendable	\$ 62,981	\$ —	\$ —
Restricted	1,078,172	—	47,105
Committed	—	—	—
Total Fund Balances	\$ 1,141,153	\$ —	\$ 47,105
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,355,837	\$ 143,586	\$ 53,102

MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	PETROLEUM TANK CLEANUP	NATURAL RESOURCES	GAME AND FISH	ENVIRONMENTAL AND REMEDATION
\$ 301,620	\$ 1,002,957	\$ 19,940	\$ 118,610	\$ 97,377	\$ 807,555
—	—	—	—	54,626	169,928
5,969	22,768	13,739	2,961	4,864	8,871
11,300	45,384	—	20,263	1,404	2,004
—	—	—	—	121	3,218
54	118	—	—	4,488	—
—	—	—	—	—	—
—	—	—	—	—	831
—	—	—	—	—	—
<u>\$ 318,943</u>	<u>\$ 1,071,227</u>	<u>\$ 33,679</u>	<u>\$ 141,834</u>	<u>\$ 162,880</u>	<u>\$ 992,407</u>
\$ 35,550	\$ 213,108	\$ 1,477	\$ 6,971	\$ 7,127	\$ 22,864
—	—	2,004	—	176	—
59	165	—	8	145	256
—	—	—	—	—	—
<u>\$ 35,609</u>	<u>\$ 213,273</u>	<u>\$ 3,481</u>	<u>\$ 6,979</u>	<u>\$ 7,448</u>	<u>\$ 23,120</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
192	733	38	791	4,038	1,837
<u>\$ 192</u>	<u>\$ 733</u>	<u>\$ 38</u>	<u>\$ 791</u>	<u>\$ 4,038</u>	<u>\$ 1,837</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
283,142	857,221	30,160	—	151,394	967,450
—	—	—	134,064	—	—
<u>\$ 283,142</u>	<u>\$ 857,221</u>	<u>\$ 30,160</u>	<u>\$ 134,064</u>	<u>\$ 151,394</u>	<u>\$ 967,450</u>
<u>\$ 318,943</u>	<u>\$ 1,071,227</u>	<u>\$ 33,679</u>	<u>\$ 141,834</u>	<u>\$ 162,880</u>	<u>\$ 992,407</u>

CONTINUED

STATE OF MINNESOTA

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

COMBINING BALANCE SHEET

JUNE 30, 2024

(IN THOUSANDS)

	D J JOHNSON ECONOMIC PROTECTION TRUST	HERITAGE	ENDOWMENT
ASSETS			
Cash and Cash Equivalents	\$ 88,076	\$ 811,049	\$ 82,140
Investments	196,974	—	1,848
Accounts Receivable	2,681	38,692	93
Interfund Receivables	—	—	—
Accrued Investment/Interest Earnings	561	—	10
Federal Aid Receivable	—	—	—
Inventories	—	—	—
Loans and Notes Receivable	43,839	—	—
Leases Receivable	778	—	—
Total Assets	\$ 332,909	\$ 849,741	\$ 84,091
LIABILITIES			
Accounts Payable	\$ 794	\$ 48,462	\$ 1,472
Interfund Payables	—	—	—
Due to Component Units	—	1,675	16
Unearned Revenue	—	—	—
Total Liabilities	\$ 794	\$ 50,137	\$ 1,488
DEFERRED INFLOWS OF RESOURCES			
Deferred Leases	\$ 778	\$ —	\$ —
Deferred Revenue	2,505	—	3
Total Deferred Inflows of Resources	\$ 3,283	\$ —	\$ 3
FUND BALANCES			
Nonspendable	\$ —	\$ —	\$ 1,000
Restricted	—	799,604	81,600
Committed	328,832	—	—
Total Fund Balances	\$ 328,832	\$ 799,604	\$ 82,600
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 332,909	\$ 849,741	\$ 84,091

HOUSING ASSISTANCE	SPECIAL COMPENSATION	WORKFORCE DEVELOPMENT	MISCELLANEOUS SPECIAL REVENUE	TOTAL
\$ 86,989	\$ 73,859	\$ 133,703	\$ 1,092,636	\$ 5,904,143
—	—	—	1,954	425,330
13,527	59,680	27,290	223,668	507,461
—	1,129	331	58,417	253,469
—	—	—	9	3,919
—	—	—	6	107,440
—	—	—	6	62,987
—	—	—	112,215	159,994
—	—	—	3,222	4,134
<u>\$ 100,516</u>	<u>\$ 134,668</u>	<u>\$ 161,324</u>	<u>\$ 1,492,133</u>	<u>\$ 7,428,877</u>
\$ —	\$ 15,035	\$ 7,851	\$ 121,439	\$ 684,193
—	—	—	23,104	168,616
—	—	—	78,123	81,312
—	—	—	—	13,755
<u>\$ —</u>	<u>\$ 15,035</u>	<u>\$ 7,851</u>	<u>\$ 222,666</u>	<u>\$ 947,876</u>
\$ —	\$ —	\$ —	\$ 3,222	\$ 4,134
—	61,337	4,981	126,012	206,605
<u>\$ —</u>	<u>\$ 61,337</u>	<u>\$ 4,981</u>	<u>\$ 129,234</u>	<u>\$ 210,739</u>
\$ —	\$ —	\$ —	\$ 6	\$ 63,987
100,516	58,296	148,492	399,141	5,002,293
—	—	—	741,086	1,203,982
<u>\$ 100,516</u>	<u>\$ 58,296</u>	<u>\$ 148,492</u>	<u>\$ 1,140,233</u>	<u>\$ 6,270,262</u>
<u>\$ 100,516</u>	<u>\$ 134,668</u>	<u>\$ 161,324</u>	<u>\$ 1,492,133</u>	<u>\$ 7,428,877</u>

STATE OF MINNESOTA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	STATE AIRPORTS
Net Revenues:			
Sales Taxes	\$ 120,200	\$ —	\$ 14,339
Motor Vehicle Taxes	937,716	—	—
Fuel Taxes	505,072	2,175	6,263
Other Taxes	—	106	10,870
Tobacco Settlement	—	—	—
Federal Revenues	591,253	—	—
Licenses and Fees	9,990	—	1,135
Departmental Services	8,553	1,170	—
Investment/Interest Earnings	50,196	—	1,871
Other Revenues	39,481	—	326
Net Revenues	<u>\$ 2,262,461</u>	<u>\$ 3,451</u>	<u>\$ 34,804</u>
Expenditures:			
Agricultural, Environmental and Energy Resources	\$ —	\$ —	\$ —
Economic and Workforce Development	—	—	—
General Education	—	—	—
General Government	—	2,151	—
Health and Human Services	—	—	—
Higher Education	—	—	—
Intergovernmental Aid	—	—	—
Public Safety and Corrections	153,737	1,121	—
Transportation	1,470,575	101	21,925
Total Current Expenditures	<u>\$ 1,624,312</u>	<u>\$ 3,373</u>	<u>\$ 21,925</u>
Capital Outlay	477,961	—	658
Debt Service	4,202	78	135
Total Expenditures	<u>\$ 2,106,475</u>	<u>\$ 3,451</u>	<u>\$ 22,718</u>
Excess of Revenues over (under) Expenditures	<u>\$ 155,986</u>	<u>\$ —</u>	<u>\$ 12,086</u>
Other Financing Sources (Uses):			
Loan Issuance	\$ —	\$ —	\$ —
Right-to-Use Issuance	250	—	—
Transfers-In	159,280	—	—
Transfers-Out	(234,044)	—	—
Net Other Financing Sources (Uses)	<u>\$ (74,514)</u>	<u>\$ —</u>	<u>\$ —</u>
Net Change in Fund Balances	<u>\$ 81,472</u>	<u>\$ —</u>	<u>\$ 12,086</u>
Fund Balances, Beginning, as Reported	<u>\$ 1,059,681</u>	<u>\$ —</u>	<u>\$ 35,019</u>
Fund Balances, Ending	<u>\$ 1,141,153</u>	<u>\$ —</u>	<u>\$ 47,105</u>

MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	PETROLEUM TANK CLEANUP	NATURAL RESOURCES	GAME AND FISH	ENVIRONMENTAL AND REMEDATION
\$ 17,448	\$ 94,795	\$ —	\$ —	\$ —	\$ —
136,122	518,212	—	—	—	—
73,316	279,119	—	20,756	—	—
—	—	—	—	—	90,300
—	—	—	—	—	—
417	902	—	2,900	38,244	—
349	1,329	20,655	38,610	66,980	44,724
—	—	—	38,077	918	3,377
13,643	46,091	1,340	1,234	12,772	67,602
—	—	39	3,677	174	1,234
<u>\$ 241,295</u>	<u>\$ 940,448</u>	<u>\$ 22,034</u>	<u>\$ 105,254</u>	<u>\$ 119,088</u>	<u>\$ 207,237</u>
\$ —	\$ —	\$ 4,318	\$ 111,048	\$ 128,975	\$ 208,397
—	—	3,651	—	—	887
—	—	—	255	—	—
—	—	—	—	—	330
—	—	—	—	—	1,128
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	119
203,956	840,957	—	8,950	5	—
<u>\$ 203,956</u>	<u>\$ 840,957</u>	<u>\$ 7,969</u>	<u>\$ 120,253</u>	<u>\$ 128,980</u>	<u>\$ 210,861</u>
—	—	—	2,649	968	402
—	—	40	12	6	—
<u>\$ 203,956</u>	<u>\$ 840,957</u>	<u>\$ 8,009</u>	<u>\$ 122,914</u>	<u>\$ 129,954</u>	<u>\$ 211,263</u>
\$ 37,339	\$ 99,491	\$ 14,025	\$ (17,660)	\$ (10,866)	\$ (4,026)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
5,000	2,364	693	25,729	21,767	42,199
—	(6,850)	(14,699)	(6,765)	(1,476)	(711)
<u>\$ 5,000</u>	<u>\$ (4,486)</u>	<u>\$ (14,006)</u>	<u>\$ 18,964</u>	<u>\$ 20,291</u>	<u>\$ 41,488</u>
\$ 42,339	\$ 95,005	\$ 19	\$ 1,304	\$ 9,425	\$ 37,462
\$ 240,803	\$ 762,216	\$ 30,141	\$ 132,760	\$ 141,969	\$ 929,988
<u>\$ 283,142</u>	<u>\$ 857,221</u>	<u>\$ 30,160</u>	<u>\$ 134,064</u>	<u>\$ 151,394</u>	<u>\$ 967,450</u>

CONTINUED

STATE OF MINNESOTA

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	D J JOHNSON ECONOMIC PROTECTION TRUST	HERITAGE	ENDOWMENT
Net Revenues:			
Sales Taxes	\$ —	\$ 441,562	\$ —
Motor Vehicle Taxes	—	—	—
Fuel Taxes	—	—	—
Other Taxes	6,068	—	—
Tobacco Settlement	—	—	—
Federal Revenues	—	—	—
Licenses and Fees	—	—	65
Departmental Services	93	—	6,698
Investment/Interest Earnings	33,149	37,492	4,175
Other Revenues	3	21	16,080
Net Revenues	<u>\$ 39,313</u>	<u>\$ 479,075</u>	<u>\$ 27,018</u>
Expenditures:			
Agricultural, Environmental and Energy Resources	\$ —	\$ 225,545	\$ 9,566
Economic and Workforce Development	11,956	13,680	340
General Education	—	23,548	2,122
General Government	—	68,113	—
Health and Human Services	—	8,187	1,156
Higher Education	—	1,500	—
Intergovernmental Aid	—	—	—
Public Safety and Corrections	—	—	157
Transportation	—	30,447	—
Total Current Expenditures	<u>\$ 11,956</u>	<u>\$ 371,020</u>	<u>\$ 13,341</u>
Capital Outlay	—	43,935	12,835
Debt Service	1,063	391	1
Total Expenditures	<u>\$ 13,019</u>	<u>\$ 415,346</u>	<u>\$ 26,177</u>
Excess of Revenues over (under) Expenditures	<u>\$ 26,294</u>	<u>\$ 63,729</u>	<u>\$ 841</u>
Other Financing Sources (Uses):			
Loan Issuance	\$ —	\$ —	\$ —
Right-to-Use Issuance	—	—	—
Transfers-In	3,724	—	1,150
Transfers-Out	(9,269)	(5,963)	—
Net Other Financing Sources (Uses)	<u>\$ (5,545)</u>	<u>\$ (5,963)</u>	<u>\$ 1,150</u>
Net Change in Fund Balances	<u>\$ 20,749</u>	<u>\$ 57,766</u>	<u>\$ 1,991</u>
Fund Balances, Beginning, as Reported	<u>\$ 308,083</u>	<u>\$ 741,838</u>	<u>\$ 80,609</u>
Fund Balances, Ending	<u><u>\$ 328,832</u></u>	<u><u>\$ 799,604</u></u>	<u><u>\$ 82,600</u></u>

HOUSING ASSISTANCE	SPECIAL COMPENSATION	WORKFORCE DEVELOPMENT	MISCELLANEOUS SPECIAL REVENUE	TOTAL
\$ 120,002	\$ —	\$ —	\$ 380,029	\$ 1,188,375
—	—	—	—	1,592,050
—	—	—	1,011	887,712
—	57,399	79,635	42,812	287,190
—	—	—	17,750	17,750
—	5	—	8,665	642,386
—	2,015	—	304,588	490,440
—	3,688	—	128,017	190,591
—	4,110	5,784	25,101	304,560
—	—	—	269,945	330,980
<u>\$ 120,002</u>	<u>\$ 67,217</u>	<u>\$ 85,419</u>	<u>\$ 1,177,918</u>	<u>\$ 5,932,034</u>
\$ —	\$ 609	\$ —	\$ 125,672	\$ 814,130
19,486	61,013	56,204	56,989	224,206
—	—	—	24,158	50,083
—	8,829	—	37,372	116,795
—	—	—	226,318	236,789
—	—	—	40,571	42,071
—	—	—	6,036	6,036
—	—	—	149,280	304,414
—	—	—	343,315	2,920,231
<u>\$ 19,486</u>	<u>\$ 70,451</u>	<u>\$ 56,204</u>	<u>\$ 1,009,711</u>	<u>\$ 4,714,755</u>
—	284	—	10,753	550,445
—	607	73	24,873	31,481
<u>\$ 19,486</u>	<u>\$ 71,342</u>	<u>\$ 56,277</u>	<u>\$ 1,045,337</u>	<u>\$ 5,296,681</u>
\$ 100,516	\$ (4,125)	\$ 29,142	\$ 132,581	\$ 635,353
\$ —	\$ —	\$ —	\$ 200	\$ 200
—	284	—	908	1,442
—	—	—	138,305	400,211
—	(74)	(1,341)	(38,578)	(319,770)
<u>\$ —</u>	<u>\$ 210</u>	<u>\$ (1,341)</u>	<u>\$ 100,835</u>	<u>\$ 82,083</u>
<u>\$ 100,516</u>	<u>\$ (3,915)</u>	<u>\$ 27,801</u>	<u>\$ 233,416</u>	<u>\$ 717,436</u>
<u>\$ —</u>	<u>\$ 62,211</u>	<u>\$ 120,691</u>	<u>\$ 906,817</u>	<u>\$ 5,552,826</u>
<u>\$ 100,516</u>	<u>\$ 58,296</u>	<u>\$ 148,492</u>	<u>\$ 1,140,233</u>	<u>\$ 6,270,262</u>

STATE OF MINNESOTA

**NONMAJOR APPROPRIATED SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	TRUNK HIGHWAY		HIGHWAY USER TAX DISTRIBUTION	
	FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL
Net Revenues:				
Sales Taxes	\$ —	\$ —	\$ 203,561	\$ 204,359
Motor Vehicle Taxes	—	—	1,628,335	1,591,658
Fuel Taxes	—	—	874,200	886,111
Other Taxes	—	—	364	324
Federal Revenues	824,264	705,776	—	—
Licenses and Fees	7,049	7,639	1,564	4,087
Departmental Services	12,988	15,664	1,588	1,172
Investment/Interest Earnings	37,167	43,118	15,607	12,017
Other Revenues	45,063	49,530	—	—
Net Revenues	\$ 926,531	\$ 821,727	\$ 2,725,219	\$ 2,699,728
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ —	\$ —	\$ —	\$ —
Economic and Workforce Development	—	—	—	—
General Education	—	—	—	—
General Government	—	—	2,195	2,156
Health and Human Services	—	—	—	—
Higher Education	—	—	—	—
Intergovernmental Aid	—	—	79	77
Public Safety and Corrections	190,225	170,476	1,336	1,121
Transportation	2,287,195	1,973,274	85	85
Total Expenditures	\$ 2,477,420	\$ 2,143,750	\$ 3,695	\$ 3,439
Excess of Revenues over (under) Expenditures	\$ (1,550,889)	\$ (1,322,023)	\$ 2,721,524	\$ 2,696,289
Other Financing Sources (Uses):				
Transfers-In	\$ 1,746,798	\$ 1,729,569	\$ —	\$ —
Transfers-Out	(234,044)	(234,044)	(2,687,640)	(2,687,640)
Net Other Financing Sources (Uses)	\$ 1,512,754	\$ 1,495,525	\$ (2,687,640)	\$ (2,687,640)
Net Change in Fund Balances	\$ (38,135)	\$ 173,502	\$ 33,884	\$ 8,649
Fund Balances, Beginning, as Reported	\$ 241,760	\$ 241,760	\$ 7,579	\$ 7,579
Prior Period Adjustments	—	47,527	—	(61)
Fund Balances, Beginning, as Restated	\$ 241,760	\$ 289,287	\$ 7,579	\$ 7,518
Budgetary Fund Balances, Ending	\$ 203,625	\$ 462,789	\$ 41,463	\$ 16,167
Less: Appropriation Carryover	—	461,795	—	254
Less: Reserved for Long-Term Receivables	—	—	—	—
Less: Budgetary Reserve	—	—	—	—
Unassigned Fund Balance, Ending	\$ 203,625	\$ 994	\$ 41,463	\$ 15,913

STATE AIRPORTS		PETROLEUM TANK CLEANUP		NATURAL RESOURCES	
FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL
\$ 13,000	\$ 14,339	\$ —	\$ —	\$ 21,586	\$ 22,129
—	—	—	—	—	—
5,000	6,144	—	—	—	—
10,988	10,840	—	—	—	—
—	—	—	—	3,000	2,849
1,020	1,117	25,003	21,010	37,776	38,422
2	—	—	—	33,530	37,911
1,670	1,871	75	1,340	1,123	1,234
30	356	65	213	5,350	3,723
<u>\$ 31,710</u>	<u>\$ 34,667</u>	<u>\$ 25,143</u>	<u>\$ 22,563</u>	<u>\$ 102,365</u>	<u>\$ 106,268</u>
\$ —	\$ —	\$ 4,768	\$ 4,561	\$ 137,523	\$ 121,631
—	—	5,731	5,731	—	—
—	—	—	—	255	255
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	2	2
30,802	30,260	—	—	8,950	8,950
<u>\$ 30,802</u>	<u>\$ 30,260</u>	<u>\$ 10,499</u>	<u>\$ 10,292</u>	<u>\$ 146,730</u>	<u>\$ 130,838</u>
\$ 908	\$ 4,407	\$ 14,644	\$ 12,271	\$ (44,365)	\$ (24,570)
\$ —	\$ —	\$ 693	\$ 693	\$ 32,812	\$ 31,560
—	—	(14,704)	(14,704)	(6,765)	(6,765)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ (14,011)</u>	<u>\$ (14,011)</u>	<u>\$ 26,047</u>	<u>\$ 24,795</u>
\$ 908	\$ 4,407	\$ 633	\$ (1,740)	\$ (18,318)	\$ 225
\$ 23,205	\$ 23,205	\$ 17,504	\$ 17,504	\$ 94,666	\$ 94,666
—	3,077	—	1,110	—	3,246
<u>\$ 23,205</u>	<u>\$ 26,282</u>	<u>\$ 17,504</u>	<u>\$ 18,614</u>	<u>\$ 94,666</u>	<u>\$ 97,912</u>
\$ 24,113	\$ 30,689	\$ 18,137	\$ 16,874	\$ 76,348	\$ 98,137
—	23,723	—	10,664	—	39,683
—	3,109	—	—	—	—
—	—	—	—	—	—
<u>\$ 24,113</u>	<u>\$ 3,857</u>	<u>\$ 18,137</u>	<u>\$ 6,210</u>	<u>\$ 76,348</u>	<u>\$ 58,454</u>

CONTINUED

STATE OF MINNESOTA

NONMAJOR APPROPRIATED SPECIAL REVENUE FUNDS (CONTINUED)

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	GAME AND FISH		ENVIRONMENTAL & REMEDIATION	
	FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL
Net Revenues:				
Sales Taxes	\$ 20,106	\$ 20,613	\$ —	\$ —
Motor Vehicle Taxes	—	—	—	—
Fuel Taxes	—	—	—	—
Other Taxes	—	—	90,514	92,618
Federal Revenues	48,616	46,021	—	—
Licenses and Fees	66,508	66,955	42,028	44,724
Departmental Services	1,078	944	3,643	3,377
Investment/Interest Earnings	2,245	4,109	3,933	26,647
Other Revenues	178	560	1,143	1,242
Net Revenues	<u>\$ 138,731</u>	<u>\$ 139,202</u>	<u>\$ 141,261</u>	<u>\$ 168,608</u>
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ 138,110	\$ 132,189	\$ 223,014	\$ 208,050
Economic and Workforce Development	—	—	572	572
General Education	—	—	—	—
General Government	—	—	750	330
Health and Human Services	—	—	2,137	1,104
Higher Education	—	—	—	—
Intergovernmental Aid	—	—	—	—
Public Safety and Corrections	—	—	119	119
Transportation	—	—	—	—
Total Expenditures	<u>\$ 138,110</u>	<u>\$ 132,189</u>	<u>\$ 226,592</u>	<u>\$ 210,175</u>
Excess of Revenues over (under) Expenditures	\$ 621	\$ 7,013	\$ (85,331)	\$ (41,567)
Other Financing Sources (Uses):				
Transfers-In	\$ 1,279	\$ 1,279	\$ 44,048	\$ 42,199
Transfers-Out	(1,476)	(1,476)	(711)	(711)
Net Other Financing Sources (Uses)	<u>\$ (197)</u>	<u>\$ (197)</u>	<u>\$ 43,337</u>	<u>\$ 41,488</u>
Net Change in Fund Balances	<u>\$ 424</u>	<u>\$ 6,816</u>	<u>\$ (41,994)</u>	<u>\$ (79)</u>
Fund Balances, Beginning, as Reported	\$ 91,502	\$ 91,502	\$ 755,182	\$ 755,182
Prior Period Adjustments	—	1,388	—	3,719
Fund Balances, Beginning, as Restated	<u>\$ 91,502</u>	<u>\$ 92,890</u>	<u>\$ 755,182</u>	<u>\$ 758,901</u>
Budgetary Fund Balances, Ending	<u>\$ 91,926</u>	<u>\$ 99,706</u>	<u>\$ 713,188</u>	<u>\$ 758,822</u>
Less: Appropriation Carryover	—	23,152	—	23,464
Less: Reserved for Long-Term Receivables	—	—	—	831
Less: Budgetary Reserve	—	—	—	656,975
Unassigned Fund Balance, Ending	<u>\$ 91,926</u>	<u>\$ 76,554</u>	<u>\$ 713,188</u>	<u>\$ 77,552</u>

HERITAGE		SPECIAL COMPENSATION		WORKFORCE DEVELOPMENT	
FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL
\$ 450,009	\$ 442,692	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	56,250	55,989	73,568	77,060
—	—	—	6	—	—
—	—	1,944	1,527	—	—
—	—	2,308	3,507	—	—
26,757	37,492	3,000	4,033	4,000	5,784
23	30	700	1,538	—	—
<u>\$ 476,789</u>	<u>\$ 480,214</u>	<u>\$ 64,202</u>	<u>\$ 66,600</u>	<u>\$ 77,568</u>	<u>\$ 82,844</u>
\$ 361,618	\$ 356,154	\$ 768	\$ 629	\$ —	\$ —
12,596	12,596	57,100	54,613	63,481	61,721
36,595	24,204	—	—	—	—
78,980	69,737	9,868	8,720	—	—
10,293	9,758	—	—	—	—
1,500	1,500	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
30,447	30,447	—	—	—	—
<u>\$ 532,029</u>	<u>\$ 504,396</u>	<u>\$ 67,736</u>	<u>\$ 63,962</u>	<u>\$ 63,481</u>	<u>\$ 61,721</u>
\$ (55,240)	\$ (24,182)	\$ (3,534)	\$ 2,638	\$ 14,087	\$ 21,123
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(5,965)	(5,965)	(94)	(94)	—	—
<u>\$ (5,965)</u>	<u>\$ (5,965)</u>	<u>\$ (94)</u>	<u>\$ (94)</u>	<u>\$ —</u>	<u>\$ —</u>
\$ (61,205)	\$ (30,147)	\$ (3,628)	\$ 2,544	\$ 14,087	\$ 21,123
\$ 374,477	\$ 374,477	\$ 59,400	\$ 59,400	\$ 73,739	\$ 73,739
—	33,966	—	3,854	—	3,784
<u>\$ 374,477</u>	<u>\$ 408,443</u>	<u>\$ 59,400</u>	<u>\$ 63,254</u>	<u>\$ 73,739</u>	<u>\$ 77,523</u>
\$ 313,272	\$ 378,296	\$ 55,772	\$ 65,798	\$ 87,826	\$ 98,646
—	255,121	—	10,987	—	3,822
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 313,272</u>	<u>\$ 123,175</u>	<u>\$ 55,772</u>	<u>\$ 54,811</u>	<u>\$ 87,826</u>	<u>\$ 94,824</u>

CONTINUED

STATE OF MINNESOTA

NONMAJOR APPROPRIATED SPECIAL REVENUE FUNDS (CONTINUED)

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	MISCELLANEOUS SPECIAL REVENUE RENEWABLE DEVELOPMENT ACCOUNT		COMBINED TOTALS	
	FINAL BUDGET	ACTUAL	FINAL BUDGET	ACTUAL
Net Revenues:				
Sales Taxes	\$ —	\$ —	\$ 708,262	\$ 704,132
Motor Vehicle Taxes	—	—	1,628,335	1,591,658
Fuel Taxes	—	—	879,200	892,255
Other Taxes	—	—	231,684	236,831
Federal Revenues	—	—	875,880	754,652
Licenses and Fees	14,080	14,023	196,972	199,504
Departmental Services	—	—	55,137	62,575
Investment/Interest Earnings	1,441	9,264	97,018	146,909
Other Revenues	34,630	38,552	87,182	95,744
Net Revenues	\$ 50,151	\$ 61,839	\$ 4,759,670	\$ 4,684,260
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ 12,343	\$ 12,045	\$ 878,144	\$ 835,259
Economic and Workforce Development	—	—	139,480	135,233
General Education	—	—	36,850	24,459
General Government	1,080	1,016	92,873	81,959
Health and Human Services	18,209	17,518	30,639	28,380
Higher Education	—	—	1,500	1,500
Intergovernmental Aid	—	—	79	77
Public Safety and Corrections	811	478	192,493	172,196
Transportation	—	—	2,357,479	2,043,016
Total Expenditures	\$ 32,443	\$ 31,057	\$ 3,729,537	\$ 3,322,079
Excess of Revenues over (under) Expenditures	\$ 17,708	\$ 30,782	\$ 1,030,133	\$ 1,362,181
Other Financing Sources (Uses):				
Transfers-In	\$ —	\$ —	\$ 1,825,630	\$ 1,805,300
Transfers-Out	(37,736)	(37,736)	(2,989,135)	(2,989,135)
Net Other Financing Sources (Uses)	\$ (37,736)	\$ (37,736)	\$ (1,163,505)	\$ (1,183,835)
Net Change in Fund Balances	\$ (20,028)	\$ (6,954)	\$ (133,372)	\$ 178,346
Fund Balances, Beginning, as Reported	\$ 111,252	\$ 111,252	\$ 1,850,266	\$ 1,850,266
Prior Period Adjustments	—	1,161	—	102,771
Fund Balances, Beginning, as Restated	\$ 111,252	\$ 112,413	\$ 1,850,266	\$ 1,953,037
Budgetary Fund Balances, Ending	\$ 91,224	\$ 105,459	\$ 1,716,894	\$ 2,131,383
Less: Appropriation Carryover	—	64,521	—	917,186
Less: Reserved for Long-Term Receivables	—	—	—	3,940
Less: Budgetary Reserve	—	—	—	656,975
Unassigned Fund Balance, Ending	\$ 91,224	\$ 40,938	\$ 1,716,894	\$ 553,282



STATE OF MINNESOTA

**NOTE TO NONMAJOR APPROPRIATED SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

**Budgetary Basis vs GAAP
Nonmajor Appropriated Special Revenue Funds**

Actual revenues, transfers-in, expenditures, encumbrances, and transfers-out on the budgetary basis do not equal those on the GAAP basis in the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Nonmajor Appropriated Special Revenue Fund - Budget and Actual. This inequality results primarily from the differences in the recognition of accruals, reimbursements, deferred revenue, and intrafund transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered. The modified accrual basis of accounting recognizes expenditures when the goods or services are received, regardless of the year funds are encumbered. The GAAP fund balances also include several funds that are not included in the budgetary fund balances. A reconciliation of the fund balances under the two bases of accounting for the Nonmajor Appropriated Special Revenue Funds is provided in the following table.

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	STATE AIRPORTS	PETROLEUM TANK CLEANUP
GAAP Basis Fund Balance:	\$ 1,141,153	\$ —	\$ 47,105	\$ 30,160
Less: Nonspendable Inventory	62,981	—	—	—
Less: Encumbrances	1,341,745	10	15,601	6,576
Unassigned Fund Balance	<u>\$ (263,573)</u>	<u>\$ (10)</u>	<u>\$ 31,504</u>	<u>\$ 23,584</u>
Basis of Accounting Differences:				
Revenue Accruals/Adjustments:				
Taxes Receivable	\$ (44,338)	\$ —	\$ (815)	\$ (6,710)
Unearned Revenue	13,755	—	—	—
Other Receivables	(585)	(4,429)	—	—
Investments at Market	—	—	—	—
Expenditure Accruals/Adjustments:				
Other Payables	716	20,606	—	—
Other Financing Sources (Uses):				
Transfers-In	—	—	—	—
Transfers-Out	—	—	—	—
Perspective Differences:				
Accounts with no Legally Adopted Budget	—	—	—	—
Appropriation Carryover	(461,795)	(254)	(23,723)	(10,664)
Long-Term Receivables	—	—	(3,109)	—
Long-Term Commitments	756,814	—	—	—
Budgetary Reserve	—	—	—	—
Budgetary Basis:				
Unassigned Fund Balance	<u>\$ 994</u>	<u>\$ 15,913</u>	<u>\$ 3,857</u>	<u>\$ 6,210</u>

NATURAL RESOURCES	GAME AND FISH	ENVIRONMENTAL AND REMEDATION	HERITAGE	SPECIAL COMPENSATION	WORKFORCE DEVELOPMENT	MISCELLANEOUS SPECIAL REVENUE
\$ 134,064	\$ 151,394	\$ 967,450	\$ 799,604	\$ 58,296	\$ 148,492	\$ 1,140,233
—	—	—	—	—	—	—
15,924	10,013	8,239	384,714	278	27,108	9,173
<u>\$ 118,140</u>	<u>\$ 141,381</u>	<u>\$ 959,211</u>	<u>\$ 414,890</u>	<u>\$ 58,018</u>	<u>\$ 121,384</u>	<u>\$ 1,131,060</u>
\$ —	\$ —	\$ (6,938)	\$ (38,692)	\$ (618)	\$ (22,341)	\$ —
—	—	—	—	—	—	—
(9,651)	(1,279)	—	—	(2,066)	(397)	(16,781)
—	(39,118)	(43,314)	—	—	—	—
—	—	288	2,098	10,464	—	—
(10,352)	(1,404)	—	—	—	—	—
—	126	—	—	—	—	—
—	—	(150,425)	—	—	—	(1,008,820)
(39,683)	(23,152)	(23,464)	(255,121)	(10,987)	(3,822)	(64,521)
—	—	(831)	—	—	—	—
—	—	—	—	—	—	—
—	—	(656,975)	—	—	—	—
<u>\$ 58,454</u>	<u>\$ 76,554</u>	<u>\$ 77,552</u>	<u>\$ 123,175</u>	<u>\$ 54,811</u>	<u>\$ 94,824</u>	<u>\$ 40,938</u>



Nonmajor Capital Projects Funds

2024
Annual
Comprehensive
Financial Report

Building Fund

The fund receives revenue from the sale of certificates of participation and state bonds to finance technology development and to provide funds for the acquisition, maintenance, and betterment of state and local lands and buildings.

General Projects Fund

The fund receives monies appropriated from the General Fund for building, maintenance, or capital improvement projects.

Transportation Fund

The fund receives transportation bond proceeds, General Fund appropriations, and federal grants for the construction or reconstruction of state and locally-owned transportation infrastructure.

STATE OF MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)

	BUILDING	GENERAL PROJECTS	TRANSPORTATION	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 574,621	\$ 997,411	\$ 31,471	\$ 1,603,503
Accounts Receivable	59	—	—	59
Interfund Receivables	—	23,192	—	23,192
Total Assets	<u>\$ 574,680</u>	<u>\$ 1,020,603</u>	<u>\$ 31,471</u>	<u>\$ 1,626,754</u>
LIABILITIES				
Accounts Payable	\$ 77,142	\$ 16,623	\$ 30,432	\$ 124,197
Interfund Payables	125,100	—	63,139	188,239
Due to Component Units	19,288	—	—	19,288
Total Liabilities	<u>\$ 221,530</u>	<u>\$ 16,623</u>	<u>\$ 93,571</u>	<u>\$ 331,724</u>
FUND BALANCES				
Restricted	\$ 353,150	\$ —	\$ —	\$ 353,150
Assigned	—	1,003,980	—	1,003,980
Unassigned	—	—	(62,100)	(62,100)
Total Fund Balances	<u>\$ 353,150</u>	<u>\$ 1,003,980</u>	<u>\$ (62,100)</u>	<u>\$ 1,295,030</u>
Total Liabilities and Fund Balances	<u>\$ 574,680</u>	<u>\$ 1,020,603</u>	<u>\$ 31,471</u>	<u>\$ 1,626,754</u>

STATE OF MINNESOTA

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	BUILDING	GENERAL PROJECTS	TRANSPORTATION	TOTAL
Net Revenues:				
Other Revenues	\$ —	\$ 12	\$ —	\$ 12
Net Revenues	\$ —	\$ 12	\$ —	\$ 12
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ 29,261	\$ 12,858	\$ —	\$ 42,119
Economic and Workforce Development	173,782	91,181	—	264,963
General Education	2,581	696	—	3,277
General Government	38,148	1,060	126	39,334
Health and Human Services	5,339	3,511	—	8,850
Higher Education	27,004	—	—	27,004
Public Safety and Corrections	9,046	3,016	—	12,062
Transportation	47,392	587	138,334	186,313
Total Current Expenditures	\$ 332,553	\$ 112,909	\$ 138,460	\$ 583,922
Capital Outlay	70,944	7,141	183,949	262,034
Total Expenditures	\$ 403,497	\$ 120,050	\$ 322,409	\$ 845,956
Excess of Revenues over (under) Expenditures	\$ (403,497)	\$ (120,038)	\$ (322,409)	\$ (845,944)
Other Financing Sources (Uses):				
Bond Issuance	\$ 171,057	\$ —	\$ 269,756	\$ 440,813
Certification of Participation Issuance	454,175	—	—	454,175
Bond Issuance Premium	18,568	—	744	19,312
Certification of Participation Issuance Premium	24,679	—	—	24,679
Transfers-In	—	1,071,013	—	1,071,013
Transfers-Out	(43,734)	—	(79)	(43,813)
Net Other Financing Sources (Uses) ..	\$ 624,745	\$ 1,071,013	\$ 270,421	\$ 1,966,179
Net Change in Fund Balances	\$ 221,248	\$ 950,975	\$ (51,988)	\$ 1,120,235
Fund Balances, Beginning, as Reported	\$ 131,902	\$ 53,005	\$ (10,112)	\$ 174,795
Fund Balances, Ending	\$ 353,150	\$ 1,003,980	\$ (62,100)	\$ 1,295,030

Nonmajor Enterprise Funds

Behavioral Services Fund

The fund accounts for the activity of state regional treatment centers for chemical dependency treatment services and for the activity of state neurorehabilitation services.

Enterprise Activities Fund

The fund includes various minor activities providing services to the general public or local governmental units.

Giants Ridge Fund

The fund accounts for a recreation area established to foster economic development and tourism within St. Louis County.

Minnesota Correctional Industries Fund

The fund accounts for the activity of state correctional industries which facilitates offender rehabilitation by providing facilities and assistance for manufacturing and marketing goods primarily to governmental entities.

MNsure Fund

The fund accounts for the on-going operations of MNsure, which is Minnesota's state-run health insurance exchange under the federal Affordable Care Act.

911 Services Fund

The fund accounts for activities related to the enhancement of the state's 911 emergency response system.

Public Employees Insurance Fund

The fund provides hospital, medical, and dental benefit coverage as well as life insurance coverage to public employees and other eligible persons.

Nonmajor Enterprise Funds – Continued

State Lottery Fund

The fund accounts for the operations of the state lottery. Forty percent (40%) of the net proceeds are transferred to the Environment and Natural Resources Fund, with the remainder transferred to the General Fund.

State Operated Community Services Fund

The fund accounts for waiver residential and day treatment and rehabilitation services for individuals with developmental disabilities.

STATE OF MINNESOTA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	BEHAVIORAL SERVICES	ENTERPRISE ACTIVITIES	GIANTS RIDGE	MINNESOTA CORRECTIONAL INDUSTRIES
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ —	\$ 68,914	\$ 14,571	\$ 14,270
Investments	—	—	511	—
Accounts Receivable	—	7,523	161	6,088
Interfund Receivables	—	—	—	—
Accrued Investment/Interest Earnings	—	—	1	—
Inventories	—	329	299	11,499
Leases Receivable	—	—	—	—
Prepaid Expenses	—	—	—	—
Total Current Assets	\$ —	\$ 76,766	\$ 15,543	\$ 31,857
Noncurrent Assets:				
Accounts Receivable	\$ —	\$ 3	\$ —	\$ —
Right-to-Use Assets (Net)	—	—	—	121
Depreciable Capital Assets (Net)	—	1,365	23,643	2,933
Nondepreciable Capital Assets	—	3	5,163	—
Total Noncurrent Assets	\$ —	\$ 1,371	\$ 28,806	\$ 3,054
Total Assets	\$ —	\$ 78,137	\$ 44,349	\$ 34,911
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	\$ —	\$ 2,408	\$ 44	\$ 4,341
Deferred Other Postemployment Benefits Outflows	—	133	11	1,013
Total Deferred Outflows of Resources	\$ —	\$ 2,541	\$ 55	\$ 5,354
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ —	\$ 35,105	\$ 2,131	\$ 5,379
Interfund Payables	—	—	—	—
Due to Component Units	—	—	—	—
Unearned Revenue	—	8	—	—
Lease/Subscription Payable	—	—	—	64
Claims Payable	—	—	—	—
Compensated Absences Payable	—	113	1	151
Other Postemployment Benefits	—	48	3	363
Total Current Liabilities	\$ —	\$ 35,274	\$ 2,135	\$ 5,957
Noncurrent Liabilities:				
Lease/Subscription Payable	\$ —	\$ —	\$ —	\$ 61
Compensated Absences Payable	—	1,090	17	924
Other Postemployment Benefits	—	725	41	5,507
Net Pension Liability	—	2,006	37	9,906
Total Noncurrent Liabilities	\$ —	\$ 3,821	\$ 95	\$ 16,398
Total Liabilities	\$ —	\$ 39,095	\$ 2,230	\$ 22,355
DEFERRED INFLOWS OF RESOURCES				
Deferred Leases	\$ —	\$ —	\$ —	\$ —
Deferred Pension Inflows	—	1,907	35	2,270
Deferred Other Postemployment Benefits Inflows	—	87	5	658
Total Deferred Inflows of Resources	\$ —	\$ 1,994	\$ 40	\$ 2,928
NET POSITION				
Net Investment in Capital Assets	\$ —	\$ 1,368	\$ 28,806	\$ 2,929
Restricted for:				
Develop Economy and Workforce	\$ —	\$ —	\$ 13,328	\$ —
Enhance Health and Human Services	—	—	—	—
Enhance 911 Services and Increase Safety	—	—	—	12,053
Other Purposes	—	38,221	—	—
Total Restricted	\$ —	\$ 38,221	\$ 13,328	\$ 12,053
Unrestricted	\$ —	\$ —	\$ —	\$ —
Total Net Position	\$ —	\$ 39,589	\$ 42,134	\$ 14,982

MNSURE	911 SERVICES	PUBLIC EMPLOYEES INSURANCE	STATE LOTTERY	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ 35,904	\$ 136,791	\$ 91,611	\$ 42,562	\$ 39,851	\$ 444,474
—	—	—	—	—	511
1,187	130	13,801	4,655	2,598	36,143
3,128	—	—	—	—	3,128
—	—	—	—	—	1
—	—	—	2,158	—	14,285
—	—	—	30	—	30
—	—	—	706	—	706
<u>\$ 40,219</u>	<u>\$ 136,921</u>	<u>\$ 105,412</u>	<u>\$ 50,111</u>	<u>\$ 42,449</u>	<u>\$ 499,278</u>
\$ —	\$ —	\$ —	\$ —	\$ 2,124	\$ 2,127
—	3,442	—	14,876	1,314	19,753
13,693	66,520	—	1,280	13,530	122,964
4,402	9,886	—	—	1,418	20,872
<u>\$ 18,095</u>	<u>\$ 79,848</u>	<u>\$ —</u>	<u>\$ 16,156</u>	<u>\$ 18,386</u>	<u>\$ 165,716</u>
<u>\$ 58,314</u>	<u>\$ 216,769</u>	<u>\$ 105,412</u>	<u>\$ 66,267</u>	<u>\$ 60,835</u>	<u>\$ 664,994</u>
\$ 3,407	\$ 1,291	\$ 52	\$ 3,184	\$ 12,924	\$ 27,651
203	79	3	198	1,917	3,557
<u>\$ 3,610</u>	<u>\$ 1,370</u>	<u>\$ 55</u>	<u>\$ 3,382</u>	<u>\$ 14,841</u>	<u>\$ 31,208</u>
\$ 1,709	\$ 3,399	\$ 2,891	\$ 20,831	\$ 6,007	\$ 77,452
2,056	—	—	27,934	—	29,990
—	12	—	—	—	12
—	—	5,847	515	—	6,370
—	1,865	—	1,822	262	4,013
—	—	21,264	—	—	21,264
163	144	15	220	1,737	2,544
73	29	1	71	699	1,287
<u>\$ 4,001</u>	<u>\$ 5,449</u>	<u>\$ 30,018</u>	<u>\$ 51,393</u>	<u>\$ 8,705</u>	<u>\$ 142,932</u>
\$ —	\$ 1,253	\$ —	\$ 13,054	\$ 1,093	\$ 15,461
965	565	75	1,653	6,721	12,010
1,103	431	10	1,084	10,613	19,514
2,840	1,077	43	2,654	10,773	29,336
<u>\$ 4,908</u>	<u>\$ 3,326</u>	<u>\$ 128</u>	<u>\$ 18,445</u>	<u>\$ 29,200</u>	<u>\$ 76,321</u>
<u>\$ 8,909</u>	<u>\$ 8,775</u>	<u>\$ 30,146</u>	<u>\$ 69,838</u>	<u>\$ 37,905</u>	<u>\$ 219,253</u>
\$ —	\$ —	\$ —	\$ 36	\$ —	\$ 36
2,702	1,024	40	2,525	10,249	20,752
132	52	2	129	1,269	2,334
<u>\$ 2,834</u>	<u>\$ 1,076</u>	<u>\$ 42</u>	<u>\$ 2,690</u>	<u>\$ 11,518</u>	<u>\$ 23,122</u>
\$ 18,095	\$ 76,730	\$ —	\$ 1,280	\$ 14,907	\$ 144,115
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,328
32,086	—	—	—	11,346	43,432
—	131,558	—	—	—	143,611
—	—	75,279	—	—	113,500
<u>\$ 32,086</u>	<u>\$ 131,558</u>	<u>\$ 75,279</u>	<u>\$ —</u>	<u>\$ 11,346</u>	<u>\$ 313,871</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (4,159)</u>	<u>\$ —</u>	<u>\$ (4,159)</u>
<u>\$ 50,181</u>	<u>\$ 208,288</u>	<u>\$ 75,279</u>	<u>\$ (2,879)</u>	<u>\$ 26,253</u>	<u>\$ 453,827</u>

STATE OF MINNESOTA

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	BEHAVIORAL SERVICES	ENTERPRISE ACTIVITIES	GIANTS RIDGE	MINNESOTA CORRECTIONAL INDUSTRIES
Operating Revenues:				
Net Sales	\$ —	\$ 37,272	\$ 8,295	\$ 49,144
Insurance Premiums	—	—	—	—
Other Income	—	272	—	3,319
Total Operating Revenues	\$ —	\$ 37,544	\$ 8,295	\$ 52,463
Less: Cost of Goods Sold	—	—	1,004	22,709
Gross Margin	\$ —	\$ 37,544	\$ 7,291	\$ 29,754
Operating Expenses:				
Purchased Services	\$ —	\$ 5,672	\$ 12,109	\$ 5,573
Salaries and Fringe Benefits	—	13,572	222	11,993
Claims	—	—	—	—
Depreciation and Amortization	—	29	2,116	1,181
Supplies and Materials	—	130	78	224
Repairs and Maintenance	—	30	3	138
Indirect Costs	—	1,096	—	3,178
Other Expenses	—	103	189	178
Total Operating Expenses	\$ —	\$ 20,632	\$ 14,717	\$ 22,465
Operating Income (Loss)	\$ —	\$ 16,912	\$ (7,426)	\$ 7,289
Nonoperating Revenues (Expenses):				
Investment/Interest Earnings	\$ —	\$ 170	\$ 15	\$ 563
Federal Grants	—	—	—	—
Interest and Financing Costs	—	—	—	—
Grants, Aids and Subsidies	—	—	—	(832)
Other Nonoperating Expenses	—	(16,569)	—	—
Gain (Loss) on Disposal of Capital Assets including Right-to-Use Assets	—	—	—	9
Total Nonoperating Revenues (Expenses)	\$ —	\$ (16,399)	\$ 15	\$ (260)
Income (Loss) Before Transfers and Contributions	\$ —	\$ 513	\$ (7,411)	\$ 7,029
Transfers-In	—	1,775	11,487	—
Transfers-Out	—	—	—	—
Change in Net Position	\$ —	\$ 2,288	\$ 4,076	\$ 7,029
Net Position, Beginning, as Reported	\$ 1,481	\$ 37,301	\$ 38,058	\$ 7,953
Change in Reporting Entity	(1,481)	—	—	—
Net Position, Beginning, as Restated	\$ —	\$ 37,301	\$ 38,058	\$ 7,953
Net Position, Ending	\$ —	\$ 39,589	\$ 42,134	\$ 14,982

MNSURE	911 SERVICES	PUBLIC EMPLOYEES INSURANCE	STATE LOTTERY	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ —	\$ 68,683	\$ —	\$ 775,845	\$ 153,336	\$ 1,092,575
—	—	255,345	—	—	255,345
38,073	—	1,641	—	996	44,301
\$ 38,073	\$ 68,683	\$ 256,986	\$ 775,845	\$ 154,332	\$ 1,392,221
—	—	—	548,963	—	572,676
\$ 38,073	\$ 68,683	\$ 256,986	\$ 226,882	\$ 154,332	\$ 819,545
\$ 15,896	\$ 17,697	\$ 14,508	\$ 12,629	\$ 6,721	\$ 90,805
18,482	6,082	237	15,997	141,337	207,922
—	—	233,255	—	—	233,255
6,398	4,969	—	2,892	522	18,107
9	379	—	1,083	2,622	4,525
6	146	—	—	2,893	3,216
68	67	15	—	7,157	11,581
27	27	115	553	262	1,454
\$ 40,886	\$ 29,367	\$ 248,130	\$ 33,154	\$ 161,514	\$ 570,865
\$ (2,813)	\$ 39,316	\$ 8,856	\$ 193,728	\$ (7,182)	\$ 248,680
\$ 1,593	\$ —	\$ 4,120	\$ 2,977	\$ 2,298	\$ 11,736
356	—	—	—	—	356
—	(213)	—	—	(42)	(255)
—	(34,729)	—	—	(415)	(35,976)
—	—	—	—	—	(16,569)
48	(554)	—	7	(4)	(494)
\$ 1,997	\$ (35,496)	\$ 4,120	\$ 2,984	\$ 1,837	\$ (41,202)
\$ (816)	\$ 3,820	\$ 12,976	\$ 196,712	\$ (5,345)	\$ 207,478
11,095	—	—	—	—	24,357
—	(712)	—	(196,525)	—	(197,237)
\$ 10,279	\$ 3,108	\$ 12,976	\$ 187	\$ (5,345)	\$ 34,598
\$ 39,902	\$ 205,180	\$ 62,303	\$ (3,066)	\$ 31,598	\$ 420,710
—	—	—	—	—	(1,481)
\$ 39,902	\$ 205,180	\$ 62,303	\$ (3,066)	\$ 31,598	\$ 419,229
\$ 50,181	\$ 208,288	\$ 75,279	\$ (2,879)	\$ 26,253	\$ 453,827

STATE OF MINNESOTA

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2024 (IN THOUSANDS)

	BEHAVIORAL SERVICES	ENTERPRISE ACTIVITIES	GIANTS RIDGE	MINNESOTA CORRECTIONAL INDUSTRIES
Cash Flows from Operating Activities:				
Receipts from Customers	\$ —	\$ 36,802	\$ 8,169	\$ 47,677
Receipts from Other Revenues	—	272	—	3,319
Payments to Claimants	—	—	—	—
Payments to Suppliers	—	(3,284)	(12,897)	(37,299)
Payments to Employees	—	(13,469)	(224)	(12,039)
Payments to Others	—	(16,569)	—	—
Net Cash Flows from Operating Activities	\$ —	\$ 3,752	\$ (4,952)	\$ 1,658
Cash Flows from Noncapital Financing Activities:				
Grant Receipts	\$ —	\$ —	\$ —	\$ —
Grant Disbursements	—	—	—	(832)
Transfers-In	—	1,775	11,487	—
Transfers-Out	—	—	—	—
Net Cash Flows from Noncapital Financing Activities	\$ —	\$ 1,775	\$ 11,487	\$ (832)
Cash Flows from Capital and Related Financing Activities:				
Investment in Capital Assets	\$ —	\$ (1,192)	\$ (5,406)	\$ (768)
Proceeds from Disposal of Capital Assets	—	—	1	9
Receipts from Leases	—	—	—	—
Lease/Subscription Payments	—	—	—	(62)
Interest Paid	—	—	—	—
Net Cash Flows from Capital and Related Financing Activities	\$ —	\$ (1,192)	\$ (5,405)	\$ (821)
Cash Flows from Investing Activities:				
Investment/Interest Earnings	\$ —	\$ 170	\$ (497)	\$ 563
Net Cash Flows from Investing Activities	\$ —	\$ 170	\$ (497)	\$ 563
Net Increase (Decrease) in Cash and Cash Equivalents	\$ —	\$ 4,505	\$ 633	\$ 568
Cash and Cash Equivalents, Beginning, as Reported	\$ 3,258	\$ 64,409	\$ 13,938	\$ 13,702
Change in Reporting Entity	(3,258)	—	—	—
Cash and Cash Equivalents, Beginning, as Restated	\$ —	\$ 64,409	\$ 13,938	\$ 13,702
Cash and Cash Equivalents, Ending	\$ —	\$ 68,914	\$ 14,571	\$ 14,270
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ —	\$ 16,912	\$ (7,426)	\$ 7,289
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	\$ —	\$ 29	\$ 2,116	\$ 1,181
Miscellaneous Nonoperating Expenses	—	(16,569)	—	—
Change in Assets, Liabilities, Deferred Outflows and Inflows of Resources:				
Accounts Receivable	—	(463)	(126)	(1,467)
Inventories	—	(125)	4	(7,088)
Other Assets	—	—	—	—
Deferred Outflows of Resources	—	719	20	1,656
Accounts Payable	—	3,872	482	1,789
Claims Payable	—	—	—	—
Compensated Absences Payable	—	138	1	51
Unearned Revenue	—	(7)	—	—
Other Postemployment Benefits	—	63	(2)	424
Net Pension Liability	—	(1,420)	(29)	(2,704)
Deferred Inflows of Resources	—	603	8	527
Net Reconciling Items to be Added to (Deducted from) Operating Income	\$ —	\$ (13,160)	\$ 2,474	\$ (5,631)
Net Cash Flows from Operating Activities	\$ —	\$ 3,752	\$ (4,952)	\$ 1,658
Noncash Investing, Capital and Financing Activities:				
Right-to-Use Assets Acquired through Lease/Subscription	\$ —	\$ —	\$ —	\$ —
Right-to-Use Assets Remeasurement Deletions	—	—	—	—

MNSURE	911 SERVICES	PUBLIC EMPLOYEES INSURANCE	STATE LOTTERY	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ —	\$ 68,663	\$ 248,931	\$ 779,246	\$ 152,194	\$ 1,341,682
41,202	—	1,641	117	996	47,547
—	—	(231,439)	(477,208)	—	(708,647)
(16,667)	(21,328)	(16,745)	(36,653)	(18,267)	(163,140)
(18,466)	(6,211)	(239)	(16,002)	(139,296)	(205,946)
—	—	—	(50,978)	—	(67,547)
\$ 6,069	\$ 41,124	\$ 2,149	\$ 198,522	\$ (4,373)	\$ 243,949
\$ 356	\$ —	\$ —	\$ —	\$ —	\$ 356
—	(34,729)	—	—	(415)	(35,976)
11,095	—	—	—	—	24,357
—	(712)	—	(193,491)	—	(194,203)
\$ 11,451	\$ (35,441)	\$ —	\$ (193,491)	\$ (415)	\$ (205,466)
\$ (4,462)	\$ (303)	\$ —	\$ (1,164)	\$ (9,144)	\$ (22,439)
1,774	—	—	403	1,070	3,257
—	—	—	6	—	6
(1,774)	(1,765)	—	(2,487)	(1,310)	(7,398)
—	(213)	—	—	(42)	(255)
\$ (4,462)	\$ (2,281)	\$ —	\$ (3,242)	\$ (9,426)	\$ (26,829)
\$ 1,593	\$ —	\$ 4,120	\$ 2,977	\$ 2,298	\$ 11,224
\$ 1,593	\$ —	\$ 4,120	\$ 2,977	\$ 2,298	\$ 11,224
\$ 14,651	\$ 3,402	\$ 6,269	\$ 4,766	\$ (11,916)	\$ 22,878
\$ 21,253	\$ 133,389	\$ 85,342	\$ 37,796	\$ 51,767	\$ 424,854
—	—	—	—	—	(3,258)
\$ 21,253	\$ 133,389	\$ 85,342	\$ 37,796	\$ 51,767	\$ 421,596
\$ 35,904	\$ 136,791	\$ 91,611	\$ 42,562	\$ 39,851	\$ 444,474
\$ (2,813)	\$ 39,316	\$ 8,856	\$ 193,728	\$ (7,182)	\$ 248,680
\$ 6,398	\$ 4,969	\$ —	\$ 2,892	\$ 522	\$ 18,107
—	—	—	—	—	(16,569)
3,129	(20)	(3,082)	3,784	(1,142)	613
—	—	—	(191)	—	(7,400)
—	—	—	(58)	—	(58)
1,066	413	24	1,191	1,701	6,790
(661)	(3,012)	(2,107)	(1,207)	1,388	544
—	—	1,816	—	—	1,816
113	(42)	6	41	702	1,010
—	—	(3,332)	(280)	—	(3,619)
58	(30)	(1)	57	959	1,528
(2,053)	(776)	(40)	(2,130)	(5,199)	(14,351)
832	306	9	695	3,878	6,858
\$ 8,882	\$ 1,808	\$ (6,707)	\$ 4,794	\$ 2,809	\$ (4,731)
\$ 6,069	\$ 41,124	\$ 2,149	\$ 198,522	\$ (4,373)	\$ 243,949
\$ —	\$ —	\$ —	\$ 14,257	\$ 260	\$ 14,517
—	(590)	—	—	—	(590)



2024
Annual
Comprehensive
Financial Report

Internal Service Funds

Central Motor Pool Fund

The fund accounts for the operation of a fleet of passenger vehicles and the state vehicle maintenance garage.

Central Services Fund

The fund accounts for miscellaneous centralized support services provided to state agencies.

Employee Insurance Fund

The fund accounts for employee health and life insurance premiums and makes payments based on insurance benefits provided to employees.

MN.IT Services Fund

The fund accounts for the operation of statewide communication and information systems.

Plant Management Fund

The fund accounts for maintenance and operation costs of state-owned buildings and grounds in the capitol complex.

Risk Management Fund

The fund accounts for the providing of liability insurance, primarily automobile, to state agencies.

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

ASSETS	CENTRAL MOTOR POOL	CENTRAL SERVICES	EMPLOYEE INSURANCE
Current Assets:			
Cash and Cash Equivalents	\$ 4,696	\$ 603	\$ 495,694
Accounts Receivable	1,476	6,785	54,237
Interfund Receivables	—	—	—
Inventories	—	14	—
Leases Receivable	1,265	—	—
Prepaid Expenses	—	338	—
Total Current Assets	\$ 7,437	\$ 7,740	\$ 549,931
Noncurrent Assets:			
Leases Receivable	\$ 1,718	\$ —	\$ —
Right-to-Use Assets (Net)	—	334	—
Depreciable Capital Assets (Net)	50,043	113	—
Nondepreciable Capital Assets	—	—	—
Prepaid Expenses	—	—	—
Total Noncurrent Assets	\$ 51,761	\$ 447	\$ —
Total Assets	\$ 59,198	\$ 8,187	\$ 549,931
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	\$ 178	\$ 1,800	\$ 1,246
Deferred Other Postemployment Benefits Outflows	9	81	55
Total Deferred Outflows of Resources	\$ 187	\$ 1,881	\$ 1,301
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 6,349	\$ 2,281	\$ 20,311
Interfund Payables	—	334	—
Unearned Revenue	19	—	5,044
Accrued Interest Payable	101	—	—
Bonds and Notes Payable	10,212	—	—
Lease/Subscription Payable	—	51	—
Claims Payable	—	—	95,911
Compensated Absences Payable	12	81	83
Other Postemployment Benefits	3	29	20
Total Current Liabilities	\$ 16,696	\$ 2,776	\$ 121,369
Noncurrent Liabilities:			
Unearned Revenue	\$ 75	\$ —	\$ —
Bonds and Notes Payable	21,275	—	—
Lease/Subscription Payable	—	256	—
Compensated Absences Payable	97	865	660
Other Postemployment Benefits	46	438	300
Net Pension Liability	148	1,501	1,039
Total Noncurrent Liabilities	\$ 21,641	\$ 3,060	\$ 1,999
Total Liabilities	\$ 38,337	\$ 5,836	\$ 123,368
DEFERRED INFLOWS OF RESOURCES			
Deferred Leases	\$ 2,983	\$ —	\$ —
Deferred Pension Inflows	141	1,428	989
Deferred Other Postemployment Benefits Inflows	5	52	36
Total Deferred Inflows of Resources	\$ 3,129	\$ 1,480	\$ 1,025
NET POSITION			
Net Investment in Capital Assets	\$ 18,556	\$ 140	\$ —
Unrestricted	\$ (637)	\$ 2,612	\$ 426,839
Total Net Position	\$ 17,919	\$ 2,752	\$ 426,839

MN.IT SERVICES		PLANT MANAGEMENT		RISK MANAGEMENT		TOTAL	
\$	80,508	\$	12,662	\$	37,850	\$	632,013
	38,033		7,011		4,235		111,777
	—		45		—		45
	—		440		—		454
	—		—		—		1,265
	2,836		—		430		3,604
\$	121,377	\$	20,158	\$	42,515	\$	749,158
\$	—	\$	—	\$	—	\$	1,718
	41,790		—		—		42,124
	32,086		6,338		—		88,580
	—		261		—		261
	949		—		—		949
\$	74,825	\$	6,599	\$	—	\$	133,632
\$	196,202	\$	26,757	\$	42,515	\$	882,790
\$	25,348	\$	3,780	\$	247	\$	32,599
	1,140		268		12		1,565
\$	26,488	\$	4,048	\$	259	\$	34,164
\$	9,383	\$	10,166	\$	309	\$	48,799
	60,000		—		5		60,339
	2,077		—		469		7,609
	—		4		—		105
	9,940		123		—		20,275
	12,646		—		—		12,697
	—		—		15,294		111,205
	1,506		243		18		1,943
	410		97		4		563
\$	95,962	\$	10,633	\$	16,099	\$	263,535
\$	—	\$	—	\$	—	\$	75
	20,027		2,507		—		43,809
	26,932		—		—		27,188
	12,842		1,222		129		15,815
	6,230		1,467		65		8,546
	21,128		3,151		207		27,174
\$	87,159	\$	8,347	\$	401	\$	122,607
\$	183,121	\$	18,980	\$	16,500	\$	386,142
\$	—	\$	—	\$	—	\$	2,983
	20,101		2,998		197		25,854
	745		175		7		1,020
\$	20,846	\$	3,173	\$	204	\$	29,857
\$	4,331	\$	3,969	\$	—	\$	26,996
\$	14,392	\$	4,683	\$	26,070	\$	473,959
\$	18,723	\$	8,652	\$	26,070	\$	500,955

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	CENTRAL MOTOR POOL	CENTRAL SERVICES	EMPLOYEE INSURANCE
Operating Revenues:			
Net Sales	\$ 12,521	\$ 30,387	\$ —
Insurance Premiums	—	—	1,202,408
Other Income	277	3,117	9,752
Total Operating Revenues	<u>\$ 12,798</u>	<u>\$ 33,504</u>	<u>\$ 1,212,160</u>
Operating Expenses:			
Purchased Services	\$ 1,554	\$ 23,145	\$ 95,499
Salaries and Fringe Benefits	685	9,237	6,080
Claims	—	—	1,136,059
Depreciation and Amortization	7,424	115	—
Supplies and Materials	3,528	315	20
Repairs and Maintenance	1,531	133	3
Indirect Costs	166	522	516
Other Expenses	426	2	445
Total Operating Expenses	<u>\$ 15,314</u>	<u>\$ 33,469</u>	<u>\$ 1,238,622</u>
Operating Income (Loss)	<u>\$ (2,516)</u>	<u>\$ 35</u>	<u>\$ (26,462)</u>
Nonoperating Revenues (Expenses):			
Investment/Interest Earnings	\$ 1,154	\$ —	\$ 23,513
Other Nonoperating Revenues	71	—	—
Interest and Financing Costs	(956)	(25)	—
Other Nonoperating Expenses	—	(349)	—
Gain (Loss) on Disposal of Capital Assets including Right-to-Use Assets	2,599	—	—
Total Nonoperating Revenues (Expenses)	<u>\$ 2,868</u>	<u>\$ (374)</u>	<u>\$ 23,513</u>
Income (Loss) Before Transfers and Contributions	\$ 352	\$ (339)	\$ (2,949)
Transfers-In	—	—	—
Transfers-Out	—	—	—
Change in Net Position	<u>\$ 352</u>	<u>\$ (339)</u>	<u>\$ (2,949)</u>
Net Position, Beginning, as Reported	<u>\$ 17,567</u>	<u>\$ 3,091</u>	<u>\$ 429,788</u>
Net Position, Ending	<u><u>\$ 17,919</u></u>	<u><u>\$ 2,752</u></u>	<u><u>\$ 426,839</u></u>

MN.IT SERVICES	PLANT MANAGEMENT	RISK MANAGEMENT	TOTAL
\$ 250,490	\$ 76,047	\$ —	\$ 369,445
—	—	20,532	1,222,940
—	1,003	—	14,149
<u>\$ 250,490</u>	<u>\$ 77,050</u>	<u>\$ 20,532</u>	<u>\$ 1,606,534</u>
\$ 76,492	\$ 16,331	\$ 12,077	\$ 225,098
119,336	18,062	1,109	154,509
—	—	6,248	1,142,307
27,376	628	37	35,580
4,996	8,613	4	17,476
5,528	11,936	—	19,131
1,062	2,384	215	4,865
18	145	8	1,044
<u>\$ 234,808</u>	<u>\$ 58,099</u>	<u>\$ 19,698</u>	<u>\$ 1,600,010</u>
<u>\$ 15,682</u>	<u>\$ 18,951</u>	<u>\$ 834</u>	<u>\$ 6,524</u>
\$ 1,024	\$ 2	\$ 1,660	\$ 27,353
—	—	—	71
(3,433)	(96)	—	(4,510)
—	—	(367)	(716)
—	4	—	2,603
<u>\$ (2,409)</u>	<u>\$ (90)</u>	<u>\$ 1,293</u>	<u>\$ 24,801</u>
\$ 13,273	\$ 18,861	\$ 2,127	\$ 31,325
—	—	12,500	12,500
(111)	(31,028)	—	(31,139)
<u>\$ 13,162</u>	<u>\$ (12,167)</u>	<u>\$ 14,627</u>	<u>\$ 12,686</u>
\$ 5,561	\$ 20,819	\$ 11,443	\$ 488,269
<u>\$ 18,723</u>	<u>\$ 8,652</u>	<u>\$ 26,070</u>	<u>\$ 500,955</u>

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	CENTRAL MOTOR POOL	CENTRAL SERVICES	EMPLOYEE INSURANCE
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 12,935	\$ 29,308	\$ 1,197,016
Receipts from Other Revenues	348	3,117	9,752
Payments to Claimants	—	—	(1,126,299)
Payments to Suppliers	(3,139)	(24,145)	(102,429)
Payments to Employees	(730)	(9,086)	(6,036)
Payments to Others	—	(349)	—
Net Cash Flows from Operating Activities	<u>\$ 9,414</u>	<u>\$ (1,155)</u>	<u>\$ (27,996)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers-In	\$ —	\$ —	\$ —
Transfers-Out	—	—	—
Net Cash Flows from Noncapital Financing Activities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Cash Flows from Capital and Related Financing Activities:			
Investment in Capital Assets	\$ (26,672)	\$ —	\$ —
Proceeds from Disposal of Capital Assets	6,865	—	—
Proceeds from Loans	22,869	—	—
Lease/Subscription Payments	—	(69)	—
Right-to-Use Assets Advance Payments	—	—	—
Repayment of Loan Principal	(10,532)	—	—
Interest Paid	(897)	(25)	—
Net Cash Flows from Capital and Related Financing Activities	<u>\$ (8,367)</u>	<u>\$ (94)</u>	<u>\$ —</u>
Cash Flows from Investing Activities:			
Investment/Interest Earnings	\$ 1,154	\$ —	\$ 23,513
Net Cash Flows from Investing Activities	<u>\$ 1,154</u>	<u>\$ —</u>	<u>\$ 23,513</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 2,201</u>	<u>\$ (1,249)</u>	<u>\$ (4,483)</u>
Cash and Cash Equivalents, Beginning, as Reported	\$ 2,495	\$ 1,852	\$ 500,177
Cash and Cash Equivalents, Ending	<u>\$ 4,696</u>	<u>\$ 603</u>	<u>\$ 495,694</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (2,516)	\$ 35	\$ (26,462)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	\$ 7,424	\$ 115	\$ —
Miscellaneous Nonoperating Revenues	71	—	—
Miscellaneous Nonoperating Expenses	—	(349)	—
Change in Assets, Liabilities, Deferred Outflows and Inflows of Resources:			
Accounts Receivable	320	(1,079)	(5,291)
Inventories	—	(10)	—
Other Assets	—	(144)	—
Deferred Outflows of Resources	116	309	307
Accounts Payable	4,066	126	(5,946)
Claims Payable	—	—	9,760
Compensated Absences Payable	1	122	82
Unearned Revenue	94	—	(101)
Other Postemployment Benefits	(6)	(30)	(34)
Net Pension Liability	(173)	(795)	(650)
Deferred Inflows of Resources	17	545	339
Net Reconciling Items to be Added to (Deducted from) Operating Income	<u>\$ 11,930</u>	<u>\$ (1,190)</u>	<u>\$ (1,534)</u>
Net Cash Flows from Operating Activities	<u>\$ 9,414</u>	<u>\$ (1,155)</u>	<u>\$ (27,996)</u>
Noncash Investing, Capital and Financing Activities:			
Leases Receivable Additions	\$ 1,897	\$ —	\$ —
Right-to-Use Assets Acquired through Lease/Subscription	—	—	—
Right-to-Use Assets Remeasurement Additions	—	214	—
Right-to-Use Assets Remeasurement Deletions	—	—	—

MN.IT SERVICES	PLANT MANAGEMENT	RISK MANAGEMENT	TOTAL
\$ 258,161	\$ 72,061	\$ 21,282	\$ 1,590,763
—	1,003	—	14,220
—	—	(6,125)	(1,132,424)
(76,181)	(33,306)	(12,343)	(251,543)
(118,607)	(18,352)	(1,134)	(153,945)
—	—	(367)	(716)
<u>\$ 63,373</u>	<u>\$ 21,406</u>	<u>\$ 1,313</u>	<u>\$ 66,355</u>
\$ —	\$ —	\$ 12,500	\$ 12,500
(111)	(31,028)	—	(31,139)
<u>\$ (111)</u>	<u>\$ (31,028)</u>	<u>\$ 12,500</u>	<u>\$ (18,639)</u>
\$ (19,342)	\$ (293)	\$ —	\$ (46,307)
—	21	—	6,886
19,562	—	—	42,431
(16,724)	—	—	(16,793)
(396)	—	—	(396)
(9,720)	(210)	—	(20,462)
(3,433)	(145)	—	(4,500)
<u>\$ (30,053)</u>	<u>\$ (627)</u>	<u>\$ —</u>	<u>\$ (39,141)</u>
\$ 1,024	\$ 2	\$ 1,660	\$ 27,353
<u>\$ 1,024</u>	<u>\$ 2</u>	<u>\$ 1,660</u>	<u>\$ 27,353</u>
\$ 34,233	\$ (10,247)	\$ 15,473	\$ 35,928
\$ 46,275	\$ 22,909	\$ 22,377	\$ 596,085
<u>\$ 80,508</u>	<u>\$ 12,662</u>	<u>\$ 37,850</u>	<u>\$ 632,013</u>
\$ 15,682	\$ 18,951	\$ 834	\$ 6,524
\$ 27,376	\$ 628	\$ 37	\$ 35,580
—	—	—	71
—	—	(367)	(716)
6,950	(3,986)	701	(2,385)
—	(203)	—	(213)
2,722	—	(41)	2,537
8,018	1,489	126	10,365
9,193	6,306	2	13,747
—	—	123	9,883
1,604	21	6	1,836
721	—	49	763
245	14	5	194
(15,363)	(2,595)	(202)	(19,778)
6,225	781	40	7,947
<u>\$ 47,691</u>	<u>\$ 2,455</u>	<u>\$ 479</u>	<u>\$ 59,831</u>
<u>\$ 63,373</u>	<u>\$ 21,406</u>	<u>\$ 1,313</u>	<u>\$ 66,355</u>
\$ —	\$ —	\$ —	\$ 1,897
17,487	—	—	17,487
—	—	—	214
(189)	—	—	(189)

2024
Annual
Comprehensive
Financial Report

Pension Trust Funds

Minnesota State Retirement System

State Employees Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities to state and University of Minnesota employees not covered by other pension funds.

Correctional Employees Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities to state employees who have direct responsibility for offenders at Minnesota correctional facilities.

Judges Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities to eligible district, municipal, county, and probate court judges, supreme court justices, and various court referees.

Legislators Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities for members of the state legislature.

State Patrol Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities to eligible state patrol officers, conservation officers, and crime bureau personnel.

Hennepin County Supplemental Retirement Fund

The fund accounts for resources administered by the Minnesota State Retirement System on behalf of the Hennepin County supplemental retirement program.

Pension Trust Funds – Continued

Health Care Savings Fund

The fund includes contributions by or on behalf of employees and accumulated earnings for reimbursement of health-related expenses of the employee or dependents after retirement.

Unclassified Employees Retirement Fund

The fund includes the aggregate of unclassified employee share accounts which are either refunded or used to purchase a retirement annuity upon termination of service.

Minnesota Deferred Compensation Fund

The fund includes contributions by participants toward a voluntary retirement savings plan.

Public Employees Retirement Association

General Employees Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

Police and Fire Fund

The fund includes resources accumulated to pay present and future retirement annuities to eligible police officers and firefighters.

Public Employees Correctional Fund

The fund includes resources accumulated to pay present and future retirement annuities to eligible correctional employees of various local units of government.

Volunteer Firefighter Retirement Fund

The fund contains the assets attributable to the voluntary statewide lump-sum volunteer firefighter retirement plan.

Defined Contribution Fund

The fund is an IRC Section 401(a) deferred compensation plan administered by the Public Employees Retirement Association.

Teachers Retirement Association

Teachers Retirement Fund

The fund includes resources accumulated to pay present and future retirement annuities for members of both the basic and coordinated teachers retirement plans.

State Colleges and Universities

State Colleges and Universities Retirement Fund

The fund includes unclassified teachers, librarians, administrators, and certain other staff members who have been employed full time for a minimum of two academic years.

Secure Choice Retirement Program

Secure Choice Trust

The fund includes resources accumulated to pay present and future retirement annuities to eligible employees of various eligible non-governmental employers.

STATE OF MINNESOTA

PENSION TRUST FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM		
	STATE EMPLOYEES RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDGES RETIREMENT
ASSETS			
Cash and Cash Equivalent Investments	\$ 19,715	\$ 3,968	\$ 775
Investment Pools, at fair value:			
Cash Equivalent Investments	\$ 549,870	\$ 55,884	\$ 9,290
Investments	17,629,616	1,740,553	285,743
Accrued Interest and Dividends	49,114	4,786	796
Securities Trade Receivable (Payable)	(131,577)	(12,210)	(2,112)
Total Investment Pool Participation	\$ 18,097,023	\$ 1,789,013	\$ 293,717
Receivables:			
Interfund Receivables	\$ 12,852	\$ 10	\$ —
Other Receivables	17,828	3,144	586
Total Receivables	\$ 30,680	\$ 3,154	\$ 586
Securities Lending Collateral	\$ 777,103	\$ 76,482	\$ 12,589
Right-to-Use Assets (Net)	184	—	—
Depreciable Capital Assets (Net)	9,883	—	—
Nondepreciable Capital Assets	4,525	—	—
Total Assets	\$ 18,939,113	\$ 1,872,617	\$ 307,667
LIABILITIES			
Accounts Payable	\$ 20,125	\$ 1,618	\$ 265
Interfund Payables	7	1,137	110
Accrued Expense	—	—	—
Revenue Bonds Payable	282	—	—
Lease/Subscription Payable	192	—	—
Compensated Absences Payable	1,759	—	—
Securities Lending Liabilities	777,103	76,482	12,589
Other Liabilities	1,287	779	—
Total Liabilities	\$ 800,755	\$ 80,016	\$ 12,964
NET POSITION			
Net Position Restricted for Pensions	\$ 18,138,358	\$ 1,792,601	\$ 294,703

MINNESOTA STATE RETIREMENT SYSTEM

LEGISLATORS RETIREMENT	STATE PATROL RETIREMENT	HENNEPIN COUNTY SUPPLEMENTAL RETIREMENT	HEALTH CARE SAVINGS	UNCLASSIFIED EMPLOYEES RETIREMENT	MINNESOTA DEFERRED COMPENSATION
\$ 176	\$ 2,093	\$ 27	\$ 1,587	\$ 62	\$ 9,661
\$ —	\$ 32,999	\$ 14,308	\$ 630,801	\$ 9,591	\$ 143,697
—	1,021,866	164,695	1,441,815	392,469	9,994,550
—	2,827	64	2,835	43	646
—	(7,353)	—	—	—	—
\$ —	\$ 1,050,339	\$ 179,067	\$ 2,075,451	\$ 402,103	\$ 10,138,893
\$ 1	\$ —	\$ —	\$ —	\$ 15	\$ —
3	1,758	6	6,949	535	11,566
\$ 4	\$ 1,758	\$ 6	\$ 6,949	\$ 550	\$ 11,566
\$ —	\$ 44,960	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$ 180	\$ 1,099,150	\$ 179,100	\$ 2,083,987	\$ 402,715	\$ 10,160,120
\$ —	\$ 949	\$ 13	\$ 608	\$ 32	\$ 849
145	274	32	4,686	1,577	5,010
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	44,960	—	—	—	—
35	1	—	178	—	1,017
\$ 180	\$ 46,184	\$ 45	\$ 5,472	\$ 1,609	\$ 6,876
\$ —	\$ 1,052,966	\$ 179,055	\$ 2,078,515	\$ 401,106	\$ 10,153,244

CONTINUED

STATE OF MINNESOTA

PENSION TRUST FUNDS (CONTINUED)

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT		
	GENERAL EMPLOYEES RETIREMENT	POLICE AND FIRE	PUBLIC EMPLOYEES CORRECTIONAL
ASSETS			
Cash and Cash Equivalent Investments	\$ 19,169	\$ 17,532	\$ 967
Investment Pools, at fair value:			
Cash Equivalent Investments	\$ 934,145	\$ 372,285	\$ 36,721
Investments	29,324,300	11,727,136	1,176,807
Accrued Interest and Dividends	81,591	32,605	3,215
Securities Trade Receivable (Payable)	(216,774)	(86,478)	(8,073)
Total Investment Pool Participation	\$ 30,123,262	\$ 12,045,548	\$ 1,208,670
Receivables:			
Interfund Receivables	\$ 3,913	\$ 51	\$ 5
Other Receivables	40,481	19,069	959
Total Receivables	\$ 44,394	\$ 19,120	\$ 964
Securities Lending Collateral	\$ 1,291,952	\$ 516,603	\$ 51,654
Right-to-Use Assets (Net)	—	—	—
Depreciable Capital Assets (Net)	4,593	—	—
Nondepreciable Capital Assets	170	—	—
Total Assets	\$ 31,483,540	\$ 12,598,803	\$ 1,262,255
LIABILITIES			
Accounts Payable	\$ 27,729	\$ 14,324	\$ 1,198
Interfund Payables	56	2,644	990
Accrued Expense	—	—	—
Revenue Bonds Payable	374	—	—
Lease/Subscription Payable	—	—	—
Compensated Absences Payable	1,425	—	—
Securities Lending Liabilities	1,291,952	516,603	51,654
Other Liabilities	—	—	—
Total Liabilities	\$ 1,321,536	\$ 533,571	\$ 53,842
NET POSITION			
Net Position Restricted for Pensions	\$ 30,162,004	\$ 12,065,232	\$ 1,208,413

PUBLIC EMPLOYEES RETIREMENT					
VOLUNTEER FIREFIGHTER RETIREMENT	DEFINED CONTRIBUTION	TEACHERS RETIREMENT	STATE COLLEGES AND UNIVERSITIES RETIREMENT	SECURE CHOICE TRUST	TOTAL
\$ —	\$ 315	\$ 15,551	\$ —	\$ —	\$ 91,598
\$ 11,971	\$ 3,988	\$ 992,845	\$ —	\$ —	\$ 3,798,395
174,838	98,717	28,211,546	2,999,050	—	106,383,701
839	243	79,592	—	—	259,196
(3,749)	(996)	(212,902)	—	—	(682,224)
\$ 183,899	\$ 101,952	\$ 29,071,081	\$ 2,999,050	\$ —	\$ 109,759,068
\$ —	\$ —	\$ —	\$ —	\$ 5,000	\$ 21,847
154	136	30,644	—	—	133,818
\$ 154	\$ 136	\$ 30,644	\$ —	\$ 5,000	\$ 155,665
\$ —	\$ —	\$ 1,244,369	\$ —	\$ —	\$ 4,015,712
—	—	—	—	—	184
—	—	6,908	—	—	21,384
—	—	171	—	—	4,866
\$ 184,053	\$ 102,403	\$ 30,368,724	\$ 2,999,050	\$ 5,000	\$ 114,048,477
\$ 38	\$ 23	\$ 30,405	\$ —	\$ —	\$ 98,176
—	279	—	—	—	16,947
—	—	10	—	—	10
—	—	368	—	—	1,024
—	—	—	—	—	192
—	—	1,093	—	—	4,277
—	—	1,244,369	—	—	4,015,712
—	—	—	—	—	3,297
\$ 38	\$ 302	\$ 1,276,245	\$ —	\$ —	\$ 4,139,635
\$ 184,015	\$ 102,101	\$ 29,092,479	\$ 2,999,050	\$ 5,000	\$ 109,908,842

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM		
	STATE EMPLOYEES RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDGES RETIREMENT
Additions:			
Contributions:			
Employer	\$ 252,541	\$ 62,332	\$ 13,241
Member	223,460	31,777	4,420
Contributions From Other Sources	—	—	—
Total Contributions	\$ 476,001	\$ 94,109	\$ 17,661
Net Investment Income (Loss):			
Investment Income (Loss)	\$ 2,061,267	\$ 202,087	\$ 33,545
Less: Investment Expenses	(67,968)	(6,634)	(1,106)
Net Investment Income (Loss)	\$ 1,993,299	\$ 195,453	\$ 32,439
Securities Lending Revenues (Expenses):			
Securities Lending Income	\$ 48,193	\$ 4,748	\$ 781
Securities Lending Rebates and Fees	(44,818)	(4,417)	(726)
Net Securities Lending Revenue	\$ 3,375	\$ 331	\$ 55
Total Investment Income (Loss)	\$ 1,996,674	\$ 195,784	\$ 32,494
Other Additions	\$ 106	\$ —	\$ —
Transfers-In	94,814	10,446	6,293
Total Additions	\$ 2,567,595	\$ 300,339	\$ 56,448
Deductions:			
Benefits	\$ 1,043,041	\$ 99,438	\$ 30,354
Refunds and Withdrawals	18,498	2,809	272
Administrative Expenses	11,870	1,121	107
Transfers-Out	1,060	—	—
Total Deductions	\$ 1,074,469	\$ 103,368	\$ 30,733
Net Increase (Decrease)	\$ 1,493,126	\$ 196,971	\$ 25,715
Net Position Restricted for Pensions, Beginning, as Reported			
	\$ 16,645,008	\$ 1,595,630	\$ 268,988
Change in Accounting Principle	224	—	—
Change in Reporting Entity	—	—	—
Net Position Restricted for Pensions, Beginning, as Restated			
	\$ 16,645,232	\$ 1,595,630	\$ 268,988
Net Position Restricted for Pensions, Ending			
	\$ 18,138,358	\$ 1,792,601	\$ 294,703

MINNESOTA STATE RETIREMENT SYSTEM

LEGISLATORS RETIREMENT	STATE PATROL RETIREMENT	HENNEPIN COUNTY SUPPLEMENTAL RETIREMENT	HEALTH CARE SAVINGS	UNCLASSIFIED EMPLOYEES RETIREMENT	MINNESOTA DEFERRED COMPENSATION
\$ —	\$ 34,064	\$ 31	\$ —	\$ 10,355	\$ 9,157
38	17,453	31	180,166	9,090	403,877
—	—	—	—	—	—
\$ 38	\$ 51,517	\$ 62	\$ 180,166	\$ 19,445	\$ 413,034
\$ —	\$ 119,253	\$ 25,949	\$ 218,634	\$ 54,923	\$ 1,124,348
—	(3,906)	(47)	(549)	(106)	(2,682)
\$ —	\$ 115,347	\$ 25,902	\$ 218,085	\$ 54,817	\$ 1,121,666
\$ —	\$ 2,790	\$ —	\$ —	\$ —	\$ —
—	(2,595)	—	—	—	—
\$ —	\$ 195	\$ —	\$ —	\$ —	\$ —
\$ —	\$ 115,542	\$ 25,902	\$ 218,085	\$ 54,817	\$ 1,121,666
\$ —	\$ 1,000	\$ 93	\$ 8,159	\$ 231	\$ 5,195
8,813	11,971	—	—	1,060	—
\$ 8,851	\$ 180,030	\$ 26,057	\$ 406,410	\$ 75,553	\$ 1,539,895
\$ 8,811	\$ 69,703	\$ 6,228	\$ 108,974	\$ —	\$ 83,520
—	187	4,462	—	13,527	536,813
40	273	214	15,484	734	12,113
—	—	—	—	18,374	—
\$ 8,851	\$ 70,163	\$ 10,904	\$ 124,458	\$ 32,635	\$ 632,446
\$ —	\$ 109,867	\$ 15,153	\$ 281,952	\$ 42,918	\$ 907,449
\$ —	\$ 943,099	\$ 163,902	\$ 1,796,563	\$ 358,188	\$ 9,245,795
—	—	—	—	—	—
—	—	—	—	—	—
\$ —	\$ 943,099	\$ 163,902	\$ 1,796,563	\$ 358,188	\$ 9,245,795
\$ —	\$ 1,052,966	\$ 179,055	\$ 2,078,515	\$ 401,106	\$ 10,153,244

CONTINUED

STATE OF MINNESOTA
PENSION TRUST FUNDS (CONTINUED)
COMBINING STATEMENT OF CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT		
	GENERAL EMPLOYEES RETIREMENT	POLICE AND FIRE	PUBLIC EMPLOYEES CORRECTIONAL
Additions:			
Contributions:			
Employer	\$ 619,580	\$ 236,216	\$ 22,209
Member	521,198	152,987	14,851
Contributions From Other Sources	—	—	—
Total Contributions	\$ 1,140,778	\$ 389,203	\$ 37,060
Net Investment Income (Loss):			
Investment Income (Loss)	\$ 3,426,069	\$ 1,370,240	\$ 136,242
Less: Investment Expenses	(112,900)	(45,207)	(4,481)
Net Investment Income (Loss)	\$ 3,313,169	\$ 1,325,033	\$ 131,761
Securities Lending Revenues (Expenses):			
Securities Lending Income	\$ 80,134	\$ 32,044	\$ 3,208
Securities Lending Rebates and Fees	(74,525)	(29,801)	(2,984)
Net Securities Lending Revenue	\$ 5,609	\$ 2,243	\$ 224
Total Investment Income (Loss)	\$ 3,318,778	\$ 1,327,276	\$ 131,985
Other Additions	\$ —	\$ —	\$ —
Transfers-In	186,093	37,397	5,256
Total Additions	\$ 4,645,649	\$ 1,753,876	\$ 174,301
Deductions:			
Benefits	\$ 1,889,457	\$ 720,158	\$ 29,865
Refunds and Withdrawals	74,307	5,051	2,559
Administrative Expenses	20,660	2,362	662
Transfers-Out	—	—	—
Total Deductions	\$ 1,984,424	\$ 727,571	\$ 33,086
Net Increase (Decrease)	\$ 2,661,225	\$ 1,026,305	\$ 141,215
Net Position Restricted for Pensions, Beginning, as Reported			
	\$ 27,500,779	\$ 11,038,927	\$ 1,067,198
Change in Accounting Principle	—	—	—
Change in Reporting Entity	—	—	—
Net Position Restricted for Pensions, Beginning, as Restated			
	\$ 27,500,779	\$ 11,038,927	\$ 1,067,198
Net Position Restricted for Pensions, Ending			
	\$ 30,162,004	\$ 12,065,232	\$ 1,208,413

PUBLIC EMPLOYEES RETIREMENT					
VOLUNTEER FIREFIGHTER RETIREMENT	DEFINED CONTRIBUTION	TEACHERS RETIREMENT	STATE COLLEGES AND UNIVERSITIES RETIREMENT	SECURE CHOICE TRUST	TOTAL
\$ 1,643	\$ 2,475	\$ 544,667	\$ 61,162	\$ —	\$ 1,869,673
—	2,374	480,136	55,648	—	2,097,506
—	—	4,500	5,217	—	9,717
<u>\$ 1,643</u>	<u>\$ 4,849</u>	<u>\$ 1,029,303</u>	<u>\$ 122,027</u>	<u>\$ —</u>	<u>\$ 3,976,896</u>
\$ 20,200	\$ 15,000	\$ 3,302,484	\$ 361,121	\$ —	\$ 12,471,362
(162)	(80)	(108,835)	—	—	(354,663)
<u>\$ 20,038</u>	<u>\$ 14,920</u>	<u>\$ 3,193,649</u>	<u>\$ 361,121</u>	<u>\$ —</u>	<u>\$ 12,116,699</u>
\$ —	\$ —	\$ 77,154	\$ —	\$ —	\$ 249,052
—	—	(71,748)	—	—	(231,614)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,406</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,438</u>
<u>\$ 20,038</u>	<u>\$ 14,920</u>	<u>\$ 3,199,055</u>	<u>\$ 361,121</u>	<u>\$ —</u>	<u>\$ 12,134,137</u>
\$ 1,589	\$ —	\$ 803	\$ —	\$ —	\$ 17,176
7,382	—	207,254	—	5,000	581,779
<u>\$ 30,652</u>	<u>\$ 19,769</u>	<u>\$ 4,436,415</u>	<u>\$ 483,148</u>	<u>\$ 5,000</u>	<u>\$ 16,709,988</u>
\$ 16,679	\$ —	\$ 2,059,353	\$ 158,566	\$ —	\$ 6,324,147
—	7,100	21,584	—	—	687,169
244	281	17,502	1,089	—	84,756
—	—	—	—	—	19,434
<u>\$ 16,923</u>	<u>\$ 7,381</u>	<u>\$ 2,098,439</u>	<u>\$ 159,655</u>	<u>\$ —</u>	<u>\$ 7,115,506</u>
<u>\$ 13,729</u>	<u>\$ 12,388</u>	<u>\$ 2,337,976</u>	<u>\$ 323,493</u>	<u>\$ 5,000</u>	<u>\$ 9,594,482</u>
\$ 152,056	\$ 89,713	\$ 26,754,503	\$ 2,675,557	\$ —	\$ 100,295,906
—	—	—	—	—	224
<u>18,230</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>18,230</u>
<u>\$ 170,286</u>	<u>\$ 89,713</u>	<u>\$ 26,754,503</u>	<u>\$ 2,675,557</u>	<u>\$ —</u>	<u>\$ 100,314,360</u>
<u>\$ 184,015</u>	<u>\$ 102,101</u>	<u>\$ 29,092,479</u>	<u>\$ 2,999,050</u>	<u>\$ 5,000</u>	<u>\$ 109,908,842</u>



Investment Trust Funds

Supplemental Retirement Fund

The fund provides an investment vehicle for the assets of various public retirement plans and funds.

Investment Trust Fund

The fund provides an investment vehicle for external funds authorized to be invested by the state.

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STATE OF MINNESOTA**INVESTMENT TRUST FUNDS****COMBINING STATEMENT OF PLAN NET POSITION****JUNE 30, 2024****(IN THOUSANDS)**

	SUPPLEMENTAL RETIREMENT	INVESTMENT TRUST	TOTAL
ASSETS			
Investment Pools, at fair value:			
Cash Equivalent Investments.....	\$ 19,200	\$ 55,217	\$ 74,417
Investments	782,671	652,026	1,434,697
Accrued Interest and Dividends.....	1,713	947	2,660
Securities Trade Receivable (Payable).....	(5,248)	(1,754)	(7,002)
Total Assets	<u>\$ 798,336</u>	<u>\$ 706,436</u>	<u>\$ 1,504,772</u>
NET POSITION			
Net Position Restricted for Pooled Investments.....	<u>\$ 798,336</u>	<u>\$ 706,436</u>	<u>\$ 1,504,772</u>

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES
IN PLAN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	SUPPLEMENTAL RETIREMENT	INVESTMENT TRUST	TOTAL
Additions:			
Contributions:			
Participating Plans	\$ 1,603	\$ 8,088	\$ 9,691
Total Contributions	\$ 1,603	\$ 8,088	\$ 9,691
Net Investment Income (Loss):			
Investment Income (Loss)	\$ 131,801	\$ 113,598	\$ 245,399
Less: Investment Expenses	(626)	(124)	(750)
Net Investment Income (Loss)	\$ 131,175	\$ 113,474	\$ 244,649
Total Additions	\$ 132,778	\$ 121,562	\$ 254,340
Deductions:			
Refunds and Withdrawals	\$ 107,191	\$ 14,258	\$ 121,449
Administrative Expenses	69	56	125
Total Deductions	\$ 107,260	\$ 14,314	\$ 121,574
Net Increase (Decrease)	\$ 25,518	\$ 107,248	\$ 132,766
Net Position Restricted for Pooled Investments, Beginning, as Reported			
	\$ 772,677	\$ 599,188	\$ 1,371,865
Change in Reporting Entity	141	—	141
Net Position Restricted for Pooled Investments, Beginning, as Restated			
	\$ 772,818	\$ 599,188	\$ 1,372,006
Net Position Restricted for Pooled Investments, Ending			
	<u>\$ 798,336</u>	<u>\$ 706,436</u>	<u>\$ 1,504,772</u>



Custodial Fund

Custodial Fund

This fund accounts for resources held in a custodial capacity for other governmental units, private organizations, or individuals.

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STATE OF MINNESOTA

CUSTODIAL FUND

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

(IN THOUSANDS)

	<u>CUSTODIAL</u>
ASSETS	
Cash and Cash Equivalent Investments	\$ 292,294
Receivables:	
Accounts Receivable	\$ 295
Taxes Receivable	69,129
Total Receivables	<u>\$ 69,424</u>
Total Assets	<u>\$ 361,718</u>
LIABILITIES	
Accounts Payable	<u>\$ 313,583</u>
Total Liabilities	<u>\$ 313,583</u>
NET POSITION	
Net Position Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 48,135</u></u>

STATE OF MINNESOTA

CUSTODIAL FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	<u>CUSTODIAL</u>
Additions:	
Tax Collections for Other Governments	\$ 922,723
Beneficiary Deposits - Child Support	505,521
Beneficiary Deposits - Corrections	28,700
Beneficiary Deposits - Regional Treatment Centers	6,276
Beneficiary Deposits - Veterans Homes	1,742
Employee Insurance Trust	42,415
Courts Interest Held for Other Governments and Individuals ..	22,025
Legal Settlements for External Parties	2,662
Miscellaneous	4,178
Total Additions	<u>\$ 1,536,242</u>
Deductions:	
Administrative Expenses	\$ 1,136
Tax Payments to Other Governments	922,696
Beneficiary Payments - Child Support	505,569
Beneficiary Payments - Corrections	28,672
Beneficiary Payments - Regional Treatment Centers	5,570
Beneficiary Payments - Veterans Homes	1,571
Federal Revenue Pass through	11
Employee Insurance Trust	40,680
Court Payments to Other Governments and Individuals	23,792
Legal Settlements Paid to External Parties	2,667
Miscellaneous	1,130
Total Deductions	<u>\$ 1,533,494</u>
Net Increase (Decrease)	<u>\$ 2,748</u>
Net Position Restricted for Individuals, Organizations, and Other Governments, Beginning, as Reported	<u>\$ 45,387</u>
Net Position Restricted for Individuals, Organizations, and Other Governments, Ending	<u><u>\$ 48,135</u></u>



Nonmajor Component Unit Funds

Agricultural and Economic Development Board

The board administers programs for agricultural and economic development.

Minnesota Comprehensive Health Association

The Association administers the Premium Security Plan, a risk mitigation program designed to help keep premiums affordable to individual purchasers within the state of Minnesota.

Minnesota Sports Facilities Authority

The authority provides for the construction, financing, and long-term use and operations of a new multi-purpose stadium and related stadium infrastructure. The purpose of the stadium is to hold professional football games as well as a broad range of other civic, community, athletic, educational, cultural, and commercial activities.

National Sports Center Foundation

The foundation is under contract with the Minnesota Amateur Sports Commission to maintain and operate the National Sports Center facility. The primary purpose of the facility is to hold youth-oriented athletic and other non-athletic functions and events.

Office of Higher Education

The office makes and guarantees loans to qualified post-secondary students.

Public Facilities Authority

The authority provides financial assistance to eligible municipalities with high cost wastewater infrastructure projects.

Rural Finance Authority

The authority administers state agricultural programs.

Workers' Compensation Assigned Risk Plan

The plan is the source of workers' compensation and employers' liability coverage for Minnesota employers who have been unable to obtain an insurance policy through the voluntary market.

STATE OF MINNESOTA

NONMAJOR COMPONENT UNIT FUNDS

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2023 and JUNE 30, 2024

(IN THOUSANDS)

	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION	MINNESOTA SPORTS FACILITIES AUTHORITY	NATIONAL SPORTS CENTER FOUNDATION
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 940	\$ 128	\$ 50,079	\$ 4,382
Investments	—	—	—	—
Accounts Receivable	—	—	5,174	1,893
Due from Primary Government	—	206,969	—	344
Accrued Investment/Interest Earnings	175	—	—	—
Federal Aid Receivable	—	—	—	—
Inventories	—	—	—	38
Loans and Notes Receivable	—	—	—	88
Leases Receivable	—	—	7,444	—
Other Assets	—	23	1,302	533
Total Current Assets	\$ 1,115	\$ 207,120	\$ 63,999	\$ 7,278
Noncurrent Assets:				
Cash and Cash Equivalents-Restricted \$	—	\$ —	\$ 46,174	\$ 574
Investments-Restricted	23,815	—	—	—
Accounts Receivable-Restricted	—	—	1,368	—
Due from Primary Government	—	—	—	—
Accounts Receivable	—	—	—	—
Loans and Notes Receivable	—	—	—	249
Leases Receivable	—	—	310,432	—
Right-to-Use Assets (Net)	—	5	6,201	—
Depreciable Capital Assets (Net)	—	—	750,173	13,655
Nondepreciable Capital Assets	—	—	36,208	238
Other Assets	—	—	1,271	—
Total Noncurrent Assets	\$ 23,815	\$ 5	\$ 1,151,827	\$ 14,716
Total Assets	\$ 24,930	\$ 207,125	\$ 1,215,826	\$ 21,994
DEFERRED OUTFLOWS OF RESOURCES				
Bond Refunding	\$ —	\$ —	\$ —	\$ —
Deferred Pension Outflows	—	—	110	—
Deferred Other Postemployment Benefits Outflows	—	—	—	—
Total Deferred Outflows of Resources	\$ —	\$ —	\$ 110	\$ —

OFFICE OF HIGHER EDUCATION	PUBLIC FACILITIES AUTHORITY	RURAL FINANCE AUTHORITY	WORKERS' COMPENSATION ASSIGNED RISK PLAN	TOTAL
\$ 345,871	\$ 639,060	\$ 19,583	\$ 11,083	\$ 1,071,126
—	—	—	265,019	265,019
1,666	—	—	51,459	60,192
—	311	—	—	207,624
7,756	9,912	—	1,624	19,467
—	1,777	—	—	1,777
—	—	—	—	38
57,121	183,454	11,693	—	252,356
—	—	—	—	7,444
—	—	—	2,867	4,725
<u>\$ 412,414</u>	<u>\$ 834,514</u>	<u>\$ 31,276</u>	<u>\$ 332,052</u>	<u>\$ 1,889,768</u>
\$ 216,211	\$ —	\$ —	\$ —	\$ 262,959
—	—	—	—	23,815
—	—	—	—	1,368
—	1,323	—	—	1,323
—	—	—	278,195	278,195
358,021	1,672,462	105,962	—	2,136,694
—	—	—	—	310,432
—	129	—	—	6,335
670	—	—	—	764,498
—	—	—	—	36,446
—	—	—	—	1,271
<u>\$ 574,902</u>	<u>\$ 1,673,914</u>	<u>\$ 105,962</u>	<u>\$ 278,195</u>	<u>\$ 3,823,336</u>
<u>\$ 987,316</u>	<u>\$ 2,508,428</u>	<u>\$ 137,238</u>	<u>\$ 610,247</u>	<u>\$ 5,713,104</u>
\$ —	\$ 3,705	\$ —	\$ —	\$ 3,705
1,779	861	—	—	2,750
103	—	—	—	103
<u>\$ 1,882</u>	<u>\$ 4,566</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,558</u>

CONTINUED

STATE OF MINNESOTA

NONMAJOR COMPONENT UNIT FUNDS (CONTINUED)

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2023 and JUNE 30, 2024

(IN THOUSANDS)

LIABILITIES	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION	MINNESOTA SPORTS FACILITIES AUTHORITY	NATIONAL SPORTS CENTER FOUNDATION
Current Liabilities:				
Accounts Payable	\$ —	\$ 35	\$ 10,511	\$ 1,131
Due to Primary Government	—	—	—	4,010
Unearned Revenue	—	116	19,242	685
Accrued Interest Payable	—	—	—	—
Bonds and Notes Payable	—	—	—	634
Lease/Subscription Payable	—	5	447	—
Claims Payable	—	206,969	—	—
Compensated Absences Payable	1	—	97	—
Other Postemployment Benefits	—	—	—	—
Other Liabilities	—	—	—	—
Total Current Liabilities	<u>\$ 1</u>	<u>\$ 207,125</u>	<u>\$ 30,297</u>	<u>\$ 6,460</u>
Noncurrent Liabilities:				
Due to Primary Government	\$ —	\$ —	\$ —	\$ —
Unearned Revenue	—	—	1,259	—
Bonds and Notes Payable	—	—	—	5,854
Lease/Subscription Payable	—	—	5,830	—
Claims Payable	—	—	—	—
Compensated Absences Payable	4	—	8	—
Other Postemployment Benefits	—	—	—	—
Net Pension Liability	—	—	96	—
Funds Held in Trust	—	—	7,305	—
Other Liabilities	—	—	—	—
Total Noncurrent Liabilities	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 14,498</u>	<u>\$ 5,854</u>
Total Liabilities	<u>\$ 5</u>	<u>\$ 207,125</u>	<u>\$ 44,795</u>	<u>\$ 12,314</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Leases	\$ —	\$ —	\$ 298,336	\$ —
Deferred Revenue	—	—	—	—
Deferred Pension Inflows	—	—	146	—
Deferred Other Postemployment Benefits Inflows	—	—	—	—
Total Deferred Inflows of Resources	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 298,482</u>	<u>\$ —</u>
NET POSITION				
Net Investment in Capital Assets	\$ —	\$ —	\$ 779,288	\$ 7,778
Restricted-Expendable	—	—	47,634	—
Unrestricted	24,925	—	45,737	1,902
Total Net Position	<u>\$ 24,925</u>	<u>\$ —</u>	<u>\$ 872,659</u>	<u>\$ 9,680</u>

OFFICE OF HIGHER EDUCATION	PUBLIC FACILITIES AUTHORITY	RURAL FINANCE AUTHORITY	WORKERS' COMPENSATION ASSIGNED RISK PLAN	TOTAL
\$ 6,380	\$ 17,373	\$ —	\$ 4,638	\$ 40,068
146	—	3,093	14,614	21,863
—	—	—	13,989	34,032
2,423	14,581	—	—	17,004
4,240	60,700	—	—	65,574
—	64	—	—	516
—	—	—	53,984	260,953
82	76	—	—	256
37	—	—	—	37
99	—	—	—	99
<u>\$ 13,407</u>	<u>\$ 92,794</u>	<u>\$ 3,093</u>	<u>\$ 87,225</u>	<u>\$ 440,402</u>
\$ —	\$ —	\$ 101,876	\$ —	\$ 101,876
—	—	—	—	1,259
307,654	645,282	—	—	958,790
—	70	—	—	5,900
—	—	—	473,022	473,022
915	552	—	—	1,479
562	—	—	—	562
1,483	718	—	—	2,297
—	—	—	—	7,305
—	1,161	—	—	1,161
<u>\$ 310,614</u>	<u>\$ 647,783</u>	<u>\$ 101,876</u>	<u>\$ 473,022</u>	<u>\$ 1,553,651</u>
<u>\$ 324,021</u>	<u>\$ 740,577</u>	<u>\$ 104,969</u>	<u>\$ 560,247</u>	<u>\$ 1,994,053</u>
\$ —	\$ —	\$ —	\$ —	\$ 298,336
42,800	—	—	—	42,800
1,412	684	—	—	2,242
67	—	—	—	67
<u>\$ 44,279</u>	<u>\$ 684</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 343,445</u>
\$ 670	\$ —	\$ —	\$ —	\$ 787,736
621,371	1,768,920	—	5,010	2,442,935
(1,143)	2,813	32,269	44,990	151,493
<u>\$ 620,898</u>	<u>\$ 1,771,733</u>	<u>\$ 32,269</u>	<u>\$ 50,000</u>	<u>\$ 3,382,164</u>

STATE OF MINNESOTA

NONMAJOR COMPONENT UNIT FUNDS

COMBINING STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 and JUNE 30, 2024

(IN THOUSANDS)

	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION	MINNESOTA SPORTS FACILITIES AUTHORITY	NATIONAL SPORTS CENTER FOUNDATION
Net Expenses:				
Total Expenses	\$ 260	\$ 207,410	\$ 97,606	\$ 20,296
Program Revenues:				
Charges for Services	\$ 210	\$ —	\$ 63,074	\$ 15,355
Operating Grants and Contributions	—	207,410	410	—
Capital Grants and Contributions	—	—	4,176	—
Net (Expense) Revenue	\$ (50)	\$ —	\$ (29,946)	\$ (4,941)
General Revenues:				
Taxes	\$ —	\$ —	\$ 2,251	\$ —
Investment/Interest Earnings	1,141	—	8,519	—
Other Revenues	—	—	2,034	5,128
Total General Revenues before Grants	\$ 1,141	\$ —	\$ 12,804	\$ 5,128
State Grants Not Restricted	—	—	—	—
Total General Revenues	\$ 1,141	\$ —	\$ 12,804	\$ 5,128
Change in Net Position	\$ 1,091	\$ —	\$ (17,142)	\$ 187
Net Position, Beginning, as Reported	\$ 23,834	\$ —	\$ 889,801	\$ 9,493
Net Position, Ending	\$ 24,925	\$ —	\$ 872,659	\$ 9,680

OFFICE OF HIGHER EDUCATION	PUBLIC FACILITIES AUTHORITY	RURAL FINANCE AUTHORITY	WORKERS' COMPENSATION ASSIGNED RISK PLAN	TOTAL
\$ 341,264	\$ 150,862	\$ 2,754	\$ 47,808	\$ 868,260
\$ 28,970	\$ —	\$ 4,387	\$ 37,169	\$ 149,165
5,401	239,769	—	—	452,990
—	—	—	—	4,176
\$ (306,893)	\$ 88,907	\$ 1,633	\$ (10,639)	\$ (261,929)
\$ —	\$ —	\$ —	\$ —	\$ 2,251
23,389	24,708	—	21,792	79,549
—	—	—	—	7,162
\$ 23,389	\$ 24,708	\$ —	\$ 21,792	\$ 88,962
324,398	—	—	—	324,398
\$ 347,787	\$ 24,708	\$ —	\$ 21,792	\$ 413,360
\$ 40,894	\$ 113,615	\$ 1,633	\$ 11,153	\$ 151,431
\$ 580,004	\$ 1,658,118	\$ 30,636	\$ 38,847	\$ 3,230,733
\$ 620,898	\$ 1,771,733	\$ 32,269	\$ 50,000	\$ 3,382,164

STATE OF MINNESOTA**NONMAJOR COMPONENT UNITS****NOT ISSUING SEPARATELY AUDITED FINANCIAL STATEMENTS****COMBINING STATEMENT OF REVENUES, EXPENSES****AND CHANGES IN NET POSITION****YEAR ENDED JUNE 30, 2024****(IN THOUSANDS)**

	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	RURAL FINANCE AUTHORITY	TOTAL
Operating Revenues:			
Loan Interest Income	\$ —	\$ 4,386	\$ 4,386
Rental and Service Fees	—	1	1
Other Income	210	—	210
Total Operating Revenues	\$ 210	\$ 4,387	\$ 4,597
Operating Expenses:			
Economic and Manpower Development	\$ 260	\$ 2,754	\$ 3,014
Total Operating Expenses	\$ 260	\$ 2,754	\$ 3,014
Operating Income (Loss)	\$ (50)	\$ 1,633	\$ 1,583
Nonoperating Revenues (Expenses):			
Investment/Interest Earnings	\$ 1,141	\$ —	\$ 1,141
Total Nonoperating Revenues (Expenses)	\$ 1,141	\$ —	\$ 1,141
Change in Net Position	\$ 1,091	\$ 1,633	\$ 2,724
Net Position, Beginning, as Reported	\$ 23,834	\$ 30,636	\$ 54,470
Net Position, Ending	\$ 24,925	\$ 32,269	\$ 57,194

STATE OF MINNESOTA

NONMAJOR COMPONENT UNITS

NOT ISSUING SEPARATELY AUDITED FINANCIAL STATEMENTS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

(IN THOUSANDS)

	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	RURAL FINANCE AUTHORITY	TOTAL
Cash Flows from Operating Activities:			
Receipts from Customers	\$ —	\$ 12,708	\$ 12,708
Receipts from Other Revenues	210	20,090	20,300
Payments to Customers	—	(19,182)	(19,182)
Payments to Suppliers	(203)	—	(203)
Payments to Employees	(59)	—	(59)
Payments to Others	—	(11,530)	(11,530)
Net Cash Flows from Operating Activities	<u>\$ (52)</u>	<u>\$ 2,086</u>	<u>\$ 2,034</u>
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	\$ 9,167	\$ —	\$ 9,167
Purchase of Investments	(9,613)	—	(9,613)
Investment/Interest Earnings	508	—	508
Net Cash Flows from Investing Activities	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ 62</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 10</u>	<u>\$ 2,086</u>	<u>\$ 2,096</u>
Cash and Cash Equivalents, Beginning, as Reported	<u>\$ 930</u>	<u>\$ 17,497</u>	<u>\$ 18,427</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 940</u></u>	<u><u>\$ 19,583</u></u>	<u><u>\$ 20,523</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	<u>\$ (50)</u>	<u>\$ 1,633</u>	<u>\$ 1,583</u>
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Loans Receivable	\$ —	\$ (9,788)	\$ (9,788)
Accounts Payable	(2)	—	(2)
Due to Primary Government	—	10,241	10,241
Net Reconciling Items to be Added to (Deducted from) Operating Income	<u>\$ (2)</u>	<u>\$ 453</u>	<u>\$ 451</u>
Net Cash Flows from Operating Activities	<u><u>\$ (52)</u></u>	<u><u>\$ 2,086</u></u>	<u><u>\$ 2,034</u></u>





State of Minnesota

General Obligation Debt Schedule

2024
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GENERAL OBLIGATION BONDS AUTHORIZED, ISSUED AND UNISSUED

June 30, 2024

(In Thousands)

Purpose of Issue	Law Authorizing	Total Authorization	Previously Issued as Par Bonds	Previously Issued as Premium⁽¹⁾	Remaining Authorization
Various Purpose ^{11, 24, 27}	X2002, Ch. 1	\$ 15,055	\$ 14,755	\$ —	\$ 300
Various Purpose ^{2, 6, 9, 11, 12, 13, 15, 17, 20, 22, 23, 26}	2005, Ch. 20	913,663	913,241	418	4
Trunk Highway ^{5, 8, 9, 12, 13, 17, 23}	2008, Ch. 152	1,779,573	1,779,562	—	11
Various Purpose ^{2, 5, 6, 8, 9, 12, 13, 15, 17, 20, 23, 25}	2008, Ch. 179	787,963	785,467	2,480	16
Various Purpose ^{3, 5, 6, 8, 9, 12, 13, 15, 18, 23}	2009, Ch. 93	255,152	250,516	3,493	1,143
Various Purpose ^{2, 5, 6, 8, 9, 12, 13, 15, 21}	2010, Ch. 189	707,362	694,526	12,523	313
Various Purpose ^{5, 6, 9, 12, 13, 15, 19}	X2010, Ch. 1	30,608	27,597	2,256	755
Various Purpose ^{3, 5, 6, 8, 9, 10, 12}	X2011, Ch. 12	547,744	524,741	22,920	83
Trunk Highway ^{5, 8, 9, 16}	2012, Ch. 287	17,507	17,485	—	22
Various Purpose ^{2, 3, 5, 6, 8, 9, 12}	2012, Ch. 293	562,271	512,150	47,332	2,789
Various Purpose ^{2, 3, 6, 8, 9, 12}	X2012, Ch. 1	52,206	45,636	6,570	—
Various Purpose ^{2, 3, 6, 9}	2013, Ch. 136	171,512	150,646	20,366	500
Various Purpose ^{2, 3, 5, 6, 8, 9, 10, 11, 14}	2014, Ch. 294	882,785	735,763	144,993	2,029
Various Purpose ^{2, 3, 5, 6, 8}	X2015, Ch. 5	188,426	154,471	33,419	536
Trunk Highway ^{2, 3, 5}	X2017, Ch. 3	940,711	897,355	—	43,356
Various Purpose ^{2, 3, 5}	X2017, Ch. 8	1,032,571	821,445	179,121	32,005
Various Purpose ^{2, 3, 7}	2018, Ch. 214	881,047	677,194	155,055	48,798
Trunk Highway ³	2018, Ch. 214	414,907	99,360	—	315,547
Various Purpose ²	2019, Ch. 2	102,214	80,025	19,975	2,214
Various Purpose	2020, Ch. 67	50,050	47,800	2,250	—
Various Purpose ⁴	X2020, Ch. 3	1,392,145	633,916	132,414	625,815
Trunk Highway	X2020, Ch. 3	300,300	103,000	—	197,300
Trunk Highway	X2021, Ch. 5	413,413	12,374	—	401,039
Various Purpose	2023, Ch. 32	50,050	3,985	515	45,550
Trunk Highway	2023, Ch. 68	599,200	—	—	599,200
Various Purpose ²⁸	2023, Ch. 72	1,562,455	63,316	8,184	1,490,955
Trunk Highway	2024, Ch. 127	30,030	—	—	30,030
Totals		\$ 14,680,920	\$ 10,046,326	\$ 794,284	\$ 3,840,310

⁽¹⁾ Minnesota Statutes 16A.641, Subdivision 7b, requires the premium received on the sale of bonds after December 1, 2012, to be deposited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or to the state bond fund or used to reduce the par amount of the bond issue at the time of the sale.

⁽²⁾ Minnesota Statutes 16A.642, required that on January 1, 2024, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations will cancel no later than July 1, 2024. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$1,425; Laws 2008, Chapter 179 by \$186,513; Laws 2010, Chapter 189 by \$45,586; Laws 2012, Chapter 293 by \$8,093; Special Session Laws 2012, Chapter 1 by \$73,391; Laws 2013, Chapter 136 by \$71,939; Laws 2014, Chapter 294 by \$558,502; Special Session Laws 2015, Chapter 5 by \$643; Special Session Laws 2017, Chapter 8 by \$1,235,572; Laws 2018, Chapter 214 by \$239,924; and Laws 2019, Chapter 2 by \$188,192. The Cancellation Report also reduced Trunk Highway Bond authorizations as follows: Special Session Laws 2017, Chapter 3 by \$141,818.

⁽³⁾ Minnesota Statutes 16A.642, required that on January 1, 2023, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled on July 1, 2023. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2009, Chapter 93 by \$35,291; Special Session Laws 2011, Chapter 12 by \$305,500; Laws 2012, Chapter 293 by \$3,100; Special Session Laws 2012, Chapter 1 by \$183,379; Laws 2013, Chapter 136 by \$383,773; Laws 2014, Chapter 294 by \$4,916,366; Special Session Laws 2015, Chapter 5 by \$1,039,825; Special Session Laws 2017, Chapter 8 by

\$1,276,485; and Laws 2018, Chapter 214 by \$7,411,756. The Cancellation Report also reduced Trunk Highway Bond authorizations as follows: Special Session Laws 2017, Chapter 3 by \$60,249; and Laws 2018, Chapter 214 by \$1,701,190.

- (4) Laws 2023, Chapter 72, Article 1, Section 28 reduced Various Purpose Bonds authorized in 5th Special Session Laws 2020, Chapter 3 by \$170,000. The legislation also cancelled the bond authorizations listed in the Cancellation Report of January 2023, as noted in footnote 3 above, on June 2, 2023, rather than the statutory cancellation date of July 1, 2023.
- (5) Minnesota Statutes 16A.642, required that on January 1, 2022, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2022. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2008, Chapter 179 by \$21,117; Laws 2009, Chapter 93 by \$39,206; Laws 2010, Chapter 189 by \$55,966; 2nd Special Session Laws 2010, Chapter 1 by \$80,439; Special Session Laws 2011, Chapter 12 by \$329,856; Laws 2012, Chapter 293 by \$193,206; Laws 2014, Chapter 294 by \$588,216; Special Session Laws 2015, Chapter 5 by \$276,242; and Special Session Laws 2017, Chapter 8 by \$3,427,211. The Cancellation Report also reduced Trunk Highway Bond authorizations as follows: Laws 2008, Chapter 152 by \$1,127,365; Laws 2012, Chapter 287 by \$3,060; and Special Session Laws 2017, Chapter 3 by \$26,461.
- (6) Minnesota Statutes 16A.642, required that on January 1, 2021, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2021. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$1,000; Laws 2008, Chapter 179 by \$90,501; Laws 2009, Chapter 93 by \$38,826; Laws 2010, Chapter 189 by \$54,459; Special Session Laws 2010, Chapter 1 by \$401,792; Special Session Laws 2011, Chapter 12 by \$37,867; Laws 2012, Chapter 293 by \$71,175; Special Session Laws 2012, Chapter 1 by \$37,230; Laws 2013, Chapter 136 by \$5,720; Laws 2014, Chapter 294 by \$294,873; and Special Session Laws 2015, Chapter 5 by \$38,467.
- (7) 5th Special Session Laws 2020, Chapter 3, Article 1, Section 27 reduced Various Purpose Bonds authorized in Laws 2018, Chapter 214 by \$5,000,000.
- (8) Minnesota Statutes 16A.642, required that on January 1, 2020, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2020. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2008, Chapter 179 by \$36,992; Laws 2009, Chapter 93 by \$193,587; Laws 2010, Chapter 189 by \$7; Special Session Laws 2011, Chapter 12 by \$80,340; Laws 2012, Chapter 293 by \$623,883; Special Session Laws 2012, Chapter 1 by \$216,234; Laws 2014, Chapter 294 by \$500,073; and Special Session Laws 2015, Chapter 5 by \$915,847. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$1,070,472; and Laws 2012, Chapter 287 by \$685.
- (9) Minnesota Statutes 16A.642, required that on January 1, 2019, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2019. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$203,245; Laws 2008, Chapter 179 by \$1,353,154; Laws 2009, Chapter 93 by \$4,469; Laws 2010, Chapter 189 by \$164,671; Second Special Session Laws 2010, Chapter 1 by \$32,798; Special Session Laws 2011, Chapter 12 by \$1,518,198; Laws 2012, Chapter 293 by \$1,009,368; Special Session Laws 2012, Chapter 1 by \$198,399; Laws 2013, Chapter 136 by \$6,821,915; and Laws 2014, Chapter 294 by \$3,341,134. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$475,104 and Laws 2012, Chapter 287 by \$102,461.
- (10) Laws 2018, Chapter 214 reduced Various Purpose Bonds authorized in Special Session Laws 2011, Chapter 12 by \$4,035,839 and Various Purpose Bonds authorized in Laws 2014, Chapter 294 by \$1,719,000.
- (11) Special Session Laws 2017, Chapter 8, Article 1 reduced Various Purpose Bonds authorized in Special Session Laws 2002, Chapter 1 by \$217,959; Laws 2005, Chapter 20 by \$3,366,628; Laws 2014, Chapter 294 by \$1,200,000. The legislation also cancelled the bond authorizations listed in the Cancellation Report of January 2017, as noted in footnote 12 below, on May 31, 2017, rather than the statutory cancellation date of July 1, 2017.
- (12) Minnesota Statutes 16A.642, required that on January 1, 2017, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2017. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$396,889; Laws 2008, Chapter 179 by \$697,986; Laws 2009, Chapter 93 by \$637,749; Laws 2010, Chapter 189 by \$550,379; Special Session Laws 2010, Chapter 1 by \$290,140; Special Session Laws 2011, Chapter 12 by \$1,318,615; Laws 2012, Chapter 293 by \$3,750,772; and Special Session Laws 2012, Chapter 1 by \$3,780,466. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$202,248.
- (13) Minnesota Statutes 16A.642, required that on January 1, 2015, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2015. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$295,267; Laws 2008, Chapter 179 by \$923,933; Laws 2009, Chapter 93 by \$564,587; Laws 2010, Chapter 189 by \$4,866,171; and Special Session Laws 2010, Chapter 1 by \$1,243,997. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$297,457.

- ⁽¹⁴⁾ Special Session Laws 2015, Chapter 5, Article 1 reduced Various Purpose Bonds authorized in Laws 2014, Chapter 294 by \$50,000.
- ⁽¹⁵⁾ Laws 2014, Chapter 294 reduced Various Purpose Bonds authorized in Laws 2005, Chapter 20 by \$40,399; Laws 2008, Chapter 179 by \$3,646,561; Laws 2009, Chapter 93 by \$199,627; Laws 2010, Chapter 189 by \$2,200,284; and Special Session Laws 2010, Chapter 1 by \$2,000,000.
- ⁽¹⁶⁾ Laws 2014, Chapter 312, Article 9 increased Trunk Highway Bonds authorized in Laws 2012, Chapter 287 by \$1,493,000.
- ⁽¹⁷⁾ Minnesota Statutes 16A.642, required that on January 1, 2013, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2013. The cancellation report will reduce Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$2,110,817; and Laws 2008, Chapter 179 by \$2,354,454. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$1,968,953; however, \$1,414,600 was reauthorized by Laws 2013, Chapter 117.
- ⁽¹⁸⁾ Laws 2013, Chapter 136 reduced Various Purpose Bonds authorized in Laws 2009, Chapter 93 by \$2,000,000.
- ⁽¹⁹⁾ Special Session Laws 2012, Chapter 1 reduced Various Purpose Bonds authorized in Special Session Laws 2010, Chapter 1 by \$2,133,000.
- ⁽²⁰⁾ Special Session Laws 2011, Chapter 12 also reduced Various Purpose Bonds authorizations in Laws 2005, Chapter 20 by \$22,000,000; and Laws 2008, Chapter 179 by \$3,500,000. However, as of July 2012, Laws 2005, Chapter 20 had only \$18,520,501 available in remaining authorization so that is the amount that was cancelled.
- ⁽²¹⁾ The Governor vetoed \$361,460,000 of appropriations for Various Purpose capital projects and \$6,500,000 for Trunk Highway projects to be funded from Laws 2010, Chapter 189. The Governor requested that the bond authorizations be reduced to match the appropriations in the 2011 Legislative Session but no capital budget was passed during this time frame. The bond authorizations for Laws 2010, Chapter 189 were reduced in Special Session Laws 2011, Chapter 12 to match the appropriations. The net reductions to the bond authorizations were \$359,660,000 for Various Purpose Bonds and \$6,500,000 for Trunk Highway Bonds.
- ⁽²²⁾ Minnesota Statutes 16A.642, required that on January 1, 2011, the commissioner of Management and Budget report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2011. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2005, Chapter 20 by \$2,697,899.
- ⁽²³⁾ Laws 2010, Chapter 189 reduced Various Purpose Bonds authorizations in Laws 2005, Chapter 20 by \$1,682,567; Laws 2008, Chapter 179 by \$152,660; and Laws 2009, Chapter 93 by \$3,900,000. Laws 2010, Chapter 189 reduced Trunk Highway Bond authorization Laws 2008, Chapter 152 by \$18,500,000. Laws 2010, Chapter 189 reduced the Various Purpose Bond authorization in Laws 2009, Chapter 93 by \$85,155,000 to offset the appropriations that the Governor vetoed \$85,155,000.
- ⁽²⁴⁾ Minnesota Statutes 16A.642, required that on January 1, 2009, the commissioner of Finance report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2009. The cancellation report reduced Special Session Laws 2002, Chapter 1 by \$178,656.
- ⁽²⁵⁾ Laws 2008, Chapter 365 reduced the Various Purpose Bond authorization in Laws 2008, Chapter 179 by \$223,588,000.
- ⁽²⁶⁾ Laws 2008, Chapter 179 reduced Various Purpose Bonds authorizations in Laws 2005, Chapter 20 by \$2,000,000.
- ⁽²⁷⁾ Minnesota Statutes 16A.642, required that on January 1, 2007, the commissioner of Finance report unencumbered bond proceeds balances to the Legislature that were enacted more than four years prior. These bond proceeds balances and their bond authorizations cancelled effective on July 1, 2007. The cancellation report reduced Special Session Laws 2002, Chapter 1 by \$863,386.
- ⁽²⁸⁾ Laws 2024, Chapter 88 increased Various Purpose Bond authorizations in Laws 2023, Chapter 72 by \$45,006,000.



2024
Annual
Comprehensive
Financial Report

Statistical Section

The statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the state's overall financial health.

Financial Trends

These schedules contain trend information to help understand and assess how the state's financial position has changed over time.

Revenue Capacity

These schedules contain information to assess the state's most significant revenue source, individual income taxes. Minnesota's data privacy laws prevent disclosing the names of principal taxpayers.

Debt Capacity

These schedules present information to help assess the affordability of the state's current level of outstanding debt and the state's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help understand the environment within which the state's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help understand how the information in the state's financial report relates to the services the state provides and the activities it performs.



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Schedule 1 - Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting
(In Thousands)

	2015	2016	2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$ 11,768,063	\$ 12,421,870	\$ 12,659,739	\$ 13,318,601
Restricted	5,392,483	5,633,354	5,523,662	6,566,430
Unrestricted	(5,452,119)	(4,891,314)	(4,947,153)	(5,535,152)
Total Governmental Activities Net Position	<u>\$ 11,708,427</u>	<u>\$ 13,163,910</u>	<u>\$ 13,236,248</u>	<u>\$ 14,349,879</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 1,510,882	\$ 1,620,835	\$ 1,650,940	\$ 1,634,807
Restricted	1,992,311	2,120,972	1,896,802	1,973,820
Unrestricted	(120,013)	(65,830)	(252,631)	(398,341)
Total Business-type Activities Net Position	<u>\$ 3,383,180</u>	<u>\$ 3,675,977</u>	<u>\$ 3,295,111</u>	<u>\$ 3,210,286</u>
Primary Government:				
Net Investment in Capital Assets	\$ 13,278,945	\$ 14,042,705	\$ 14,310,679	\$ 14,953,408
Restricted	7,384,794	7,754,326	7,420,464	8,540,250
Unrestricted	(5,572,132)	(4,957,144)	(5,199,784)	(5,933,493)
Total Primary Government Net Position	<u>\$ 15,091,607</u>	<u>\$ 16,839,887</u>	<u>\$ 16,531,359</u>	<u>\$ 17,560,165</u>

Note: In fiscal year 2015, the state implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions. In fiscal year 2018, the state implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" (OPEB) which required the recording of total OPEB liability and the deferred inflows and outflows of resources associated with OPEB. These have caused some funds to end in a deficit net position.

Source: The state's Annual Comprehensive Financial Report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ 14,068,082	\$ 14,765,807	\$ 15,712,819	\$ 16,298,410	\$ 17,129,931	\$ 17,915,843
6,895,583	7,187,903	8,015,585	8,007,582	8,601,936	9,655,203
(3,363,575)	(3,002,510)	(305,244)	7,212,796	13,691,892	12,392,292
<u>\$ 17,600,090</u>	<u>\$ 18,951,200</u>	<u>\$ 23,423,160</u>	<u>\$ 31,518,788</u>	<u>\$ 39,423,759</u>	<u>\$ 39,963,338</u>
\$ 1,659,114	\$ 1,694,373	\$ 1,671,095	\$ 1,637,005	\$ 1,609,955	\$ 1,630,442
2,078,645	761,014	329,437	1,902,788	2,068,655	1,830,594
(108,526)	(104,030)	(844,885)	257,372	358,635	1,140,331
<u>\$ 3,629,233</u>	<u>\$ 2,351,357</u>	<u>\$ 1,155,647</u>	<u>\$ 3,797,165</u>	<u>\$ 4,037,245</u>	<u>\$ 4,601,367</u>
\$ 15,727,196	\$ 16,460,180	\$ 17,383,914	\$ 17,935,415	\$ 18,739,886	\$ 19,546,285
8,974,228	7,948,917	8,345,022	9,910,370	10,670,591	11,485,797
(3,472,101)	(3,106,540)	(1,150,129)	7,470,168	14,050,527	13,532,623
<u>\$ 21,229,323</u>	<u>\$ 21,302,557</u>	<u>\$ 24,578,807</u>	<u>\$ 35,315,953</u>	<u>\$ 43,461,004</u>	<u>\$ 44,564,705</u>

Schedule 2 - Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years
(In Thousands)

	2015	2016	2017	2018
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Agricultural, Environmental and Energy Resources	\$ 401,687	\$ 355,269	\$ 430,333	\$ 1,314,147
Economic and Workforce Development	57,819	58,939	58,317	55,573
General Education	22,136	22,646	23,477	21,845
General Government	305,057	327,487	340,021	347,661
Health and Human Services	397,520	389,068	410,726	472,831
Higher Education	315	20	—	5
Public Safety and Corrections	161,205	159,549	155,843	152,465
Transportation	23,811	114,667	73,111	104,674
Operating Grants and Contributions:				
Health and Human Services	8,350,067	8,716,931	9,048,622	9,606,414
All Others	2,205,884	2,215,444	2,309,582	2,283,111
Capital Grants and Contributions	170,102	194,056	142,942	115,974
Total Governmental Activities Program Revenues	<u>\$ 12,095,603</u>	<u>\$ 12,554,076</u>	<u>\$ 12,992,974</u>	<u>\$ 14,474,700</u>
Business-type Activities:				
Charges for Services:				
State Colleges and Universities	\$ 815,508	\$ 835,447	\$ 833,494	\$ 829,982
Unemployment Insurance	937,851	820,322	585,523	775,863
Lottery	546,812	592,806	563,507	596,453
All Others	351,662	389,807	425,937	492,551
Operating Grants and Contributions	525,297	481,563	456,997	445,338
Capital Grants and Contributions	—	—	—	—
Total Business-type Activities Program Revenues	<u>\$ 3,177,130</u>	<u>\$ 3,119,945</u>	<u>\$ 2,865,458</u>	<u>\$ 3,140,187</u>
Total Primary Government Program Revenues	<u>\$ 15,272,733</u>	<u>\$ 15,674,021</u>	<u>\$ 15,858,432</u>	<u>\$ 17,614,887</u>
Expenses:				
Governmental Activities:				
Agricultural, Environmental and Energy Resources	\$ 932,235	\$ 1,013,148	\$ 1,254,115	\$ 1,369,950
Economic and Workforce Development	677,044	658,893	806,872	769,021
General Education	9,087,613	9,434,928	9,836,193	10,172,185
General Government	1,153,921	1,151,991	1,589,095	1,438,678
Health and Human Services	14,977,278	15,551,493	16,357,755	17,351,698
Higher Education	912,909	976,351	987,375	1,032,885
Intergovernmental Aid	1,583,636	1,626,833	1,644,215	1,699,020
Public Safety and Corrections	985,399	1,005,349	1,360,363	1,296,548
Transportation	2,898,216	2,814,456	2,998,902	3,287,843
Interest	291,983	305,017	291,679	224,558
Total Governmental Activities Expenses	<u>\$ 33,500,234</u>	<u>\$ 34,538,459</u>	<u>\$ 37,126,564</u>	<u>\$ 38,642,386</u>
Business-type Activities:				
Family and Medical Benefit Insurance	\$ —	\$ —	\$ —	\$ —
State Colleges and Universities	1,905,845	1,910,435	2,204,067	2,174,240
Unemployment Insurance	726,529	801,670	785,137	754,269
Lottery	410,237	446,860	429,843	455,374
Others	408,408	383,012	476,331	495,581
Total Business-type Activities Expenses	<u>\$ 3,451,019</u>	<u>\$ 3,541,977</u>	<u>\$ 3,895,378</u>	<u>\$ 3,879,464</u>
Total Primary Government Expenses	<u>\$ 36,951,253</u>	<u>\$ 38,080,436</u>	<u>\$ 41,021,942</u>	<u>\$ 42,521,850</u>

Source: The state's Annual Comprehensive Financial Report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ 470,015	\$ 476,082	\$ 501,373	\$ 518,960	\$ 522,344	\$ 508,637
56,817	68,912	69,751	58,914	59,689	72,286
19,141	14,146	12,564	18,942	21,565	25,990
337,288	374,497	350,360	372,355	389,408	383,400
510,739	435,071	493,839	497,522	598,046	626,431
—	73	—	—	—	—
151,911	186,460	205,024	204,072	204,783	239,169
82,142	87,393	54,396	46,407	48,940	52,536
9,980,653	10,308,028	13,141,618	15,360,459	15,816,981	14,794,206
2,598,278	2,955,439	4,898,245	3,902,608	4,248,310	4,448,956
235,522	238,623	222,208	197,138	184,717	151,399
<u>\$ 14,442,506</u>	<u>\$ 15,144,724</u>	<u>\$ 19,949,378</u>	<u>\$ 21,177,377</u>	<u>\$ 22,094,783</u>	<u>\$ 21,303,010</u>
\$ 820,489	\$ 794,020	\$ 751,197	\$ 751,587	\$ 773,577	\$ 789,578
767,805	975,380	661,954	733,796	797,761	864,893
636,806	668,547	803,641	740,162	787,239	775,845
524,301	567,379	655,813	661,563	642,783	616,376
437,587	4,436,859	6,518,820	3,749,566	712,709	534,605
28	14	—	1,320	126	—
<u>\$ 3,187,016</u>	<u>\$ 7,442,199</u>	<u>\$ 9,391,425</u>	<u>\$ 6,637,994</u>	<u>\$ 3,714,195</u>	<u>\$ 3,581,297</u>
<u>\$ 17,629,522</u>	<u>\$ 22,586,923</u>	<u>\$ 29,340,803</u>	<u>\$ 27,815,371</u>	<u>\$ 25,808,978</u>	<u>\$ 24,884,307</u>
\$ 1,153,557	\$ 1,254,084	\$ 1,363,384	\$ 1,374,916	\$ 1,571,112	\$ 1,719,682
619,817	787,975	942,801	801,833	1,035,709	2,014,315
10,516,190	10,900,070	11,785,920	12,289,924	12,103,431	13,402,311
756,146	1,443,784	1,461,124	824,252	1,070,452	2,745,406
17,514,760	18,485,278	21,194,790	23,208,505	25,060,350	26,811,914
1,087,101	1,009,104	1,038,674	1,125,695	1,064,318	1,216,259
1,867,341	1,780,630	2,860,441	2,011,220	2,505,003	2,758,543
974,208	1,191,908	1,359,127	1,072,825	1,258,749	1,749,108
3,283,888	3,441,636	3,462,174	3,324,527	3,702,086	4,258,157
246,462	239,792	41,328	255,709	93,539	172,751
<u>\$ 38,019,470</u>	<u>\$ 40,534,261</u>	<u>\$ 45,509,763</u>	<u>\$ 46,289,406</u>	<u>\$ 49,464,749</u>	<u>\$ 56,848,446</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,093
1,795,697	2,088,956	2,076,496	2,036,082	2,004,811	2,182,883
731,132	6,298,163	7,884,357	1,865,743	954,102	1,209,236
477,974	513,558	615,118	560,581	590,113	582,117
467,022	569,862	640,261	627,955	619,713	614,224
<u>\$ 3,471,825</u>	<u>\$ 9,470,539</u>	<u>\$ 11,216,232</u>	<u>\$ 5,090,361</u>	<u>\$ 4,168,739</u>	<u>\$ 4,589,553</u>
<u>\$ 41,491,295</u>	<u>\$ 50,004,800</u>	<u>\$ 56,725,995</u>	<u>\$ 51,379,767</u>	<u>\$ 53,633,488</u>	<u>\$ 61,437,999</u>

Schedule 2 - Changes in Net Position (continued)
Accrual Basis of Accounting
Last Ten Fiscal Years
(In Thousands)

	2015	2016	2017	2018
Net (Expense)/Revenue:				
Governmental Activities	\$ (21,404,631)	\$ (21,984,383)	\$ (24,133,590)	\$ (24,167,686)
Business-type Activities	(273,889)	(422,032)	(1,029,920)	(739,277)
Total Primary Government Net Expense	<u>\$ (21,678,520)</u>	<u>\$ (22,406,415)</u>	<u>\$ (25,163,510)</u>	<u>\$ (24,906,963)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual Income Taxes	\$ 10,607,930	\$ 10,969,019	\$ 11,307,961	\$ 12,125,496
Corporate Income Taxes	1,507,608	1,361,681	1,270,423	1,343,290
Sales Taxes	5,469,773	5,534,870	5,779,685	5,995,103
Property Taxes	839,939	846,216	850,240	823,551
Motor Vehicle Taxes	1,395,872	1,428,134	1,518,531	1,566,759
Fuel Taxes	908,278	904,424	917,834	936,618
Other Taxes	2,651,969	2,801,323	2,833,543	2,964,339
Tobacco Settlement	170,424	170,179	165,244	165,089
Unallocated Investment/Interest Earnings	25,378	35,289	66,639	94,641
Other Revenues	63,101	50,574	87,096	75,201
Transfers	(554,346)	(661,843)	(591,268)	(626,435)
Total Governmental Activities	<u>\$ 23,085,926</u>	<u>\$ 23,439,866</u>	<u>\$ 24,205,928</u>	<u>\$ 25,463,652</u>
Business-type Activities:				
Unallocated Investment/Interest Earnings	\$ 40,583	\$ 44,919	\$ 45,796	\$ 50,457
Other Revenues	7,028	8,067	11,990	4,249
Transfers	554,346	661,843	591,268	626,435
Total Business-type Activities	<u>\$ 601,957</u>	<u>\$ 714,829</u>	<u>\$ 649,054</u>	<u>\$ 681,141</u>
Total Primary Government General Revenues	<u>\$ 23,687,883</u>	<u>\$ 24,154,695</u>	<u>\$ 24,854,982</u>	<u>\$ 26,144,793</u>
Changes in Net Position:				
Governmental Activities	\$ 1,681,295	\$ 1,455,483	\$ 72,338	\$ 1,295,966
Change in Accounting Principle	(4,158,828)	—	—	(175,330)
Change in Reporting Entity	—	—	—	(7,005)
Business-type Activities	328,068	292,797	(380,866)	(58,136)
Change in Accounting Principle	(705,486)	—	—	(33,694)
Change in Reporting Entity	—	—	—	7,005
Total Primary Government Change in Net Position	<u>\$ (2,854,951)</u>	<u>\$ 1,748,280</u>	<u>\$ (308,528)</u>	<u>\$ 1,028,806</u>

Source: The state's Annual Comprehensive Financial Report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ (23,576,964)	\$ (25,389,537)	\$ (25,560,385)	\$ (25,112,029)	\$ (27,369,966)	\$ (35,545,436)
(284,809)	(2,028,340)	(1,824,807)	1,547,633	(454,544)	(1,008,256)
<u>\$ (23,861,773)</u>	<u>\$ (27,417,877)</u>	<u>\$ (27,385,192)</u>	<u>\$ (23,564,396)</u>	<u>\$ (27,824,510)</u>	<u>\$ (36,553,692)</u>

\$ 12,693,113	\$ 12,754,820	\$ 14,326,962	\$ 16,861,833	\$ 16,362,107	\$ 16,740,695
1,606,928	1,638,366	2,275,049	2,866,222	2,939,375	3,223,930
6,275,369	6,408,680	6,736,757	7,428,258	8,207,443	8,803,443
820,829	781,471	788,623	743,116	769,711	721,648
1,626,285	1,622,413	1,836,728	1,810,109	1,899,939	2,043,105
931,329	882,917	855,981	899,424	886,377	889,206
3,056,301	3,019,463	3,315,179	3,550,530	3,586,205	3,592,615
166,137	150,729	259,124	195,055	197,678	183,713
156,000	127,253	97,485	(189,612)	881,305	1,161,610
137,949	51,292	155,267	121,981	179,136	182,180
(643,065)	(696,757)	(620,256)	(1,087,341)	(634,339)	(1,458,611)
<u>\$ 26,827,175</u>	<u>\$ 26,740,647</u>	<u>\$ 30,026,899</u>	<u>\$ 33,199,575</u>	<u>\$ 35,274,937</u>	<u>\$ 36,083,534</u>

\$ 59,959	\$ 53,677	\$ 7,923	\$ 6,184	\$ 55,938	\$ 114,499
732	30	918	360	4,347	749
643,065	696,757	620,256	1,087,341	634,339	1,458,611
<u>\$ 703,756</u>	<u>\$ 750,464</u>	<u>\$ 629,097</u>	<u>\$ 1,093,885</u>	<u>\$ 694,624</u>	<u>\$ 1,573,859</u>
<u>\$ 27,530,931</u>	<u>\$ 27,491,111</u>	<u>\$ 30,655,996</u>	<u>\$ 34,293,460</u>	<u>\$ 35,969,561</u>	<u>\$ 37,657,393</u>

\$ 3,250,211	\$ 1,351,110	\$ 4,466,514	\$ 8,087,546	\$ 7,904,971	\$ 538,098
—	—	5,446	8,082	—	—
—	—	—	—	—	1,481
418,947	(1,277,876)	(1,195,710)	2,641,518	240,080	565,603
—	—	—	—	—	—
—	—	—	—	—	(1,481)
<u>\$ 3,669,158</u>	<u>\$ 73,234</u>	<u>\$ 3,276,250</u>	<u>\$ 10,737,146</u>	<u>\$ 8,145,051</u>	<u>\$ 1,103,701</u>

Schedule 3 - Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
(In Thousands)

	2015	2016	2017	2018
General Fund:				
Nonspendable	\$ 931,595	\$ 929,967	\$ 1,034,219	\$ 1,121,875
Restricted	119,108	180,272	86,942	83,409
Committed	—	—	—	82,000
Assigned	322,780	365,054	757,056	1,830,239
Unassigned	840,405	1,641,798	1,610,516	1,759,000
Total General Fund	\$ 2,213,888	\$ 3,117,091	\$ 3,488,733	\$ 4,876,523
All Other Governmental Funds:				
Nonspendable	\$ 1,224,853	\$ 1,275,357	\$ 1,369,443	\$ 1,442,020
Restricted	3,708,694	3,482,136	3,629,229	4,618,092
Committed	861,685	709,828	952,613	688,673
Assigned	682,373	598,110	548,454	24,072
Unassigned	—	—	—	—
Total All Other Governmental Funds	\$ 6,477,605	\$ 6,065,431	\$ 6,499,739	\$ 6,772,857
Total Governmental Funds	\$ 8,691,493	\$ 9,182,522	\$ 9,988,472	\$ 11,649,380

Source: The state's Annual Comprehensive Financial Report for the relevant year.

	2019	2020	2021	2022	2023	2024
\$	1,229,393	\$ 1,306,394	\$ 1,656,575	\$ 1,462,110	\$ 1,634,311	\$ 1,914,056
	93,570	98,995	91,030	107,180	88,262	138,657
	62,221	55,698	69,968	80,357	79,867	105,562
	2,124,922	2,121,691	1,885,096	2,003,951	2,755,403	4,574,708
	2,175,460	2,059,642	5,205,205	10,871,796	15,074,867	10,123,497
\$	<u>5,685,566</u>	<u>\$ 5,642,420</u>	<u>\$ 8,907,874</u>	<u>\$ 14,525,394</u>	<u>\$ 19,632,710</u>	<u>\$ 16,856,480</u>
\$	1,568,078	\$ 1,677,904	\$ 2,004,883	\$ 1,814,783	\$ 1,962,796	\$ 2,210,470
	4,719,005	4,743,594	4,938,195	5,613,471	5,642,389	6,370,512
	663,729	804,708	879,424	924,000	1,027,555	1,203,982
	53,513	38,483	49,853	74,190	53,005	1,003,980
	—	(3,485)	4,783	—	(58,966)	(62,100)
\$	<u>7,004,325</u>	<u>\$ 7,261,204</u>	<u>\$ 7,877,138</u>	<u>\$ 8,426,444</u>	<u>\$ 8,626,779</u>	<u>\$ 10,726,844</u>
\$	<u><u>12,689,891</u></u>	<u><u>\$ 12,903,624</u></u>	<u><u>\$ 16,785,012</u></u>	<u><u>\$ 22,951,838</u></u>	<u><u>\$ 28,259,489</u></u>	<u><u>\$ 27,583,324</u></u>

Schedule 4 - Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
(In Thousands)

	2015	2016	2017	2018
Revenues:				
Individual Income Taxes	\$ 10,640,365	\$ 11,013,385	\$ 11,263,573	\$ 12,082,631
Corporate Income Taxes	1,503,461	1,414,531	1,272,913	1,327,533
Sales Taxes	5,455,081	5,558,870	5,792,017	5,993,944
Property Taxes	836,257	855,032	848,463	819,654
Motor Vehicle Taxes	1,395,959	1,428,000	1,518,624	1,566,752
Fuel Taxes	908,740	904,475	917,956	936,543
Federal Revenues	10,303,369	10,724,013	11,043,070	11,529,973
Other Taxes and Revenues	4,660,862	4,792,065	5,092,983	6,172,623
Total Revenues	<u>\$ 35,704,094</u>	<u>\$ 36,690,371</u>	<u>\$ 37,749,599</u>	<u>\$ 40,429,653</u>
Expenditures:				
Agricultural, Environmental and Energy Resources	\$ 951,901	\$ 1,008,712	\$ 1,035,953	\$ 1,173,902
Economic and Workforce Development	694,016	720,340	756,386	721,636
General Education	9,088,463	9,438,526	9,801,245	10,142,699
General Government	1,066,108	1,022,298	978,292	967,045
Health and Human Services	15,018,706	15,556,280	16,039,287	17,087,873
Higher Education	912,947	976,387	987,714	1,032,901
Intergovernmental Aid	1,583,636	1,626,833	1,644,215	1,699,020
Public Safety and Corrections	965,508	974,864	1,046,709	1,067,492
Transportation	2,883,144	2,840,880	2,772,542	3,093,871
Total Current Expenditures	<u>\$ 33,164,429</u>	<u>\$ 34,165,120</u>	<u>\$ 35,062,343</u>	<u>\$ 36,986,439</u>
Capital Outlay	1,090,210	1,183,985	870,595	669,165
Debt Service:				
Principal	598,590	650,190	647,020	655,751
Interest	365,231	390,603	392,195	380,418
Total Expenditures	<u>\$ 35,218,460</u>	<u>\$ 36,389,898</u>	<u>\$ 36,972,153</u>	<u>\$ 38,691,773</u>
Excess of Revenues over (under) Expenditures	<u>\$ 485,634</u>	<u>\$ 300,473</u>	<u>\$ 777,446</u>	<u>\$ 1,737,880</u>
Other Financing Sources (Uses):				
Bond Issuance	\$ 720,300	\$ 670,905	\$ 491,129	\$ 449,188
Certificate of Participation Issuance	80,100	—	—	—
Loan Issuance	—	—	769	2,887
Right-to-Use Issuance	—	—	—	—
Issuance of Refunding Bonds	153,905	391,555	310,565	404,880
Payment to Refunded Bonds Escrow Agent	(153,905)	(391,555)	(310,565)	(404,880)
Bond Issuance Premium	123,666	163,418	155,376	137,078
Certificate of Participation Issuance Premium	—	—	—	—
Net Transfers-In (Out)	(575,815)	(643,767)	(618,770)	(666,622)
Net Other Financing Sources (Uses)	<u>\$ 348,251</u>	<u>\$ 190,556</u>	<u>\$ 28,504</u>	<u>\$ (77,469)</u>
Change in Accounting Principle	\$ —	\$ —	\$ —	\$ —
Change in Reporting Entity	—	—	—	497
Net Changes in Fund Balances	<u><u>\$ 833,885</u></u>	<u><u>\$ 491,029</u></u>	<u><u>\$ 805,950</u></u>	<u><u>\$ 1,660,908</u></u>
Debt Service as a Percentage of Noncapital Expenditures	2.8 %	3.0 %	2.9 %	2.7 %

Source: The state's Annual Comprehensive Financial report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ 12,674,858	\$ 12,329,724	\$ 14,496,290	\$ 16,836,132	\$ 16,304,325	\$ 16,633,430
1,613,373	1,620,684	2,276,986	2,848,019	2,911,082	3,205,333
6,264,666	6,387,889	6,755,167	7,402,838	8,223,637	8,781,570
811,117	772,876	789,888	765,534	770,142	719,571
1,626,429	1,622,106	1,836,267	1,810,227	1,899,879	2,043,245
930,988	884,788	854,215	900,818	887,011	887,712
12,183,673	12,997,791	17,330,357	19,583,046	19,477,676	18,246,253
5,635,967	5,401,771	6,350,613	5,173,024	7,238,899	7,962,311
<u>\$ 41,741,071</u>	<u>\$ 42,017,629</u>	<u>\$ 50,689,783</u>	<u>\$ 55,319,638</u>	<u>\$ 57,712,651</u>	<u>\$ 58,479,425</u>
\$ 1,224,420	\$ 1,303,941	\$ 1,322,622	\$ 1,531,576	\$ 1,563,234	\$ 1,699,344
762,380	821,081	936,239	893,569	1,053,046	1,982,702
10,545,012	10,896,959	11,779,019	12,312,904	12,113,230	13,397,360
978,388	1,009,413	1,181,182	1,062,955	1,175,222	2,526,385
17,881,072	18,537,691	21,113,015	23,610,490	25,186,493	26,735,085
1,087,158	1,009,076	1,038,657	1,125,382	1,063,998	1,215,935
1,867,341	1,780,630	2,860,441	2,011,220	2,505,003	2,758,543
1,168,970	1,188,951	1,314,226	1,289,196	1,418,343	1,674,188
3,385,926	3,411,652	3,409,599	3,486,447	3,745,889	4,181,355
<u>\$ 38,900,667</u>	<u>\$ 39,959,394</u>	<u>\$ 44,955,000</u>	<u>\$ 47,323,739</u>	<u>\$ 49,824,458</u>	<u>\$ 56,170,897</u>
840,378	881,527	929,456	876,303	1,024,933	1,048,747
614,384	649,388	619,204	624,662	1,161,906	766,099
339,397	321,316	346,937	333,527	344,307	329,968
<u>\$ 40,694,826</u>	<u>\$ 41,811,625</u>	<u>\$ 46,850,597</u>	<u>\$ 49,158,231</u>	<u>\$ 52,355,604</u>	<u>\$ 58,315,711</u>
<u>\$ 1,046,245</u>	<u>\$ 206,004</u>	<u>\$ 3,839,186</u>	<u>\$ 6,161,407</u>	<u>\$ 5,357,047</u>	<u>\$ 163,714</u>
\$ 603,407	\$ 621,347	\$ 563,000	\$ 919,649	\$ 478,418	\$ 497,043
—	—	—	—	—	454,175
—	—	—	3,500	16,312	32,096
—	—	—	42,901	37,431	38,315
—	27,570	695,655	—	444,960	584,465
—	(27,570)	(695,655)	—	(444,960)	(584,465)
79,169	130,449	146,688	179,033	105,926	111,416
—	—	—	—	—	24,679
(688,310)	(744,067)	(672,932)	(1,139,664)	(687,483)	(2,002,317)
<u>\$ (5,734)</u>	<u>\$ 7,729</u>	<u>\$ 36,756</u>	<u>\$ 5,419</u>	<u>\$ (49,396)</u>	<u>\$ (844,593)</u>
\$ —	\$ —	\$ 5,446	\$ —	\$ —	\$ —
—	—	—	—	—	4,714
<u>\$ 1,040,511</u>	<u>\$ 213,733</u>	<u>\$ 3,881,388</u>	<u>\$ 6,166,826</u>	<u>\$ 5,307,651</u>	<u>\$ (676,165)</u>
2.4 %	2.4 %	2.1 %	2.0 %	2.9 %	1.9 %

Schedule 5 - Revenue Base
Estimated Personal Income by Industry
Last Ten Calendar Years
(In Thousands)

	2014	2015	2016	2017
Farm Earnings	\$ 3,957,930	\$ 3,436,873	\$ 2,134,638	\$ 492,804
Nonfarm Earnings:				
Private Earnings:				
Forestry, Fishing, Related Activities	\$ 372,518	\$ 405,253	\$ 424,616	\$ 434,528
Mining	836,803	711,097	567,153	598,939
Utilities	1,819,167	1,813,182	1,872,657	1,831,635
Construction	11,256,047	12,199,335	12,845,658	13,656,541
Manufacturing:				
Durable Goods Manufacturing	16,463,894	17,276,885	17,438,243	17,929,229
Nondurable Goods Manufacturing	8,866,827	9,169,634	9,357,227	9,404,043
Wholesale trade	12,670,150	13,096,562	12,945,024	14,803,153
Retail Trade	10,934,279	11,384,942	11,789,700	11,927,427
Transportation and Warehousing	6,468,497	6,743,929	7,336,944	8,010,476
Information	4,720,952	4,851,528	4,689,082	4,911,711
Finance and Insurance	15,939,115	16,821,074	16,837,111	18,327,349
Real Estate and Rental and Leasing	4,248,409	4,464,110	3,983,710	3,996,742
Professional and Technical Services	16,890,612	17,816,158	19,890,779	20,579,819
Management of Companies and Enterprises	10,605,646	10,841,476	10,879,965	11,677,068
Administrative and Waste Services	6,229,435	6,499,176	6,924,327	7,654,637
Educational Services	2,865,504	2,918,287	3,085,382	3,157,217
Health Care and Social Assistance	24,990,069	26,435,203	28,175,658	29,831,013
Arts, Entertainment, and Recreation	1,884,804	2,004,934	2,212,728	2,274,522
Accommodation and Food Services	4,746,770	5,159,435	5,517,804	5,810,628
Other Services, Except Public Administration	6,886,532	7,151,982	7,369,166	7,766,344
Total Private Earnings	<u>\$ 169,696,030</u>	<u>\$ 177,764,182</u>	<u>\$ 184,142,934</u>	<u>\$ 194,583,021</u>
Government and Government Enterprises:				
Federal, Civilian	\$ 3,039,703	\$ 3,169,588	\$ 3,254,830	\$ 3,341,625
Military	665,703	623,320	657,201	653,478
State and Local	22,804,710	23,628,074	24,423,598	25,166,437
Total Government and Government Enterprises	<u>\$ 26,510,116</u>	<u>\$ 27,420,982</u>	<u>\$ 28,335,629</u>	<u>\$ 29,161,540</u>
Total Nonfarm Earnings	<u>\$ 196,206,146</u>	<u>\$ 205,185,164</u>	<u>\$ 212,478,563</u>	<u>\$ 223,744,561</u>
Total Earnings by Industry	<u>\$ 200,164,076</u>	<u>\$ 208,622,037</u>	<u>\$ 214,613,201</u>	<u>\$ 224,237,365</u>
Derivation of Personal Income:				
Earnings by Place of Work	\$ 200,164,076	\$ 208,622,037	\$ 214,613,201	\$ 224,237,365
Other Personal Income ⁽¹⁾	68,365,869	71,784,447	72,636,608	78,903,906
Personal Income	<u>\$ 268,529,945</u>	<u>\$ 280,406,484</u>	<u>\$ 287,249,809</u>	<u>\$ 303,141,271</u>

⁽¹⁾ Adjustments for Residence, Dividends, Interest, Rent, and Transfer Receipts less Social Security Benefits.

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), table SAINC5N: Personal Income by Major Component and Earnings by NAICS Industry (www.bea.gov/itable/). The data is updated quarterly. The Annual Comprehensive Financial Report utilizes the most current data estimates available. Data from the website and prior years are not adjusted or updated. The website reflects that data used in this report was updated September 27, 2024 for calendar year 2023.

	2018	2019	2020	2021	2022	2023
\$	1,852,217	\$ 2,846,797	\$ 4,067,578	\$ 4,076,816	\$ 5,745,694	\$ 3,391,704
\$	481,398	\$ 477,302	\$ 451,016	\$ 432,059	\$ 429,738	\$ 554,180
	759,190	838,794	738,578	931,793	1,060,371	1,319,929
	1,908,942	1,964,871	2,118,672	2,169,474	2,247,316	2,223,422
	13,978,979	14,825,124	15,329,099	16,473,592	16,900,031	17,928,605
	18,601,711	19,143,064	18,895,291	20,085,714	21,469,726	22,518,998
	9,604,543	10,220,779	10,387,716	10,385,451	12,071,516	12,833,613
	14,349,985	14,830,395	15,728,992	16,164,131	17,616,755	19,499,910
	12,326,763	12,583,008	12,653,316	13,555,803	14,490,973	14,557,595
	8,380,010	8,958,186	8,532,098	8,786,991	9,875,901	10,479,548
	4,899,737	5,103,172	5,533,813	6,414,140	6,442,971	7,000,689
	19,603,029	20,294,860	21,534,399	22,605,143	23,327,186	24,273,072
	3,629,490	3,773,705	3,598,990	3,988,050	5,165,609	4,233,080
	21,484,286	22,009,990	22,302,458	23,827,274	26,232,320	27,219,138
	12,000,032	13,531,826	13,308,455	14,304,927	14,345,763	14,905,135
	7,593,887	7,823,540	7,770,546	8,592,050	9,401,857	9,542,019
	3,251,508	3,417,599	3,403,828	3,553,841	3,816,515	3,819,336
	31,256,560	32,320,602	33,280,658	35,282,364	37,014,201	39,351,448
	2,631,950	2,567,039	1,829,275	2,332,775	3,417,245	3,016,108
	6,015,044	6,210,891	4,726,572	6,607,954	7,369,669	7,900,797
	7,956,699	8,338,454	7,940,437	8,382,031	9,136,142	9,731,679
\$	200,713,743	\$ 209,233,201	\$ 210,064,209	\$ 224,875,557	\$ 241,831,805	\$ 252,908,301
\$	3,501,023	\$ 3,551,617	\$ 3,695,225	\$ 3,797,075	\$ 4,013,682	\$ 4,381,125
	706,250	758,605	760,090	783,614	785,415	854,711
	26,343,997	26,752,970	26,959,982	28,037,680	28,764,068	30,351,185
\$	30,551,270	\$ 31,063,192	\$ 31,415,297	\$ 32,618,369	\$ 33,563,165	\$ 35,587,021
\$	231,265,013	\$ 240,296,393	\$ 241,479,506	\$ 257,493,926	\$ 275,394,970	\$ 288,495,322
\$	233,117,230	\$ 243,143,190	\$ 245,547,084	\$ 261,570,742	\$ 281,140,664	\$ 291,887,026
\$	233,117,230	\$ 243,143,190	\$ 245,547,084	\$ 261,570,742	\$ 281,140,664	\$ 291,887,026
	89,610,344	88,658,735	105,237,607	116,713,914	112,428,356	124,437,498
\$	322,727,574	\$ 331,801,925	\$ 350,784,691	\$ 378,284,656	\$ 393,569,020	\$ 416,324,524

**Schedule 6 - Revenue Rates
Tax Rates and Taxable Income Brackets
Calendar Years 2015 through 2024**

Tax Year 2015								
	5.35% Up To	7.05%			7.85%			9.85% Over
Married Joint	\$ 36,650	\$ 36,651	—	\$ 145,620	\$ 145,621	—	\$ 258,260	\$ 258,260
Married Separate	18,330	18,331	—	72,810	72,811	—	129,130	129,130
Single	25,070	25,071	—	82,360	82,361	—	154,950	154,950
Head of Household	30,870	30,871	—	124,040	124,041	—	206,610	206,610

Tax Year 2016								
	5.35% Up To	7.05%			7.85%			9.85% Over
Married Joint	\$ 36,820	\$ 36,821	—	\$ 146,270	\$ 146,271	—	\$ 259,420	\$ 259,420
Married Separate	18,410	18,411	—	73,140	73,141	—	129,710	129,710
Single	25,180	25,181	—	82,740	82,741	—	155,650	155,650
Head of Household	31,010	31,011	—	124,600	124,601	—	207,540	207,540

Tax Year 2017								
	5.35% Up To	7.05%			7.85%			9.85% Over
Married Joint	\$ 37,110	\$ 37,111	—	\$ 147,450	\$ 147,451	—	\$ 261,510	\$ 261,510
Married Separate	18,560	18,561	—	73,730	73,731	—	130,760	130,760
Single	25,390	25,391	—	83,400	83,401	—	156,900	156,900
Head of Household	31,260	31,261	—	125,600	125,601	—	209,200	209,200

Tax Year 2018								
	5.35% Up To	7.05%			7.85%			9.85% Over
Married Joint	\$ 37,850	\$ 37,851	—	\$ 150,380	\$ 150,381	—	\$ 266,700	\$ 266,700
Married Separate	18,930	18,931	—	75,190	75,191	—	133,350	133,350
Single	25,890	25,891	—	85,060	85,061	—	160,020	160,020
Head of Household	31,880	31,881	—	128,090	128,091	—	213,360	213,360

Tax Year 2019								
	5.35% Up To	6.80%			7.85%			9.85% Over
Married Joint	\$ 38,770	\$ 38,771	—	\$ 154,020	\$ 154,021	—	\$ 269,010	\$ 269,010
Married Separate	19,385	19,386	—	77,010	77,011	—	134,505	134,505
Single	26,520	26,521	—	87,110	87,111	—	161,720	161,720
Head of Household	32,650	32,651	—	131,190	131,191	—	214,980	214,980

Source: Minnesota Department of Revenue Tax Research Division.

For tax years prior to 2019, Minnesota Taxable Income is federal taxable income modified for state-specific additions and subtractions. Beginning with tax year 2019, Minnesota Taxable Income is federal adjusted gross income modified for state-specific additions and subtractions.

Schedule 6 - Revenue Rates
Tax Rates and Taxable Income Brackets
Calendar Years 2015 through 2024 (continued)

Tax Year 2020

	5.35% Up To	6.80%		7.85%		9.85% Over	
Married Joint	\$ 39,410	\$ 39,411	— \$ 156,570	\$ 156,571	— \$ 273,470	\$ 273,470	
Married Separate	19,705	19,706	— 78,285	78,286	— 136,735	136,735	
Single	26,960	26,961	— 88,550	88,551	— 164,400	164,400	
Head of Household	33,190	33,191	— 133,360	133,361	— 218,540	218,540	

Tax Year 2021

	5.35% Up To	6.80%		7.85%		9.85% Over	
Married Joint	\$ 39,810	\$ 39,811	— \$ 158,140	\$ 158,141	— \$ 276,200	\$ 276,200	
Married Separate	19,905	19,906	— 79,070	79,071	— 138,100	138,100	
Single	27,230	27,231	— 89,440	89,441	— 166,040	166,040	
Head of Household	33,520	33,521	— 134,700	134,701	— 220,730	220,730	

Tax Year 2022

	5.35% Up To	6.80%		7.85%		9.85% Over	
Married Joint	\$ 41,050	\$ 41,051	— \$ 163,060	\$ 163,061	— \$ 284,810	\$ 284,810	
Married Separate	20,525	20,526	— 81,530	81,531	— 142,405	142,405	
Single	28,080	28,081	— 92,230	92,231	— 171,220	171,220	
Head of Household	34,570	34,571	— 138,890	138,891	— 227,600	227,600	

Tax Year 2023

	5.35% Up To	6.80%		7.85%		9.85% Over	
Married Joint	\$ 43,950	\$ 43,951	— \$ 174,610	\$ 174,611	— \$ 304,970	\$ 304,970	
Married Separate	21,975	21,976	— 87,305	87,306	— 152,485	152,485	
Single	30,070	30,071	— 98,760	98,761	— 183,340	183,340	
Head of Household	37,010	37,011	— 148,730	148,731	— 243,720	243,720	

Tax Year 2024

	5.35% Up To	6.80%		7.85%		9.85% Over	
Married Joint	\$ 46,330	\$ 46,331	— \$ 184,040	\$ 184,041	— \$ 321,450	\$ 321,450	
Married Separate	23,165	23,166	— 92,020	92,021	— 160,725	160,725	
Single	31,690	31,691	— 104,090	104,091	— 193,240	193,240	
Head of Household	39,010	39,011	— 156,760	156,761	— 256,880	256,880	



**Schedule 7 - Principal Tax Payers
Personal Income Tax Filers and Liability by Income Level
Calendar Years 2013 and 2022**

Calendar Year 2013

Federal Adjusted Gross Income	Total Number of Returns Filed	Percent of Total	Personal Income Tax Liability ⁽¹⁾	Percent of Total
\$ — - \$ 4,999	221,345	8.24 %	\$ 8,513,653	0.09 %
5,000 - 9,999	190,868	7.11 %	4,702,726	0.05 %
10,000 - 19,999	332,886	12.40 %	57,666,993	0.64 %
20,000 - 29,999	295,928	11.03 %	160,203,602	1.78 %
30,000 - 39,999	263,695	9.83 %	266,560,590	2.96 %
40,000 - 49,999	207,091	7.72 %	322,720,904	3.58 %
50,000 - 99,999	670,597	24.99 %	1,942,833,554	21.55 %
100,000 - 249,999	415,805	15.49 %	2,927,425,148	32.48 %
250,000 - 499,999	56,688	2.11 %	1,137,904,271	12.63 %
500,000 & Over	28,882	1.08 %	2,184,310,046	24.24 %
Total	<u>2,683,785</u>	<u>100.00 %</u>	<u>\$ 9,012,841,487</u>	<u>100.00 %</u>

Calendar Year 2022

Federal Adjusted Gross Income	Total Number of Returns Filed	Percent of Total	Personal Income Tax Liability ⁽¹⁾	Percent of Total
\$ — - \$ 4,999	159,942	5.47 %	\$ 14,456,059	0.10 %
5,000 - 9,999	150,858	5.17 %	2,189,236	0.02 %
10,000 - 19,999	267,122	9.16 %	23,096,375	0.16 %
20,000 - 29,999	234,476	8.04 %	91,946,121	0.63 %
30,000 - 39,999	244,968	8.40 %	206,936,261	1.42 %
40,000 - 49,999	245,946	8.43 %	330,463,934	2.27 %
50,000 - 99,999	776,287	26.61 %	2,150,302,373	14.80 %
100,000 - 249,999	660,001	22.62 %	4,715,253,691	32.45 %
250,000 - 499,999	119,674	4.10 %	2,416,318,078	16.63 %
500,000 & Over	58,209	2.00 %	4,579,841,052	31.52 %
Total	<u>2,917,483</u>	<u>100.00 %</u>	<u>\$ 14,530,803,180</u>	<u>100.00 %</u>

⁽¹⁾ Minnesota Income Tax Liability before refundable tax credits.

Source: Minnesota Department of Revenue, Individual Income Tax Sample. Calendar year 2022 is the most recent year available.

Schedule 8 - Ratios of Outstanding and General Bonded Debt
Last Ten Fiscal Years
(In Thousands)

	2015	2016	2017	2018
Governmental Activities:				
General Obligation Bonds ⁽¹⁾	\$ 6,885,776	\$ 7,043,943	\$ 6,999,510	\$ 6,867,284
Revenue Bonds ⁽¹⁾	44,757	42,103	39,365	36,795
State Appropriation Bonds ⁽¹⁾	1,175,677	1,128,706	1,090,895	1,048,439
Loans	24,966	23,337	23,252	41,770
Capital Leases ⁽²⁾	98,512	89,854	80,881	71,576
Lease/Subscription ⁽²⁾	—	—	—	—
Certificates of Participation ⁽¹⁾	125,875	115,870	104,875	93,425
Total Governmental Activities	\$ 8,355,563	\$ 8,443,813	\$ 8,338,778	\$ 8,159,289
Business-type Activities:				
General Obligation Bonds ⁽¹⁾	\$ 260,431	\$ 253,671	\$ 238,637	\$ 227,901
Revenue Bonds ⁽¹⁾	460,484	431,289	392,070	351,871
Loans	3,794	4,842	2,552	11,030
Capital Leases ⁽²⁾	25,968	21,635	26,996	13,741
Lease/Subscription ⁽²⁾	—	—	—	—
Total Business-type Activities	\$ 750,677	\$ 711,437	\$ 660,255	\$ 604,543
Total Debt to the Primary Government	\$ 9,106,240	\$ 9,155,250	\$ 8,999,033	\$ 8,763,832
Less: Set Aside to Repay General Debt	\$ (605,850)	\$ (613,385)	\$ (625,870)	\$ (611,595)
Net Debt to the Primary Government	\$ 8,500,390	\$ 8,541,865	\$ 8,373,163	\$ 8,152,237
Total Personal Income	\$268,529,945	\$280,406,484	\$287,249,809	\$303,141,271
Ratio of Total Debt to Personal Income	3.39 %	3.26 %	3.13 %	2.89 %
Per Capita Total Outstanding Debt (Actual Dollars)	\$ 1,670	\$ 1,670	\$ 1,630	\$ 1,571
Ratio of Net General Obligation Debt to Personal Income	2.44 %	2.38 %	2.30 %	2.14 %
Per Capita Net General Obligation Debt (Actual Dollars)	\$ 1,199	\$ 1,219	\$ 1,198	\$ 1,163

⁽¹⁾ Includes applicable premium or discount.

⁽²⁾ In fiscal years 2022 and 2023, the state implemented GASB Statement No. 87 "Leases" and GASB Statement No. 96 "Subscription-Based Information Technology Arrangements," respectively, which changed the accounting and reporting requirements for lease and subscription-based information technology arrangement activities.

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), table SAINC5N: Personal Income by Major Component and Earnings by NAICS Industry (www.bea.gov/itable/). The data is updated quarterly. The Annual Comprehensive Financial Report utilizes the most current data estimates available. Data from the website and prior years are not adjusted or updated. The website reflects that data used in this report was updated September 27, 2024 for calendar year 2023.

2019	2020	2021	2022	2023	2024
\$ 6,924,502	\$ 7,025,411	\$ 6,915,311	\$ 7,376,400	\$ 7,211,161	\$ 6,997,312
34,150	31,410	28,580	25,645	23,885	64,101
997,488	944,767	956,012	954,340	449,028	428,269
51,182	55,395	51,608	45,828	63,649	115,013
61,864	51,702	41,047	—	—	—
—	—	—	333,823	390,731	329,749
81,709	79,038	76,257	73,361	70,345	545,441
<u>\$ 8,150,895</u>	<u>\$ 8,187,723</u>	<u>\$ 8,068,815</u>	<u>\$ 8,809,397</u>	<u>\$ 8,208,799</u>	<u>\$ 8,479,885</u>
\$ 223,190	\$ 214,906	\$ 199,199	\$ 186,863	\$ 166,577	\$ 150,805
309,803	266,519	232,993	205,979	188,542	173,053
10,358	13,398	1,150,619	23,576	22,855	21,729
9,494	5,351	4,364	—	—	—
—	—	—	32,058	81,522	72,810
<u>\$ 552,845</u>	<u>\$ 500,174</u>	<u>\$ 1,587,175</u>	<u>\$ 448,476</u>	<u>\$ 459,496</u>	<u>\$ 418,397</u>
<u>\$ 8,703,740</u>	<u>\$ 8,687,897</u>	<u>\$ 9,655,990</u>	<u>\$ 9,257,873</u>	<u>\$ 8,668,295</u>	<u>\$ 8,898,282</u>
<u>\$ (619,740)</u>	<u>\$ (615,705)</u>	<u>\$ (574,475)</u>	<u>\$ (591,806)</u>	<u>\$ (602,830)</u>	<u>\$ (598,986)</u>
<u>\$ 8,084,000</u>	<u>\$ 8,072,192</u>	<u>\$ 9,081,515</u>	<u>\$ 8,666,067</u>	<u>\$ 8,065,465</u>	<u>\$ 8,299,296</u>
\$322,727,574	\$331,801,925	\$350,784,691	\$378,284,656	\$393,569,020	\$416,324,524
2.70 %	2.62 %	2.75 %	2.45 %	2.20 %	2.14 %
\$ 1,551	\$ 1,540	\$ 1,707	\$ 1,622	\$ 1,516	\$ 1,551
2.02 %	2.00 %	1.86 %	1.84 %	1.72 %	1.57 %
\$ 1,163	\$ 1,175	\$ 1,156	\$ 1,222	\$ 1,185	\$ 1,141

**Schedule 9 - Pledged Revenue Coverage
Last Ten Fiscal Years (In Thousands)**

	2015	2016	2017	2018
State University Board Revenue				
Segment of College and University Enterprise Fund				
Gross Revenues ⁽¹⁾	\$ 112,662	\$ 119,182	\$ 120,261	\$ 116,988
Less: Operating Expenses ⁽²⁾	(78,856)	(80,031)	(85,050)	(84,176)
Net Available Revenue	\$ 33,806	\$ 39,151	\$ 35,211	\$ 32,812
Debt Service:				
Principal	\$ 14,060	\$ 14,385	\$ 16,315	\$ 17,755
Interest	11,847	12,342	10,503	11,378
Total Debt Service	\$ 25,907	\$ 26,727	\$ 26,818	\$ 29,133
Coverage	1.30	1.46	1.31	1.13
Itasca Community College Student Housing⁽³⁾				
Segments of College and University Enterprise Fund				
Gross Revenues ⁽¹⁾	\$ 478	\$ 495	\$ 493	\$ 481
Less: Operating Expenses ⁽²⁾	(203)	(209)	(245)	(260)
Net Available Revenue	\$ 275	\$ 286	\$ 248	\$ 221
Debt Service:				
Principal	\$ 120	\$ 120	\$ 130	\$ 130
Interest	48	46	44	42
Total Debt Service	\$ 168	\$ 166	\$ 174	\$ 172
Coverage	1.64	1.72	1.43	1.28
911 Services Fund⁽⁴⁾				
911 Services Fees	\$ 57,381	\$ 68,500	\$ 76,324	\$ 79,130
Less: Operating Expenses ⁽²⁾	(24,741)	(24,695)	(25,244)	(22,430)
Net Available Revenue	\$ 32,640	\$ 43,805	\$ 51,080	\$ 56,700
Debt Service:				
Principal	\$ 12,310	\$ 12,810	\$ 20,320	\$ 19,430
Interest	5,924	5,403	2,675	3,570
Total Debt Service	\$ 18,234	\$ 18,213	\$ 22,995	\$ 23,000
Coverage	1.79	2.41	2.22	2.47

⁽¹⁾ Revenues from student fees and the operating of the financed buildings are pledged to repay revenue bonds. This amount is net of cost of goods sold.

⁽²⁾ Depreciation, amortization, bad debt, interest and financing expenses are not included.

⁽³⁾ In 2013, the remaining \$85,000 in principal and interest was paid in full for Vermillion Community College. Remaining pledged revenue is for Itasca Community College only.

⁽⁴⁾ Revenue bonds of \$42.2 million were issued on November 13, 2008, for 911 services. The 911 fees assessed on wireless and wire-line telephone services are pledged to repay the 911 revenue bonds. The bonds were paid in full during fiscal year 2021.

Source: The state's Annual Comprehensive Financial Report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ 118,060	\$ 98,172	\$ 82,216	\$ 96,380	\$ 102,930	\$ 110,760
(76,509)	(76,121)	(68,991)	(68,897)	(72,229)	(75,625)
<u>\$ 41,551</u>	<u>\$ 22,051</u>	<u>\$ 13,225</u>	<u>\$ 27,483</u>	<u>\$ 30,701</u>	<u>\$ 35,135</u>
\$ 18,665	\$ 17,560	\$ 20,145	\$ 20,910	\$ 14,995	\$ 13,200
10,529	10,017	9,256	8,568	7,342	6,772
<u>\$ 29,194</u>	<u>\$ 27,577</u>	<u>\$ 29,401</u>	<u>\$ 29,478</u>	<u>\$ 22,337</u>	<u>\$ 19,972</u>
1.42	0.80	0.45	0.93	1.37	1.76
\$ 487	\$ 380	\$ 362	\$ 494	\$ 625	\$ 507
(207)	(233)	(301)	(269)	(261)	(314)
<u>\$ 280</u>	<u>\$ 147</u>	<u>\$ 61</u>	<u>\$ 225</u>	<u>\$ 364</u>	<u>\$ 193</u>
\$ 130	\$ 135	\$ 135	\$ 140	\$ 145	\$ 155
40	37	34	30	26	21
<u>\$ 170</u>	<u>\$ 172</u>	<u>\$ 169</u>	<u>\$ 170</u>	<u>\$ 171</u>	<u>\$ 176</u>
1.65	0.85	0.36	1.32	2.13	1.10
\$ 81,354	\$ 75,032	\$ 79,441	\$ 71,286	\$ 68,252	\$ 68,683
(19,561)	(23,542)	(24,900)	(23,119)	(29,681)	(24,398)
<u>\$ 61,793</u>	<u>\$ 51,490</u>	<u>\$ 54,541</u>	<u>\$ 48,167</u>	<u>\$ 38,571</u>	<u>\$ 44,285</u>
\$ 20,400	\$ 21,420	\$ 10,145	\$ —	\$ —	\$ —
2,598	1,578	507	—	—	—
<u>\$ 22,998</u>	<u>\$ 22,998</u>	<u>\$ 10,652</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
2.69	2.24	5.12	—	—	—

Schedule 9 - Pledged Revenue Coverage (continued)
Last Ten Fiscal Years (In Thousands)

	2015	2016	2017	2018
Taconite Production Tax				
Educational Facilities Revenue Bonds Series 2006/2014	\$ 1,542	\$ 1,540	\$ 1,540	\$ 1,539
Educational Facilities Revenue Bonds Series 2013 ⁽⁵⁾	2,452	2,450	2,452	2,451
Educational Facilities Revenue Bonds Series 2023A ⁽⁶⁾	—	—	—	—
Net Available Revenue	<u>\$ 3,994</u>	<u>\$ 3,990</u>	<u>\$ 3,992</u>	<u>\$ 3,990</u>
D.J. Johnson Economic Protection Trust Fund (DJJ)				
Debt Service:				
Principle	\$ 973	\$ 974	\$ 1,007	\$ 1,037
Interest	853	547	518	487
Debt Service	<u>\$ 1,826</u>	<u>\$ 1,521</u>	<u>\$ 1,525</u>	<u>\$ 1,524</u>
Iron Range Resources and Rehabilitation Agency (IRRR)				
Debt Service:				
Principle	\$ 1,452	\$ 1,431	\$ 1,483	\$ 1,533
Interest	1,343	992	944	896
Debt Service	<u>\$ 2,795</u>	<u>\$ 2,423</u>	<u>\$ 2,427</u>	<u>\$ 2,429</u>
Total Debt Service:				
Principle	\$ 2,425	\$ 2,405	\$ 2,490	\$ 2,570
Interest	2,196	1,539	1,462	1,383
Total Debt Service	<u>\$ 4,621</u>	<u>\$ 3,944</u>	<u>\$ 3,952</u>	<u>\$ 3,953</u>
Coverage	0.86	1.01	1.01	1.01

⁽⁵⁾ On October 18, 2013, Iron Range Resources and Rehabilitation (IRRR) issued \$37.8 million Educational Facilities Revenue bonds, a portion of Taconite production tax revenues allocated to IRRR is pledged to repay the bonds. IRRR pays two-third and D.J. Johnson Economic Protection Trust Funds pay one-third of the debt.

⁽⁶⁾ On December 28, 2023, Iron Range Resources and Rehabilitation (IRRR) issued \$37.4 million Educational Facilities Revenue bonds, a portion of Taconite production tax revenues allocated to IRRR is pledged to repay the bonds. IRRR pays two-third and D.J. Johnson Economic Protection Trust Funds pay one-third of the debt.

Source: The state's Annual Comprehensive Financial Report for the relevant year.

2019	2020	2021	2022	2023	2024
\$ 1,539	\$ 1,257	\$ 1,262	\$ —	\$ —	\$ —
2,451	2,733	2,732	2,731	2,733	2,734
—	—	—	—	—	2,293
<u>\$ 3,990</u>	<u>\$ 3,990</u>	<u>\$ 3,994</u>	<u>\$ 2,731</u>	<u>\$ 2,733</u>	<u>\$ 5,027</u>
\$ 1,063	\$ 1,105	\$ 1,141	\$ 1,183	\$ 587	\$ 605
458	417	379	341	314	458
<u>\$ 1,521</u>	<u>\$ 1,522</u>	<u>\$ 1,520</u>	<u>\$ 1,524</u>	<u>\$ 901</u>	<u>\$ 1,063</u>
\$ 1,582	\$ 1,635	\$ 1,689	\$ 1,752	\$ 1,173	\$ 1,210
840	789	731	674	630	916
<u>\$ 2,422</u>	<u>\$ 2,424</u>	<u>\$ 2,420</u>	<u>\$ 2,426</u>	<u>\$ 1,803</u>	<u>\$ 2,126</u>
\$ 2,645	\$ 2,740	\$ 2,830	\$ 2,935	\$ 1,760	\$ 1,815
1,298	1,206	1,110	1,015	944	1,374
<u>\$ 3,943</u>	<u>\$ 3,946</u>	<u>\$ 3,940</u>	<u>\$ 3,950</u>	<u>\$ 2,704</u>	<u>\$ 3,189</u>
1.01	1.01	1.01	0.69	1.01	1.58

**Schedule 10 - Demographic and Economic Statistics
Last Ten Calendar Years**

Year	Population ⁽¹⁾	Income (Thousands) ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽²⁾	Unemployment Rate ⁽³⁾
2014	5,453,109	\$ 268,529,945	\$ 49,243	37.7	4.2%
2015	5,482,435	\$ 280,406,484	\$ 51,146	37.8	3.7%
2016	5,519,952	\$ 287,249,809	\$ 52,038	37.9	3.8%
2017	5,576,606	\$ 303,141,271	\$ 54,359	38.0	3.1%
2018	5,611,179	\$ 322,727,574	\$ 57,515	38.1	2.9%
2019	5,639,632	\$ 331,801,925	\$ 58,834	38.3	3.2%
2020	5,657,342	\$ 350,784,691	\$ 62,005	38.4	6.2%
2021	5,707,390	\$ 378,284,656	\$ 66,280	38.8	3.4%
2022	5,717,184	\$ 393,569,020	\$ 68,840	39.0	2.7%
2023	5,737,915	\$ 416,324,524	\$ 72,557	39.1	2.8%

Sources:

- ⁽¹⁾ U.S. Department of Commerce, Bureau of Economic Analysis (BEA), table SAINC5N: Personal Income by Major Component and Earnings by NAICS Industry (www.bea.gov/itable/). The data is updated quarterly. The Annual Comprehensive Financial Report utilizes the most current data estimates available data from the website and prior years are not adjusted or updated. The website reflects that data used in this report was updated September 27, 2024 for calendar year 2023.
- ⁽²⁾ U.S. Census Bureau.
- ⁽³⁾ Minnesota Department of Employment and Economic Development.

**Schedule 11 - Principal Employers
Calendar Year 2023 and Nine Years Ago**

Employer	2014			2023		
	Employees ⁽¹⁾	Rank	Percent of Total State Employment	Employees ⁽²⁾	Rank	Percent of Total State Employment
State of Minnesota	52,208	1	1.84%	37,100	2	1.24%
Mayo Clinic	39,518	2	1.39%	51,000	1	1.70%
United States Government	31,434	3	1.11%	20,800	9	0.69%
Target Corp.	29,896	4	1.05%	35,000	4	1.17%
Allina Health System	26,022	5	0.91%	29,163	5	0.97%
University of Minnesota	25,836	6	0.91%	27,875	6	0.93%
Health Partners Inc.	22,500	7	0.79%	26,400	7	0.88%
Wal-Mart Stores Inc.	21,564	8	0.76%	24,400	8	0.81%
Fairview Health Services	21,000	9	0.74%	36,865	3	1.23%
Wells Fargo Bank Minnesota	20,000	10	0.70%	—	—	0.00%
United Health Group Inc.	—	—	0.00%	19,000	10	0.63%
Total	289,978			307,603		
Total State Employment⁽³⁾	2,844,177			2,994,167		

Note: No value indicates the employer is not a principal employer for the year stated.

Sources:

⁽¹⁾ 2014 State of Minnesota Annual Comprehensive Financial Report.

⁽²⁾ Minneapolis/St. Paul Business Journal Book of Lists published May 1, 2023.

⁽³⁾ State of Minnesota Full-Time Employee data 2023 provided by the Minnesota Department of Employment and Economic Development.

**Schedule 12 - Full-Time Equivalent State Employees by Function
Last Ten Fiscal Years**

	2015	2016	2017	2018
Primary Government:				
Agricultural, Environmental and Energy Resources	4,622	4,576	4,459	4,454
Economic and Workforce Development	2,373	2,332	2,242	2,184
General Education	900	846	859	849
General Government	7,606	8,666	9,347	9,511
Health and Human Services	9,909	9,062	9,452	9,837
Higher Education	15,090	14,810	14,576	14,385
Public Safety and Corrections	6,598	6,761	6,728	6,817
Transportation	4,815	4,654	4,793	4,979
Total	51,913	51,707	52,456	53,016

Sources: Minnesota Management & Budget.
Minnesota State Colleges and Universities.

2019	2020	2021	2022	2023	2024
4,471	4,453	4,312	4,313	4,618	4,651
2,176	2,188	2,266	2,273	2,391	2,465
861	860	805	838	932	971
9,813	10,204	10,160	10,196	10,866	10,975
10,119	10,288	10,232	10,020	10,820	11,141
14,376	14,341	19,331	19,013	19,010	18,700
6,915	6,936	6,832	6,661	7,046	6,834
5,145	5,210	5,189	5,105	5,319	5,183
<u>53,876</u>	<u>54,480</u>	<u>59,127</u>	<u>58,419</u>	<u>61,002</u>	<u>60,920</u>

**Schedule 13 - Operating and Capital Asset Indicators by Function
Last Ten Fiscal Years**

	2015	2016	2017	2018
Agricultural, Environmental and Energy Resources:				
Recreational Fishing Licenses Issued/License Year	1,363,641	1,375,334	1,398,604	1,345,199
Watercraft Licenses Issued/Calendar Year	960,418	976,329	989,301	977,780
Acres of State Land Managed by Forestry/Fiscal Year	4,014,641	4,030,652	4,200,338	4,202,557
Farms/Calendar Year	73,600	73,300	72,845	72,745
Acres of Farmland/Calendar Year (1,000 Acres)	25,900	25,900	25,775	25,770
Agricultural Production-Crops/Calendar Year (Dollars in thousands)	\$ 9,359,125	\$ 8,720,433	\$ 8,290,126	\$ 8,627,695
Agricultural Production-Livestock/Calendar Year (Dollars in thousands)	\$ 7,858,145	\$ 7,560,945	\$ 7,520,072	\$ 7,796,953
Economic and Workforce Development:				
Unemployment Claims Filed ⁽²⁾	242,214	240,570	225,711	208,174
Workplace Injuries Reported	33,786	33,915	33,006	33,252
General Education:⁽¹⁾				
Pre-kindergarten (handicapped only) through Grade 12 Students	845,527	852,399	861,191	870,737
School Districts	332	332	332	330
Charter Schools	157	165	165	164
Special Education Age 0-21 Child Count	130,886	133,742	137,601	142,270
General Government:				
Individual Income Tax Payers/Calendar Year	2,894,528	2,942,829	2,936,859	2,985,941
Corporate Income Tax Returns/Calendar Year	35,534	35,613	33,872	32,879
Sales Tax Permit Holders/Calendar Year	155,000	160,000	160,000	160,000
Health and Human Services:				
Average Monthly Cash Recipients	166,428	163,859	168,518	164,703
Average Monthly Health Care Enrollees	1,139,325	1,191,630	1,169,864	1,189,240
Health Care Providers	4,724	4,533	4,582	4,805
Higher Education:				
Full Year Student Equivalents	138,657	135,192	131,640	128,830
Number of Students Graduated	38,220	37,427	36,846	36,128
Square Footage of Buildings	28,042,641	28,473,676	28,675,891	28,587,383
Public Safety and Corrections:				
Incarcerated Inmates	9,947	10,105	9,869	9,963
Offenders on Supervision	20,418	20,011	20,168	20,291
Correctional Facilities	10	10	10	10
Reassignment of Minnesota Certificates of Title	1,177,543	1,343,989	1,399,009	1,341,378
Crashes Investigated by State Patrol	23,278	25,113	28,200	29,845
Transportation:				
Miles of Paved Highways	29,288	29,288	29,290	29,263
Number of Trunk Highway Bridges	3,036	3,022	3,017	3,033
Acres of Right-of-Way	256,265	256,483	256,958	256,715

⁽¹⁾ Current year amounts are estimated.

⁽²⁾ Increase in 2020 due to the Covid-19 pandemic.

Notes: Of the \$23.8 billion in capital assets, including right-to-use assets owned by the state as of June 30, 2024, \$15.9 billion (66.9 percent) of the assets represent infrastructure and right of way under the Transportation function. The remaining \$7.9 billion in capital assets are allocated to other functions.
N/A indicates the information for the current year is not available.

2019	2020	2021	2022	2023	2024
1,316,656	1,483,113	984,538	1,306,425	1,248,268	N/A
981,926	984,538	1,008,222	996,873	984,372	N/A
4,205,684	4,204,167	4,205,320	4,227,726	4,229,588	4,231,405
67,812	67,294	66,779	66,690	66,280	64,380
25,367	25,379	25,284	25,298	25,304	25,304
\$ 8,963,847	\$ 9,721,016	\$ 10,654,872	\$ 12,185,480	\$ 13,862,413	\$ 12,490,725
\$ 7,548,137	\$ 6,910,187	\$ 7,480,650	\$ 9,358,959	\$ 10,488,939	\$ 10,303,750
202,300	923,535	654,798	293,098	252,255	276,503
32,949	32,461	48,477	52,031	42,331	38,482
876,334	877,523	878,524	874,991	858,241	855,224
331	331	330	329	329	329
164	162	173	180	184	181
147,605	152,016	149,382	151,532	158,047	158,047
3,029,630	3,066,503	3,119,096	3,101,460	3,155,882	3,143,430
34,469	35,057	35,340	35,743	39,030	31,389
315,000	315,000	315,000	345,000	388,356	413,523
156,672	155,874	169,895	148,382	137,713	135,297
1,170,116	1,158,037	1,291,455	1,403,022	1,502,910	1,418,012
5,101	5,787	5,468	5,652	5,648	5,648
126,094	122,483	115,766	108,034	105,497	108,082
35,969	33,893	33,540	33,648	30,918	31,750
28,550,290	28,552,287	28,548,068	28,567,003	28,455,871	28,515,840
9,479	9,381	7,593	7,511	8,152	8,275
20,533	20,444	18,701	18,887	19,288	17,972
10	10	10	10	10	10
1,721,593	1,347,515	1,010,522	1,516,223	1,498,322	1,524,263
29,198	22,976	20,757	24,545	26,275	23,339
29,233	29,169	29,169	29,203	29,203	29,259
3,036	3,034	3,034	3,046	3,046	3,050
256,679	256,679	257,223	258,698	258,968	259,002

