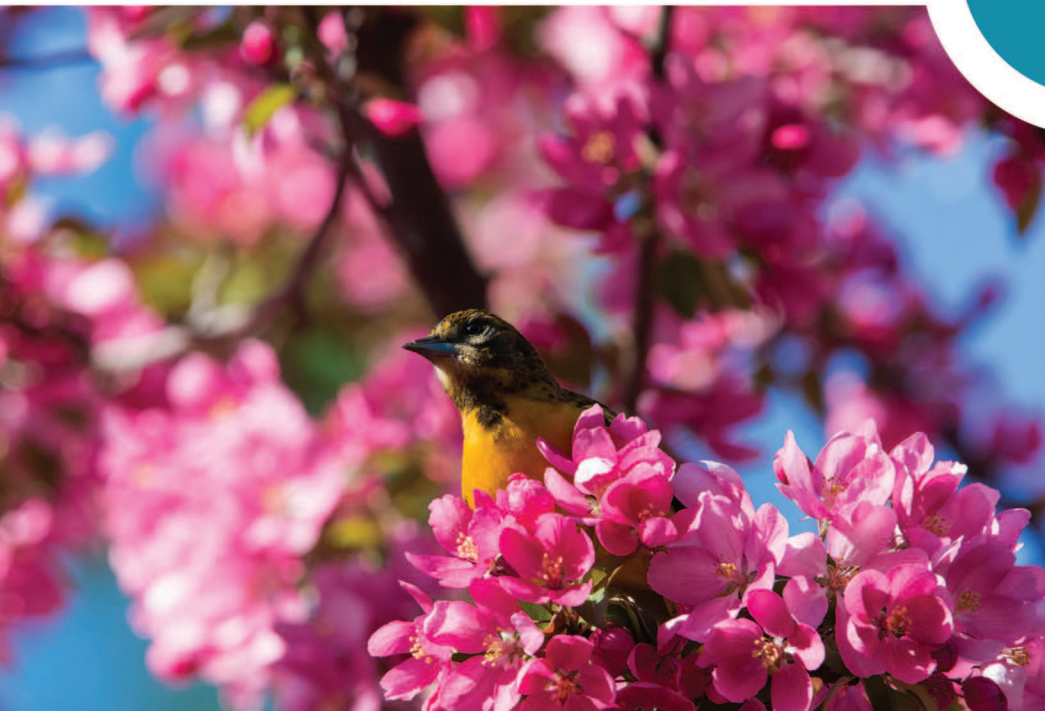
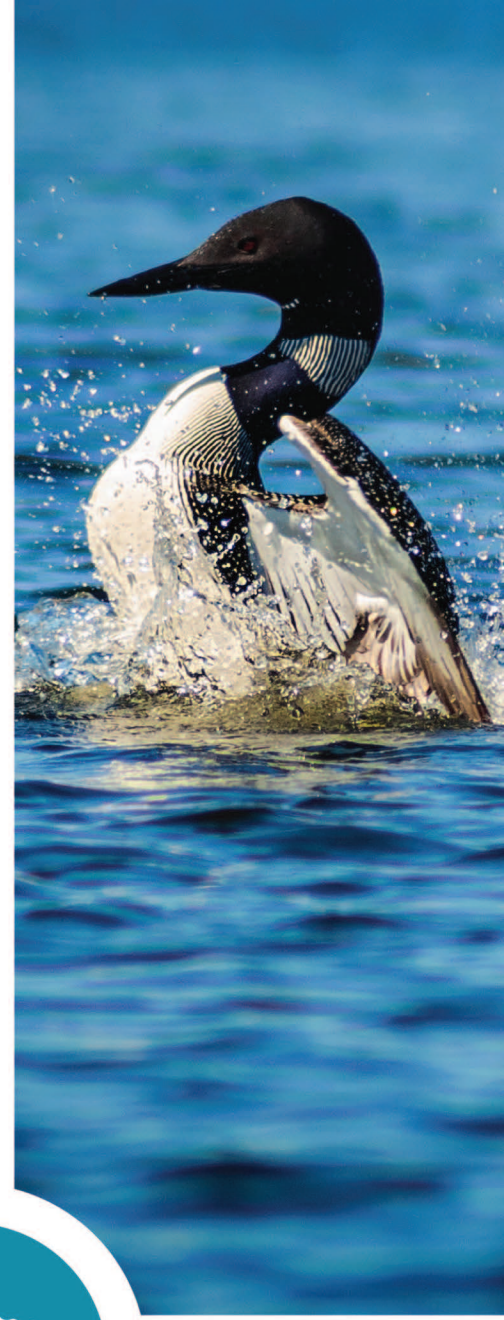


Minnesota

# Annual Comprehensive Financial Report

For the year ended June 30, 2025



Produced by Minnesota  
Management and Budget

**m** MANAGEMENT  
AND BUDGET



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# Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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



State of Minnesota

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2025  
Annual  
Comprehensive  
Financial Report

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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/>



## 2025 Annual Comprehensive Financial Report

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State of Minnesota

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# Introduction

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## 2025 Annual Comprehensive Financial Report

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**2025 Annual Comprehensive Financial Report****Transmittal Letter from the Commissioner of Minnesota Management and Budget**

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December 18, 2025

400 Centennial Building  
658 Cedar Street  
St. Paul, Minnesota 55155  
(651) 201-8000  
(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, 2025. 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, 2025. 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, 2025. The supplementary report, "Financial and Compliance Report on Federally Assisted Programs," will be available in March 2026.

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, Minnesota Climate Innovation Finance Authority, Minnesota Sports Facilities Authority, Minnesota Comprehensive Health Association, National Sports Center Foundation, Office of Higher Education, Public Facilities Authority, Rural Finance Authority, and Workers' Compensation Assigned Risk Plan 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.

MMB 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.

MMB 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 economic outlook for Minnesota, projected in MMB's November 2025 Budget and Economic Forecast, has weakened since MMB's February 2025 Budget and Economic Forecast. Limited growth in employment is forecasted compared to the February forecast. The state's unemployment rate remains below the national rate, and it is anticipated that this will continue throughout the forecast period. Minnesota's job market remains favorable to job seekers, with more vacancies than unemployed workers.

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). The November 2025 Budget and Economic Forecast has been prepared with substantial missing data due to the federal government shutdown, including federal and state labor and employment data for September and October.

Minnesota's payroll employment is estimated to decline by about 3,600 jobs (-0.1 percent) in fiscal year 2026, followed by an increase of 3,000 jobs (0.1 percent) in fiscal year 2027. In fiscal year 2028, an increase of 8,700 jobs (0.3 percent) and an increase of 10,000 jobs (0.3 percent) in fiscal year 2029 is projected.

The state's unemployment rate rose to 3.6 percent in August 2025, up 0.6 percentage points from February 2025, but still 0.7 percentage points below the U.S. unemployment rate. Additionally, broader labor-market indicators suggest the employment outlook is worsening, with the number of long-term unemployed (those unemployed for more than 27 weeks) nearly doubling year-over-year and an increasing number of part-time workers unable to find full-time employment. A lower forecast for international immigration, declining birth rates, and the continuing retirements of Baby Boomers is projected to limit the state's labor force and further constrain employment growth in the coming years. Without sustained worker inflows either from international immigration or domestic migration, Minnesota employers may struggle to fill jobs, potentially slowing the growth of total wage and salary disbursements and constraining the expansion of overall economic activity.

SPGMI projects U.S. real GDP growth will average 1.9 percent per year from fiscal year 2026 through fiscal year 2029, reflecting very low payroll employment growth, low growth in consumption and business investment, and elevated inflation. Minnesota is closely tied to national economic trends, and the current state-level data aligns with that outlook.

With only moderate projected growth in Minnesota employment in the November 2025 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 the forecast horizon. The growth rate in nominal wage and salary income per worker is forecast to increase 4.1 percent in fiscal year 2026, 3.7 percent in fiscal year 2027, 3.7 percent in fiscal year 2028, and 3.7 percent in fiscal year 2029.

The market for existing homes appears healthy. Despite high mortgage rates, new listings in Minnesota were up 3.3 percent in October 2025 compared to the same period last year, and available inventory remained steady at 3.1 months of supply. Home prices in Minnesota also remain at record highs despite high mortgage rates. In October 2025, the median sales price statewide reached \$351,000, a 0.9 percent increase compared

to the previous year. According to the Federal Housing Finance Agency (FHFA), Minnesota home prices were 4.1 percent higher in the second quarter of 2025 compared to the year prior. On average, Minnesota sellers received 96.9 percent of the original list price at closing.

### **Budget Condition and Outlook**

When the Minnesota Legislature concluded the 2025 legislative sessions, the General Fund was expected to have an unreserved budgetary balance of \$3.937 billion at the end of the 2024-25 biennium. Actual revenue collections exceeded previously forecasted amounts while actual spending was below prior estimates. The gain to the unreserved budgetary balance was partially offset by higher reserves as well as legislatively authorized carryforward of certain appropriations into the next biennium. The 2024-25 biennium closed with an unreserved budgetary balance in the General Fund of \$4.878 billion.

The surplus from the 2024-25 biennium carried forward into the 2026-27 biennium. That balance offsets a projected structural imbalance in the General Fund where spending in the biennium exceeds revenues. Based on the November 2025 Budget and Economic Forecast, the General Fund is expected to have a \$2.465 billion unreserved budgetary balance at the end of the 2026-27 biennium. Revenue in the 2026-27 biennium is expected to grow to \$66.262 billion, \$3.221 billion more than the 2024-25 biennium. Expenditures in the 2026-27 biennium are expected to reach \$70.299 billion, \$1.014 billion higher than the 2024-25 biennium. The projected budget reserve and cash flow account balance of \$3.772 billion in the 2026-27 biennium is \$236 million more than the 2024-25 biennium.

### **General Fund Condition**

On a budgetary basis, the General Fund ended fiscal year 2025 with an unassigned fund balance of \$5.534 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 \$15.684 billion for fiscal year 2025, a difference of \$10.150 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 \$5.327 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 \$4.823 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 2025 totaled nearly \$3.536 billion, which includes the \$3.186 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, 2024. This was the thirty-ninth 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,

A handwritten signature in black ink that reads "Erin M. Campbell". The signature is written in a cursive, flowing style.

Erin Campbell  
Commissioner



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of Minnesota**

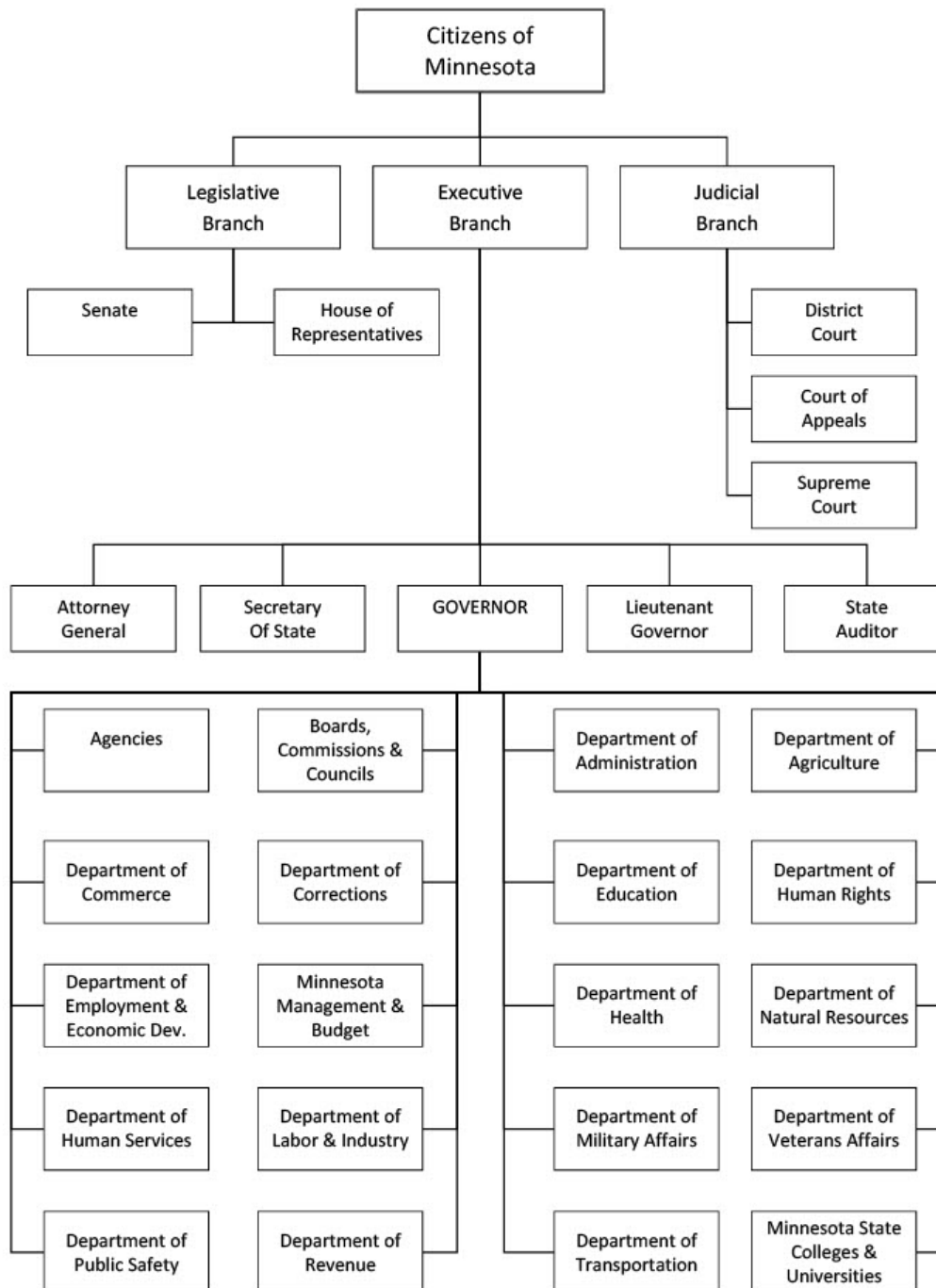
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**2025 Annual Comprehensive Financial Report**  
**State Organization Chart**



**2025 Annual Comprehensive Financial Report**  
**State Principal Officials**

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**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 | Lisa Demuth    |
| President of the Senate                 | David J. Osmek |

**Judicial Branch**

|                                    |                   |
|------------------------------------|-------------------|
| Chief Justice of the Supreme Court | Natalie E. Hudson |
|------------------------------------|-------------------|



State of Minnesota

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# Financial Section

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2025  
Annual  
Comprehensive  
Financial Report

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## **Independent Auditor's Report**

Members of the Minnesota State Legislature

The Honorable Tim Walz, Governor

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, 2025, 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, 2025, 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, 47 percent, and 45 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, Minnesota Climate Innovation Finance 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.

### ***Emphasis of Matter***

As discussed in Notes 1 and 20 to the financial statements, the State of Minnesota has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended June 30, 2025. Accordingly, the State of Minnesota reported a restatement for the change in accounting principle (see Note 20). Our opinion is not modified with respect to this matter.

### ***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 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



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December 18, 2025

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## **2025 Annual Comprehensive Financial Report**

### **Management's Discussion and Analysis**

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#### **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, 2025, 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 capital 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 12 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 nine 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 Climate Innovation Finance Authority
- 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 17 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 eight 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 21 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

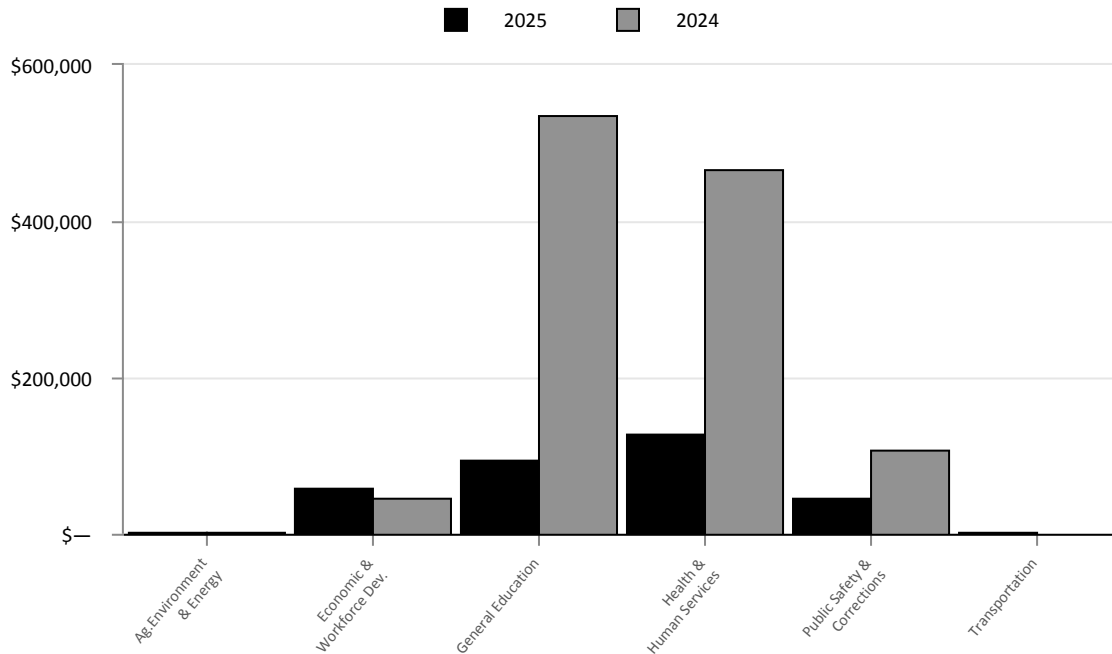
Other supplementary information includes Combining and Individual Fund Financial Statements for nonmajor governmental, proprietary, and fiduciary funds and nonmajor discretely presented component units. These funds are added together by fund type and presented in single columns in the basic financial 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 impacts in the Federal Fund during fiscal year 2025.

The following graph shows the functional expenditures in the Federal Fund 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 - Federal Fund**  
**Fiscal Years Ended June 30, 2025 and 2024**  
**(In Thousands)**



The Federal Fund expenditures related to COVID-19 decreased in the majority of the remaining functions as federal funding for COVID-19 winds down. The largest decrease is related to general education expenditures due to the continued reductions in aid to school districts as federal COVID programs end. Health and human services expenditures also had significant decreases which were primarily related to the complete elimination of the enhanced federal participation rate for medical assistance, which caused the expenditures to shift back to the state, as well as continued reductions in expenditures for vaccines, vaccine incentives, testing, and emergency hospital staff. The elimination of the grants to hospitals related to COVID-19 funding from the Federal Emergency Management Agency (FEMA) caused the decrease in public safety and corrections expenditures. The only increase was in the economic and workforce development expenditures as a result of an increase in expenditures for investments in broadband under the federal Coronavirus Capital Projects Fund.

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 \$43.6 billion at the end of fiscal year 2025, compared to \$44.1 billion at the beginning of the year.

### Net Position June 30, 2025 and 2024 (In Thousands)

|                                                          | Governmental Activities |                      | Business-type Activities |                     | Total Primary Government |                      |
|----------------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|--------------------------|----------------------|
|                                                          | 2025                    | 2024                 | 2025                     | 2024                | 2025                     | 2024                 |
| Current Assets                                           | \$ 38,318,798           | \$ 37,992,690        | \$ 3,827,525             | \$ 4,033,550        | \$ 42,146,323            | \$ 42,026,240        |
| Noncurrent Assets:                                       |                         |                      |                          |                     |                          |                      |
| Capital Assets, including<br>Right-to-Use Capital Assets | 22,731,354              | 21,766,887           | 2,053,675                | 2,028,861           | 24,785,029               | 23,795,748           |
| Other Assets                                             | 1,540,213               | 1,171,530            | 98,000                   | 57,293              | 1,638,213                | 1,228,823            |
| Total Assets                                             | <u>\$ 62,590,365</u>    | <u>\$ 60,931,107</u> | <u>\$ 5,979,200</u>      | <u>\$ 6,119,704</u> | <u>\$ 68,569,565</u>     | <u>\$ 67,050,811</u> |
| Deferred Outflows of Resources <sup>(1)</sup>            | <u>\$ 1,418,692</u>     | <u>\$ 2,010,618</u>  | <u>\$ 176,411</u>        | <u>\$ 213,753</u>   | <u>\$ 1,595,103</u>      | <u>\$ 2,224,371</u>  |
| Current Liabilities <sup>(1)</sup>                       | \$ 10,703,564           | \$ 9,421,352         | \$ 572,869               | \$ 587,189          | \$ 11,276,433            | \$ 10,008,541        |
| Noncurrent Liabilities                                   | 11,967,539              | 12,253,779           | 895,319                  | 997,513             | 12,862,858               | 13,251,292           |
| Total Liabilities                                        | <u>\$ 22,671,103</u>    | <u>\$ 21,675,131</u> | <u>\$ 1,468,188</u>      | <u>\$ 1,584,702</u> | <u>\$ 24,139,291</u>     | <u>\$ 23,259,833</u> |
| Deferred Inflows of Resources <sup>(1)</sup>             | <u>\$ 2,191,939</u>     | <u>\$ 1,764,268</u>  | <u>\$ 240,550</u>        | <u>\$ 147,388</u>   | <u>\$ 2,432,489</u>      | <u>\$ 1,911,656</u>  |
| Net Position:                                            |                         |                      |                          |                     |                          |                      |
| Net Investment in Capital<br>Assets <sup>(1)</sup>       | \$ 18,594,404           | \$ 17,786,131        | \$ 1,673,505             | \$ 1,630,442        | \$ 20,267,909            | \$ 19,416,573        |
| Restricted                                               | 10,373,940              | 9,655,203            | 1,681,166                | 1,830,594           | 12,055,106               | 11,485,797           |
| Unrestricted <sup>(1)</sup>                              | <u>10,177,671</u>       | <u>12,060,992</u>    | <u>1,092,202</u>         | <u>1,140,331</u>    | <u>11,269,873</u>        | <u>13,201,323</u>    |
| Total Net Position                                       | <u>\$ 39,146,015</u>    | <u>\$ 39,502,326</u> | <u>\$ 4,446,873</u>      | <u>\$ 4,601,367</u> | <u>\$ 43,592,888</u>     | <u>\$ 44,103,693</u> |

<sup>(1)</sup> 2024 governmental activities has been restated for error corrections. See Note 20 – Change in Accounting Principle, Change in Accounting Estimate, Error Correction, and Change in Reporting Entity.

The largest portion, \$20.3 billion of \$43.6 billion, of the state's net position reflects investment in capital assets such as land, buildings, equipment, infrastructure (pavement, bridges, and other immovable assets, and right-to-use) less any related outstanding debt or lease/subscription obligations used to acquire those assets. The state uses these capital assets, including right-to-use capital 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 capital assets, must be provided from other sources.

Approximately \$12.1 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 \$11.3 billion.

The state's combined net position for governmental and business-type activities decreased \$102.9 million (0.2 percent) over the course of this fiscal year. This resulted from a \$29.5 million (0.1 percent) decrease in net position of governmental activities, and a \$73.5 million (1.6 percent) decrease in net position of business-type activities.

**Changes in Net Position  
For Fiscal Years Ended June 30, 2025 and 2024  
(In Thousands)**

|                                                  | Governmental Activities |                      | Business-type Activities |                     | Total Primary Government |                      |
|--------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|--------------------------|----------------------|
|                                                  | 2025                    | 2024                 | 2025                     | 2024                | 2025                     | 2024                 |
| <b>Revenues</b>                                  |                         |                      |                          |                     |                          |                      |
| Program Revenues:                                |                         |                      |                          |                     |                          |                      |
| Charges for Services                             | \$ 2,041,144            | \$ 1,908,449         | \$ 3,313,621             | \$ 3,046,692        | \$ 5,354,765             | \$ 4,955,141         |
| Operating Grants and Contr. <sup>(1)</sup>       | 19,945,356              | 19,221,033           | 603,288                  | 534,605             | 20,548,644               | 19,755,638           |
| Capital Grants                                   | 202,451                 | 151,399              | —                        | —                   | 202,451                  | 151,399              |
| General Revenues:                                |                         |                      |                          |                     |                          |                      |
| Individual Income Taxes                          | 18,138,683              | 16,740,695           | —                        | —                   | 18,138,683               | 16,740,695           |
| Corporate Income Taxes                           | 3,051,184               | 3,223,930            | —                        | —                   | 3,051,184                | 3,223,930            |
| Sales Taxes                                      | 8,958,996               | 8,803,443            | —                        | —                   | 8,958,996                | 8,803,443            |
| Property Taxes                                   | 764,304                 | 721,648              | —                        | —                   | 764,304                  | 721,648              |
| Motor Vehicle Taxes                              | 2,143,197               | 2,043,105            | —                        | —                   | 2,143,197                | 2,043,105            |
| Fuel Taxes                                       | 946,242                 | 889,206              | —                        | —                   | 946,242                  | 889,206              |
| Other Taxes                                      | 3,781,821               | 3,592,615            | —                        | —                   | 3,781,821                | 3,592,615            |
| Tobacco Settlement                               | 151,351                 | 183,713              | —                        | —                   | 151,351                  | 183,713              |
| Investment/Interest Earnings <sup>(1)</sup>      | 906,159                 | 1,161,610            | 109,331                  | 114,499             | 1,015,490                | 1,276,109            |
| Other Revenues                                   | 132,046                 | 182,180              | 963                      | 749                 | 133,009                  | 182,929              |
| <b>Total Revenues</b>                            | <b>\$ 61,162,934</b>    | <b>\$ 58,823,026</b> | <b>\$ 4,027,203</b>      | <b>\$ 3,696,545</b> | <b>\$ 65,190,137</b>     | <b>\$ 62,519,571</b> |
| <b>Expenses</b>                                  |                         |                      |                          |                     |                          |                      |
| Agricultural, Environmental and Energy Resources | \$ 2,092,577            | \$ 1,719,682         | \$ —                     | \$ —                | \$ 2,092,577             | \$ 1,719,682         |
| Economic and Workforce Dev.                      | 1,869,749               | 2,014,315            | —                        | —                   | 1,869,749                | 2,014,315            |
| General Education                                | 14,025,258              | 13,402,311           | —                        | —                   | 14,025,258               | 13,402,311           |
| General Government                               | 2,105,935               | 2,745,406            | —                        | —                   | 2,105,935                | 2,745,406            |
| Health and Human Services                        | 29,032,573              | 26,811,914           | —                        | —                   | 29,032,573               | 26,811,914           |
| Higher Education                                 | 1,306,409               | 1,216,259            | —                        | —                   | 1,306,409                | 1,216,259            |
| Intergovernmental Aid                            | 3,000,434               | 2,758,543            | —                        | —                   | 3,000,434                | 2,758,543            |
| Public Safety and Corrections                    | 1,841,112               | 1,749,108            | —                        | —                   | 1,841,112                | 1,749,108            |
| Transportation                                   | 4,825,943               | 4,258,157            | —                        | —                   | 4,825,943                | 4,258,157            |
| Interest <sup>(1)</sup>                          | 267,997                 | 239,583              | —                        | —                   | 267,997                  | 239,583              |
| Family & Medical Benefit Ins.                    | —                       | —                    | 19,452                   | 1,093               | 19,452                   | 1,093                |
| State Colleges and Universities                  | —                       | —                    | 2,371,807                | 2,182,883           | 2,371,807                | 2,182,883            |
| Unemployment Insurance                           | —                       | —                    | 1,342,708                | 1,209,236           | 1,342,708                | 1,209,236            |
| Lottery                                          | —                       | —                    | 546,461                  | 582,117             | 546,461                  | 582,117              |
| Other Expenses                                   | —                       | —                    | 644,659                  | 614,224             | 644,659                  | 614,224              |
| <b>Total Expenses</b>                            | <b>\$ 60,367,987</b>    | <b>\$ 56,915,278</b> | <b>\$ 4,925,087</b>      | <b>\$ 4,589,553</b> | <b>\$ 65,293,074</b>     | <b>\$ 61,504,831</b> |
| Excess (Deficiency) Before Transfers             | \$ 794,947              | \$ 1,907,748         | \$ (897,884)             | \$ (893,008)        | \$ (102,937)             | \$ 1,014,740         |
| Transfers                                        | (824,401)               | (1,458,611)          | 824,401                  | 1,458,611           | —                        | —                    |
| Changes in Net Position                          | \$ (29,454)             | \$ 449,137           | \$ (73,483)              | \$ 565,603          | \$ (102,937)             | \$ 1,014,740         |
| Net Position, Beginning <sup>(1)</sup>           | \$ 39,502,326           | \$ 39,051,708        | \$ 4,601,367             | \$ 4,037,245        | \$ 44,103,693            | \$ 43,088,953        |
| Change in Accounting Principle                   | (326,857)               | —                    | (81,011)                 | —                   | (407,868)                | —                    |
| Change in Reporting Entity                       | —                       | 1,481                | —                        | (1,481)             | —                        | —                    |
| Net Position, Beginning, as Restated             | \$ 39,175,469           | \$ 39,053,189        | \$ 4,520,356             | \$ 4,035,764        | \$ 43,695,825            | \$ 43,088,953        |
| <b>Net Position, Ending</b>                      | <b>\$ 39,146,015</b>    | <b>\$ 39,502,326</b> | <b>\$ 4,446,873</b>      | <b>\$ 4,601,367</b> | <b>\$ 43,592,888</b>     | <b>\$ 44,103,693</b> |

<sup>(1)</sup> 2024 governmental activities has been restated for error corrections. See Note 20 – Change in Accounting Principle, Change in Accounting Estimate, Error Correction, and Change in Reporting Entity.

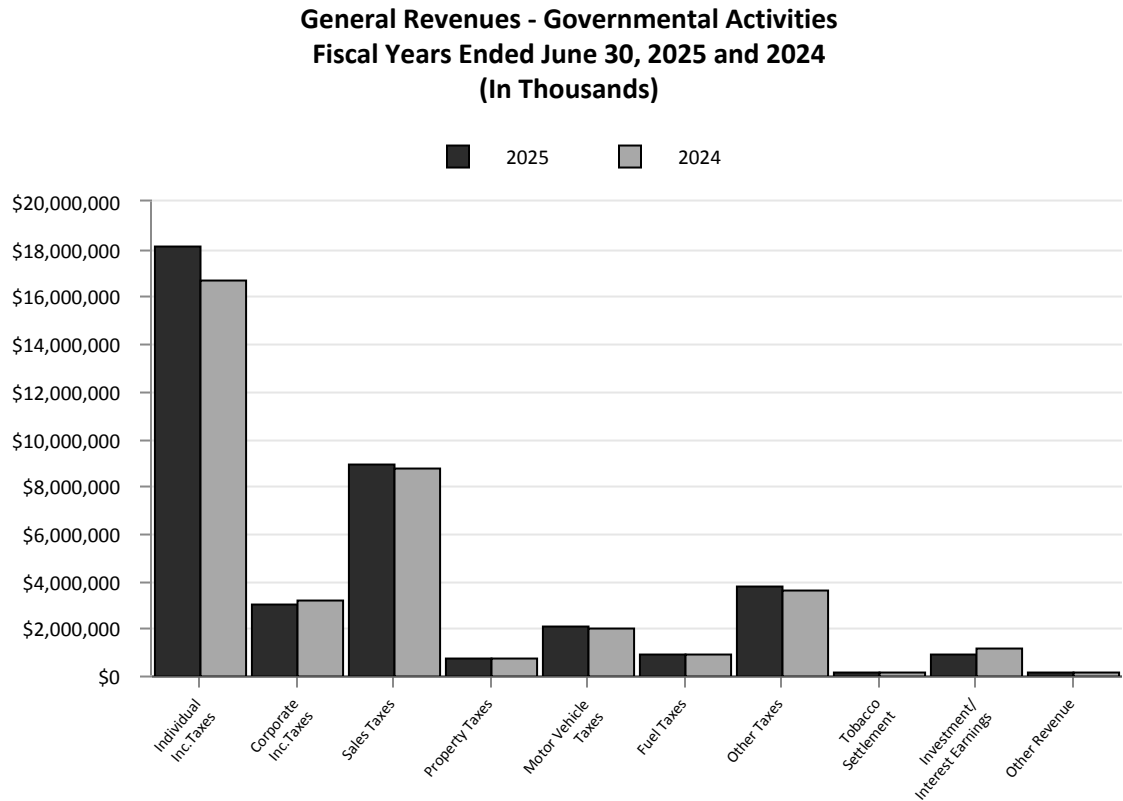
Approximately 58 percent of the state’s total revenue (governmental and business-type activities) came from taxes, while 32 percent resulted from grants and contributions, including federal aid. Charges for various goods and services provided 8 percent of the total revenues. The remaining 2 percent came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

Governmental Activities

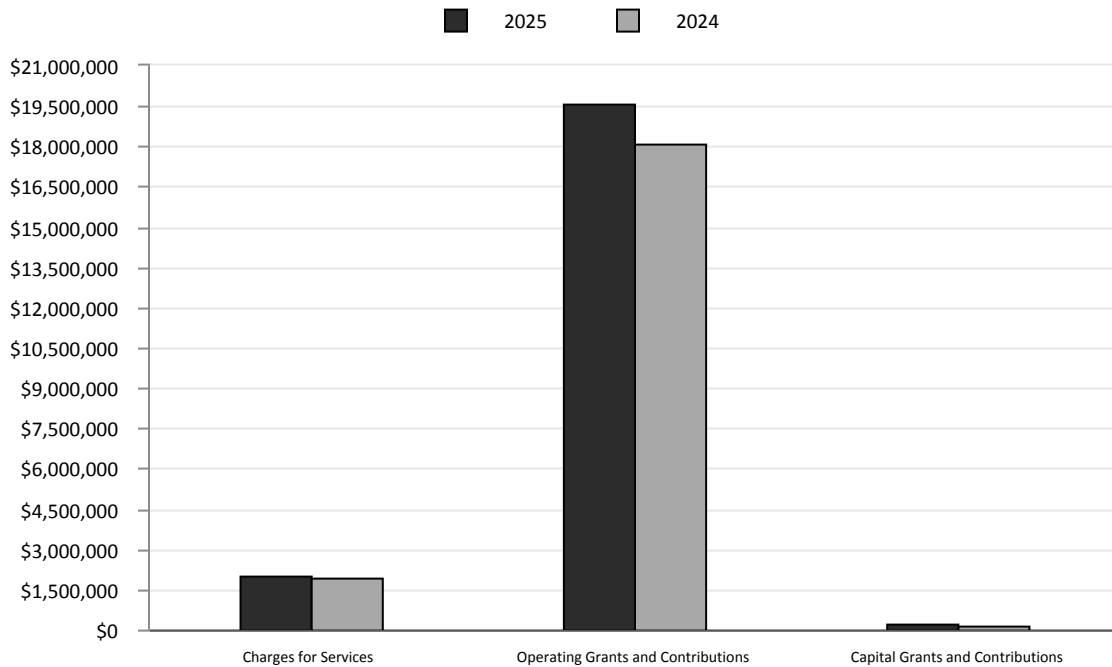
Governmental activities decreased the state’s net position by \$29.5 million in the current year compared to an increase of \$449.1 million in the prior year.

Revenues increased \$2.3 billion (4.0 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.



The state's largest general revenues relate to sales and income taxes. The economy has remained relatively stable between the current year and the prior year. The increase in individual income taxes is the result of an increase in wages, while the decrease in corporate income taxes is the result of a decrease in corporate taxes on foreign income. Even though individual wages increased, sales taxes decreased slightly due to one-time refunds issued for exempt data centers. This was partially offset by increases due to a full year of sales taxes from the Twin Cities Metropolitan Area sales taxes, which funds and supports transportation, transit, and housing projects and provides state rent assistance in the metropolitan area that started during the prior year. The motor vehicle taxes increase was due to a full year of an increase in the vehicle registration tax rate which started in January 2024, while the fuel taxes increase was due to an increase in the rate starting in January 2025. The increase in other taxes was primarily due to an increase in estate taxes and taxes charged to medical providers, wholesale distributors, and hospitals.

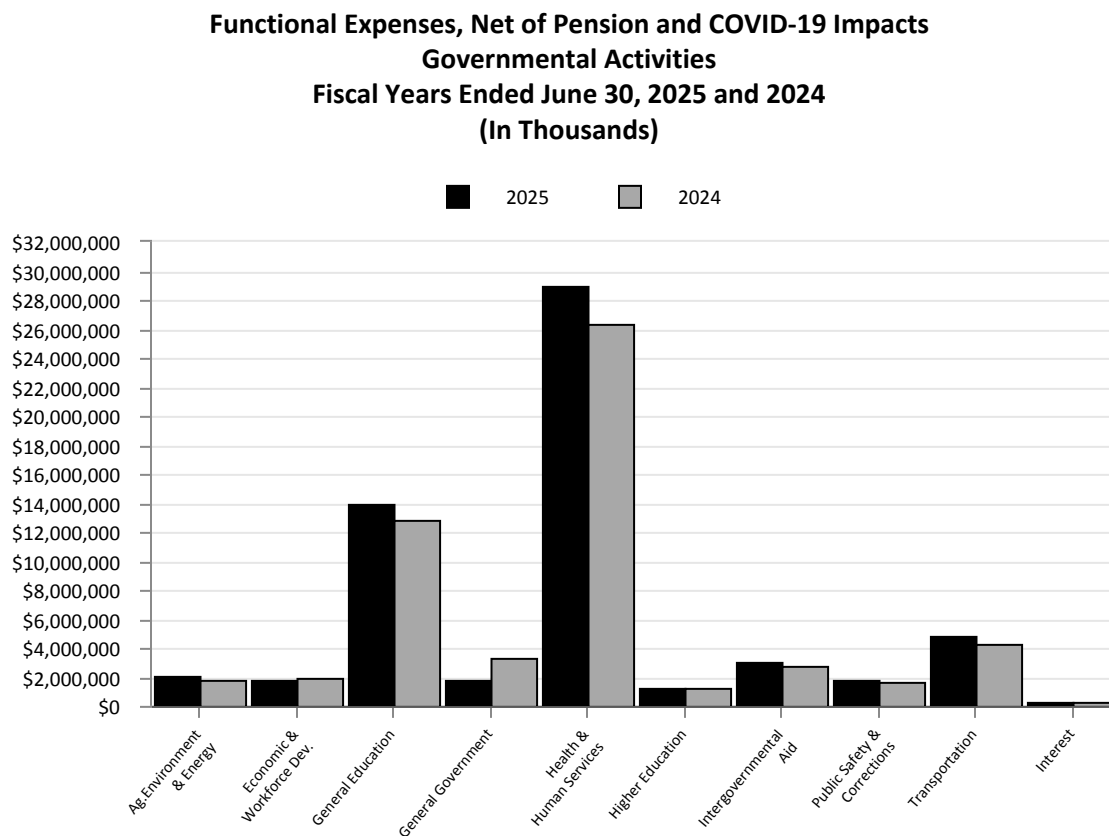
**Program Revenues, Net of COVID-19 - Governmental Activities**  
**Fiscal Years Ended June 30, 2025 and 2024**  
**(In Thousands)**



The operating grants and contributions, net of the COVID-19 revenue, increased over the prior year. This was primarily due to an increase of federal funding for medical assistance, general and special education aid to school districts, and transportation projects under the Infrastructure Investment and Jobs Act.

There was a \$3.5 billion (6.1 percent) increase in governmental activities expenses compared to the prior year. This included an increase in expenses of \$608.9 million related to the impacts of pension reporting, a decrease in expenses of \$828.2 million related to COVID-19, and an increase in non-pension related expenses of \$3.7 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.

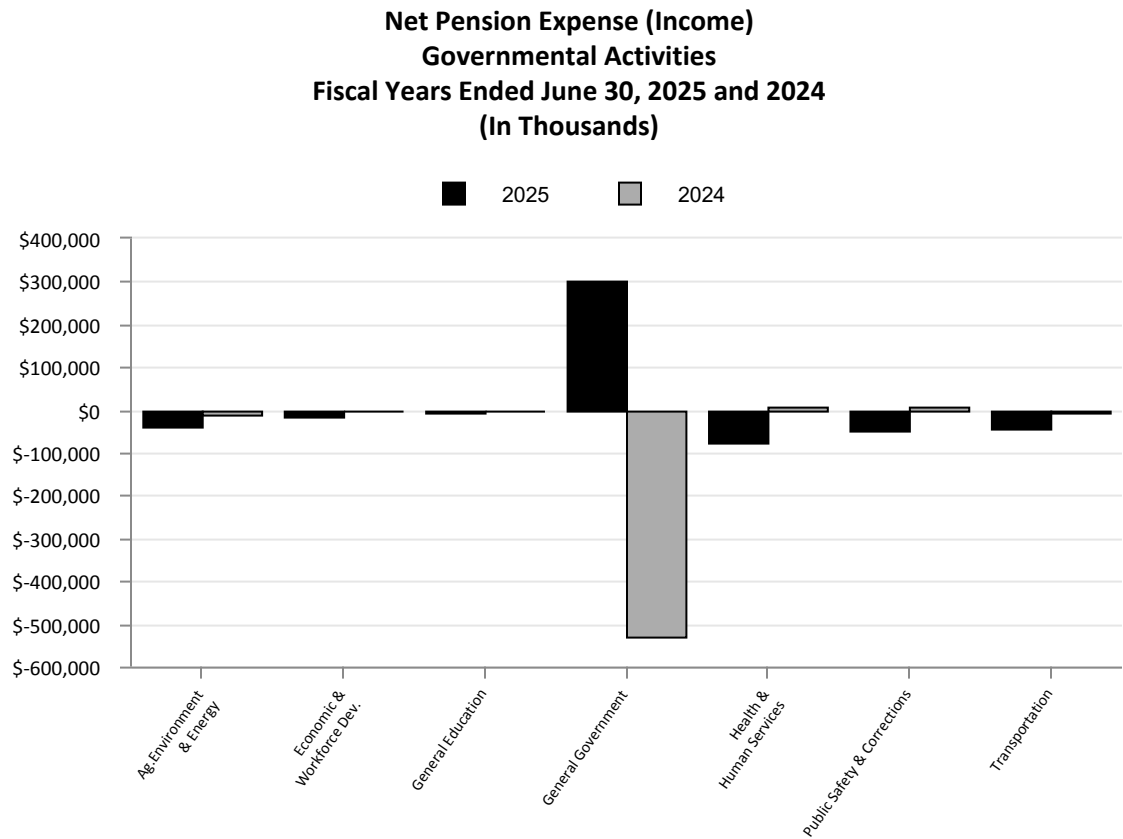


The majority of the functional expenses, net of the impacts of pension and COVID-19 expenses, increased during the current fiscal year. The most significant increase related to health and human services expenses, which primarily was due to a 20 percent increase in the average cost per participant, especially in long-term care. In addition, many types of health and human services grants increased, such as adult mental health as the per participant rate increased, housing support as more individuals qualified due to a modification of income, and basic sliding fee childcare assistance as the average payment per child increased. Health and human services expenses also increased due to an increased focus on community awareness and health promotion of areas such as sex trafficking, stroke awareness, cancer prevention, and suicide and crisis lifeline awareness. General education expenses also had a large increase due to an increase in aid to school districts for both general and special education. The increase in general education was primarily due to the two percent per pupil formula increase. Several other functions had smaller increases. The agricultural, environment, and energy expenses increased due to an increased focus on water remediation projects with increased grants to local governments and watershed districts, grants to communities for climate and resilience initiatives, one-time projects and grants to enhance parks in Minnesota, and grants to communities impacted by flooding in southern Minnesota. The higher education expenses increase is due to an increase in grants to the Office of Higher Education (component unit) for a financial aid program and grants to both the Office of Higher Education and the University of Minnesota (component unit) for capital projects. The intergovernmental aid expenditures increased due to an increase in general aid to local governments and tribal nations, as well as grants to local governments to provide housing as spending of the Twin Cities Metropolitan sales taxes that started in the prior year increased. These increases were partially offset by a reduction in aid to local governments for public safety as these were one-time grants in the prior year. The public safety and corrections expenses increased due to an increase in staffing and/or space for correctional facilities, state patrol, and capital security as well as an increase in grants for public

safety and communities. The transportation expenses increase is due to the increase in expenses related to the federal Infrastructure Investment and Jobs Act as well as increased grants to local units of governments and Metropolitan Council (component unit) for spending of the Twin Cities Metropolitan sales tax on transportation support and transit projects in the metropolitan areas. These increases were offset by a decrease in general and capital project grants to the Metropolitan Council.

Both general government and economic and workforce development expenses decreased during the current year. The largest decrease in general government was primarily due to the one-time rebates of the surplus funds to individuals and funding a tax forfeiture lawsuit settlement against a county in Minnesota in the prior year as well as a decrease in one-time transfers to many of the pension plans. These decreases were slightly offset by an increase in staffing and technology spending for the trial courts in the current year. The economic and workforce development expenses decrease is due to the one-time grants to the Housing Finance Agency (component unit) for housing projects in the prior year. This was partially offset by new one-time grants and aid to businesses to support community training and development in new or expanding industries and broadband for unserved or underserved communities, as well increases in grants to the Minnesota Climate Innovation Finance Authority, Public Facilities Authority (component units), and local units of government, and increases in expenses to grow clean energy and technology under the federal Inflation Reduction Act.

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 decreased by \$73.5 million during the current year compared to an increase of \$565.6 million in the prior year. The impacts of pension related reporting on business-type activities resulted in a decrease in expenses of \$9.8 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.

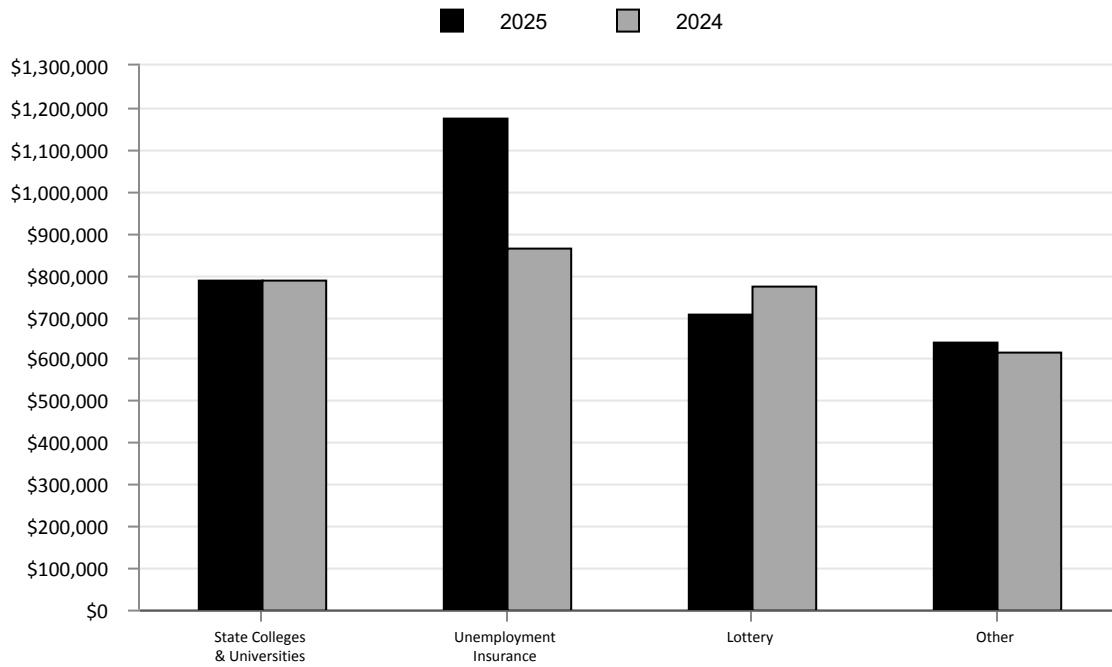
The decrease in the net position of the state's business-type activities primarily resulted from a \$8.8 million increase in net position in the Family and Medical Benefit Insurance Fund, a \$43.1 million increase in net position in the State Colleges and Universities Fund, and a \$175.9 million decrease in net position in the Unemployment Insurance Fund.

The Family and Medical Benefit Insurance Fund's net position increased \$8.8 million during the current year compared to an increase of \$695.9 million in the prior year. This fund started in the prior year with a one-time transfer of start-up funds from the General Fund and investment income on these start-up funds. During the current year, this fund continued to earn investment income on these start-up funds, and is increasing staff and preparing for the start of this program. 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.

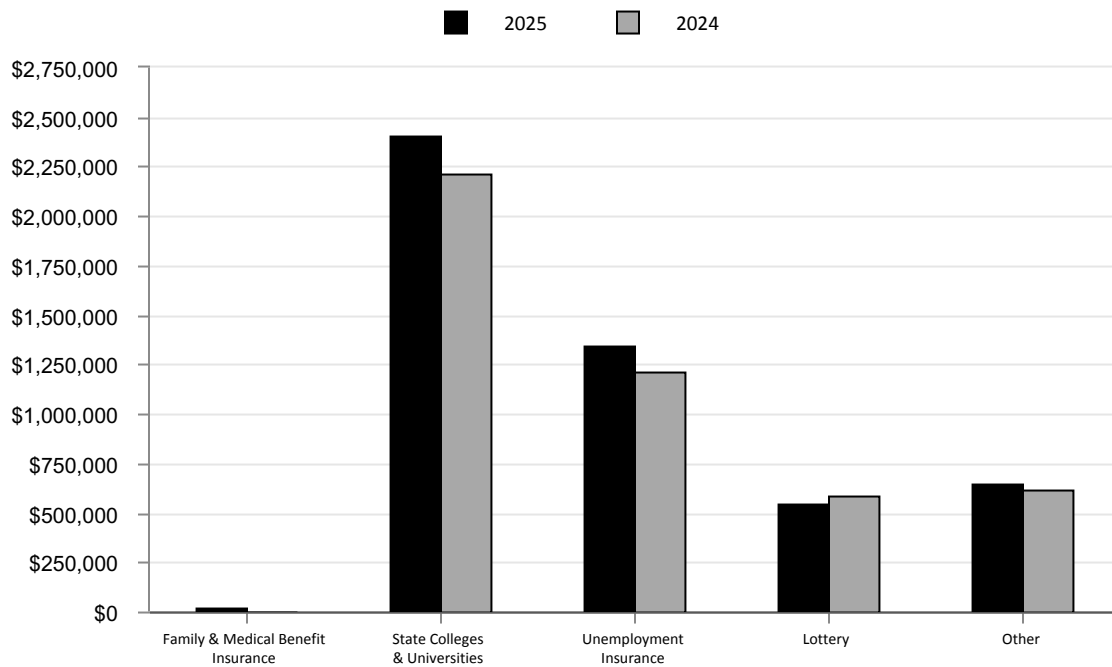
The State Colleges and Universities Fund's net position increased \$43.1 million during the current year compared to an increase of \$108.9 million in the prior year. The increase in net position during the current year was less than the prior year increase. This was the result of increases in salaries and fringe benefit expenses, net of the pension expense decrease of \$3.2 million, which was offset by an increase in federal grants due to a change in the eligibility criteria which resulted in more students qualifying for the award. The student financial aid expenses increases were offset by the increased grants and subsidies as a result of the North Star Promise program grants from the Office of Higher Education (component unit) which provides free college tuition to eligible residents.

The Unemployment Insurance Fund's net position decreased \$175.9 million during the current year compared to a decrease of \$273.9 million in the prior year. The decrease in net position resulted from the increase in unemployment benefits due to the rise in benefits paid resulting from an increase in the number of layoffs during the current year and growth from the change in eligibility to cover educational employees that started in the prior year. In addition, federal grants decreased as a result of the federal pandemic unemployment compensation program ending. This was partially offset by an increase in insurance premiums due to a growth in taxable wages along with an increase in the base tax rate.

**Charges for Services - Business-type Activities**  
**Fiscal Years Ended June 30, 2025 and 2024**  
**(In Thousands)**



**Expenses Net of Pension Impact - Business-type Activities**  
**Fiscal Years Ended June 30, 2025, and 2024**  
**(In Thousands)**



## Long-Term Liabilities

The state's total long-term liabilities decreased by \$304.2 million (2.1 percent) during the current fiscal year. This decrease is primarily attributable to a decrease in the Net Pension Liability of \$1.1 billion, which was offset by an increase associated with the issuance of state general obligation bonds for trunk highway projects and other various state purposes. 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 \$27.0 billion, a decrease of \$449.3 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 \$15.7 billion, a decrease of \$1.1 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 relatively stable between the current year and prior year. Individual income taxes increased as a result of wage increases, while corporate income taxes decreased due to a decrease in corporate taxes on foreign income. Sales taxes decreased slightly due to one-time refunds issued for exempt data centers, which was partially offset by the increase due to a full year of sales taxes from the Twin Cities Metropolitan Area sales taxes which started during the prior year. The increase in other taxes was primarily due to increases in estate taxes, and taxes charged to medical providers, wholesale distributors, and hospitals.

The General Fund expenditures, net of expenditures related to COVID-19, increased over the prior year. The health and human services expenditures increased due to an increase in medical assistance due to a 20 percent increase in the average cost per participant and decrease in the federal participation rate, which also shifted some additional costs from the Federal Fund to the General Fund. As stated previously, many types of health and human services grants increased, such as adult mental health, housing support, and basic sliding fee childcare assistance, as well as an increased focus on community awareness and health promotion of areas such as sex trafficking, stroke awareness, cancer prevention, suicide and crisis lifeline awareness, etc. The general education expenditures increase was primarily due to the two percent per pupil formula increase, which was slightly offset by a slight decrease in the number of pupils. The increase in agricultural, environmental, and energy resources expenditures was due to one-time projects and grants to enhance parks in Minnesota, and one-time grants to communities for climate and resilience initiatives. The increase in higher education expenditures was due to an increase in grants to the Office of Higher Education (component unit) for a financial aid program. The increase in intergovernmental aid expenditures is the result of increases in grants to local governments and tribal nations, partially offset by a reduction in aid to local governments for public safety as these were one-time grants in the prior year. The increase in public safety and corrections expenditures was due to an increase in staffing and/or space for correctional facilities, state patrol, and capital security as well as an increase in public safety and community grants. The transportation expenditures increase is due to the increase in expenditures related to the state match for

the federal Infrastructure Investment and Jobs Act, offset by a decrease in grants to the Metropolitan Council (component unit). These increases in expenditures were offset by decreases in both the general government and workforce development expenditures. The decrease in general government was primarily due to the one-time rebates of the surplus funds to individuals and funding a tax forfeiture lawsuit settlement against a county in Minnesota in the prior year as well as a decrease in one-time transfers to many of the pension plans. These decreases were slightly offset by an increase in staffing and technology spending for the trial courts in the current year. The economic and workforce development expenses decrease is due to the one-time grants to the Housing Finance Agency (component unit) for housing projects in the prior year. This was partially offset by new one-time grants and aid to businesses to support community training and development in new or expanding industries and broadband for unserved or underserved communities, as well increases in grants to the Minnesota Climate Innovation Finance Authority (component unit).

The Federal Fund expenditures, net of expenditures related to COVID-19, increased over the prior year. The increase in health and human services expenditures was primarily due to the increase in medical assistance due to the 20 percent increase in the average cost per participant, offset by a reduction in the federal share. The increase in general education was due to an increase in aid to school districts for both general and special education. The increase in transportation expenditures was due to increased spending on transportation projects under the Infrastructure Investment and Jobs Act. The increase in economic and workforce development expenditures was due to increased spending to grow clean energy and technology under the Inflation Reduction Act.

During the current year, the motor vehicle taxes increase was due to a full year of an increase in the vehicle registration tax that started in January 2024, while the fuel taxes increase was due to an increase in the rate starting in January 2025. These increases impacted the Trunk Highway, Municipal State-aid Street, and County State-aid funds (special revenue funds). The increase in sales taxes resulted from a full year of the Twin Cities Metropolitan Area sales tax that started in the prior year to fund and support transportation and transit projects in the metropolitan area in both the Miscellaneous Special Revenue and the Housing Assistance funds (special revenue funds). This caused an increase in transportation expenditures due to an increase in grants to Metropolitan Council (component unit) in the Miscellaneous Special Revenue Fund as well as an increase in economic and workforce development expenditures due to an increase in grants to Housing Finance Agency (component unit), and intergovernmental aid expenditures due to an increase in grants to local units of government to provide housing support in the Housing Assistance Fund. The increase in other revenues was due to a reimbursement of the counties' share of medical assistance grants in the Miscellaneous Special Revenue Fund (special revenue fund). The increase in transportation expenditures was due to increased spending on transportation projects under the federal Infrastructure Investment and Jobs Act in the Trunk Highway Fund (special revenue fund), which was reimbursed by the federal government causing federal revenue to increase. The increase in agricultural, environmental, and energy resources expenditures resulted from an increased focus on water remediation projects in the Environmental and Remediation Fund, grants to local governments and watershed districts in the Heritage Fund, and grants to communities for energy programs in the Miscellaneous Special Revenue Fund (special revenue funds), as well as grants to communities impacted by flooding in southern Minnesota for capital projects in the Building Fund (capital project fund). The increase in economic and workforce development expenditures was due to increases in grants to Public Facilities Authority (component unit) for capital projects in both the General Projects and Building Funds (capital project funds), as well as an increase in infrastructure grants in the General Projects Fund. The higher education expenditures increase is due to an increase in grants to the University of Minnesota (component unit) for capital projects in the Building Fund. The public safety and corrections expenditures increased due to an increase in state patrol staffing and space in the Trunk Highway Fund (special revenue fund).

## **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 decreased by \$73.5 million during the current year. This primarily resulted from a \$8.8 million increase in net position of the newly created Family and Medical Benefit Insurance Fund, a \$43.1 million increase in net position of the State Colleges and Universities Fund, and a \$175.9 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 the Governmental Accounting Standards Board (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, 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 2025. These are material to understanding changes in General Fund balances that occurred in fiscal year 2025. 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 2025.

### **Actions Establishing the Fiscal Year 2025 Budget**

The 2023 Legislature established the 2024-25 biennial budget based on the February 2023 Budget and Economic Forecast, which showed a projected balance in the General Fund 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 General Fund unreserved budgetary 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 General Fund 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 estimated revenues and current resources, \$69.518 billion in projected spending, \$3.202 billion in cash flow and budgetary reserves, and an estimated \$1.583 billion ending unreserved budgetary balance.

### **Budget and Forecast Actions Impacting Fiscal Year 2025**

The November 2023 Budget and Economic Forecast increased the projected ending unreserved budgetary balance in the General Fund for the 2024-25 biennium to a total of \$2.392 billion, an increase of \$808 million compared to previous estimates. Total revenues and current resources for the 2024-25 biennium were forecast to be \$59.655 billion, \$837 million more than prior projections. Total tax revenues for the biennium were forecast to be \$57.058 billion, \$710 million above the prior estimate. The forecasts for Minnesota's three largest tax types were higher than the end-of-session estimates. Total expenditures for the 2024-25 biennium were projected to be \$70.516 billion, \$998 million 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 allocation to the budget reserve. After that 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 General Fund unreserved budgetary balance compared to the November 2023 Budget and Economic Forecast. Given this, the 2024-25 biennium was projected to conclude with an available unreserved 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 a 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 an unreserved budgetary balance of \$3.291 billion.

Fiscal year 2024 ended with a General Fund actual unreserved budgetary 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 General Fund unreserved budgetary balance for fiscal year 2025, with an expected 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 more than prior estimates while expenditures for the biennium were expected to be \$70.670 billion, a reduction of \$280 million 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.

The February 2025 Budget and Economic Forecast projected an unreserved budgetary balance in the General Fund of \$3.742 billion for the 2024-25 biennium, \$10 million less than prior projections. Total revenues for the biennium were forecast to be \$61.728 billion, \$294 million more than in the prior forecast. Spending in the 2024-25 biennium was estimated to be \$70.975 billion, \$304 million higher than previous estimates. The budget reserve balance of \$3.177 billion and the cash flow account balance of \$350 million were unchanged.

The 2025 regular and special legislative sessions resulted in minor changes to General Fund revenues and expenditures for the 2024-25 biennium. Revenue was estimated to be \$61.729 billion, \$1 million more than prior estimates. Appropriation reductions of \$195 million decreased total projected spending for the biennium to \$70.780 billion. No changes were made that impacted the balance of the budget reserve or cash flow account. At the end of the 2025 legislative sessions, the General Fund was expected to end the 2024-25 biennium with an unreserved budgetary balance of \$3.937 billion.

The 2024-25 biennium closed with a General Fund unreserved budgetary balance of \$4.878 billion, \$941 million higher than estimated at the end of the 2025 legislative sessions. Final total current resources, including taxes, other revenue, and accounting adjustments from prior fiscal years, was \$63.042 billion for the biennium, \$1.313 billion higher than estimates. General Fund actual spending was \$69.285 billion, \$1.495 billion lower than prior estimates; however, \$1.859 billion in unspent appropriations from fiscal year 2025 carried forward and are available to be spent in fiscal year 2026. The General Fund budget reserve closed the biennium with a balance of \$3.186 billion, a \$9 million increase compared to prior estimates. The cash flow account balance of \$350 million remained unchanged compared to prior estimates.

## **Actions Establishing the 2026-27 Biennial Budget**

The 2025 regular and special legislative sessions ended with the enactment of the 2026-27 Biennial Budget, which contained significant changes to base level revenues and spending projected in prior forecasts. Upon enactment of the General Fund biennial budget, it was estimated that \$7.464 billion in reserves and unrestricted balance would balance forward from fiscal year 2025, revenues and other current resources would be \$64.823 billion, and appropriated spending would total \$66.874 billion. The General Fund budget reserve was estimated to total \$3.177 billion and the cash flow account was projected to remain at \$350 million. After these legislatively enacted changes, the General Fund was projected to have an unreserved budgetary balance of \$1.886 billion at the end of the 2026-27 biennium.

With the release of the November 2025 Budget and Economic Forecast, the projected surplus in the 2026-27 biennium is \$2.465 billion, an improvement of \$579 million. A larger closing balance in the previous biennium and an increased revenue forecast are partially offset by increases to estimated spending and an allocation to the budget reserve.

Total General Fund revenues for the 2026-27 biennium are forecasted to be \$66.262 billion, \$1.440 billion more than in the prior estimates. Total tax revenues for the biennium are projected to be \$63.191 billion, \$1.188 billion above the prior forecast. The forecasts for individual income taxes and other smaller tax revenue types are higher than previously estimated. These higher forecasts offset lower forecasts for corporate income tax revenues, sales tax revenues, and statewide property tax revenues.

Total General Fund expenditures for the 2026-27 biennium are projected to be \$70.299 billion, \$3.425 billion higher than previously forecasted. However, \$1.859 billion of the spending increase is attributable to appropriations left unspent in the prior biennium that have legislative authority to carryforward and be spent in the 2026-27 biennium. Estimated expenditures in the 2026-27 biennium without the addition of these carryforward appropriations increase by \$1.565 billion in the November forecast compared to estimates at the time of the biennial budget enactment. Driving this change is an increased forecast for health and human services spending, which is estimated to be \$1.406 billion higher than prior estimates. Increased health and human services spending estimates are primarily due to higher projected rates for medical assistance rate payments for managed care as well as higher costs for long term care obligations.

Minnesota Statutes 16A.152 directs Minnesota Management and Budget to allocate funds to the General Fund budget reserve account up to the recommended budget reserve level when there is a projected surplus in the current biennium in the November Budget and Economic Forecast. In September 2025, Minnesota Management and Budget, in accordance with Minnesota Statutes section 16A.152 subd.8, recommended a budget reserve target of 5.2 percent. When calculated using the updated revenue forecast contained in the November 2025 Budget and Economic Forecast, the budget reserve target level is \$3.422 billion. Because the reserve balance at the close of 2024-25 biennium was below the new target level, \$236 million from the projected surplus was allocated to the reserve so that the balance meets the target level of \$3.422 billion. The cash flow account balance is unchanged at \$350 million.



## **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 2025 with a balance of \$5.534 billion. On a GAAP basis, the General Fund reported a balance of \$15.684 billion for fiscal year 2025, a difference of \$10.150 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 \$5.327 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 \$4.823 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 Capital Assets and Debt Administration**

### **Capital Assets, including Right-to-Use Capital Assets**

The state's investment in capital assets, including right-to-use capital assets for governmental and business-type activities as of June 30, 2025, was \$31.5 billion, less accumulated depreciation/amortization of \$6.7 billion, resulting in a net book value of \$24.8 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 assets, 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 Capital Assets**  
**June 30, 2025 and 2024**  
(In Thousands)

|                                                                  | Governmental Activities     |                             | Business-type Activities   |                            | Total Primary Government    |                             |
|------------------------------------------------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
|                                                                  | 2025                        | 2024                        | 2025                       | 2024                       | 2025                        | 2024                        |
| Capital Assets not Depreciated:                                  |                             |                             |                            |                            |                             |                             |
| Land                                                             | \$ 3,166,753                | \$ 3,059,643                | \$ 94,521                  | \$ 93,817                  | \$ 3,261,274                | \$ 3,153,460                |
| Buildings, Structures, Improvements                              | 342,252                     | 342,252                     | —                          | —                          | 342,252                     | 342,252                     |
| Construction in Progress                                         | 462,619                     | 230,928                     | 126,036                    | 80,205                     | 588,655                     | 311,133                     |
| Development in Progress                                          | 306,464                     | 291,902                     | 12,887                     | 4,402                      | 319,351                     | 296,304                     |
| Infrastructure                                                   | 14,259,292                  | 13,748,699                  | —                          | —                          | 14,259,292                  | 13,748,699                  |
| Easement/Other Intangibles                                       | 642,275                     | 598,220                     | 596                        | 596                        | 642,871                     | 598,816                     |
| Art and Historical Treasures                                     | 12,290                      | 12,290                      | —                          | —                          | 12,290                      | 12,290                      |
| Total Capital Assets not Depreciated                             | <u>\$ 19,191,945</u>        | <u>\$ 18,283,934</u>        | <u>\$ 234,040</u>          | <u>\$ 179,020</u>          | <u>\$ 19,425,985</u>        | <u>\$ 18,462,954</u>        |
| Capital Assets Depreciated:                                      |                             |                             |                            |                            |                             |                             |
| Buildings, Structures, Improvements                              | \$ 4,094,417                | \$ 3,909,044                | \$ 4,236,372               | \$ 4,170,429               | \$ 8,330,789                | \$ 8,079,473                |
| Infrastructure                                                   | 633,161                     | 609,713                     | 46,986                     | 30,733                     | 680,147                     | 640,446                     |
| Easements                                                        | 6,109                       | 5,932                       | —                          | —                          | 6,109                       | 5,932                       |
| Library Collections                                              | —                           | —                           | 31,700                     | 31,920                     | 31,700                      | 31,920                      |
| Internally Generated Computer Software                           | 558,932                     | 507,780                     | 76,280                     | 73,618                     | 635,212                     | 581,398                     |
| Equipment, Furniture, Fixtures                                   | 1,184,045                   | 1,087,737                   | 395,011                    | 381,616                    | 1,579,056                   | 1,469,353                   |
| Total Capital Assets Depreciated                                 | <u>\$ 6,476,664</u>         | <u>\$ 6,120,206</u>         | <u>\$ 4,786,349</u>        | <u>\$ 4,688,316</u>        | <u>\$ 11,263,013</u>        | <u>\$ 10,808,522</u>        |
| Less: Accumulated Depreciation                                   | <u>(3,232,754)</u>          | <u>(3,048,053)</u>          | <u>(3,044,783)</u>         | <u>(2,913,433)</u>         | <u>(6,277,537)</u>          | <u>(5,961,486)</u>          |
| Total Capital Assets Depreciated, Net                            | <u>\$ 3,243,910</u>         | <u>\$ 3,072,153</u>         | <u>\$ 1,741,566</u>        | <u>\$ 1,774,883</u>        | <u>\$ 4,985,476</u>         | <u>\$ 4,847,036</u>         |
| Right-to-Use Capital Assets Amortized:                           |                             |                             |                            |                            |                             |                             |
| Leased Buildings, Structures, Improvements                       | \$ 419,695                  | \$ 514,704                  | \$ 76,961                  | \$ 60,638                  | \$ 496,656                  | \$ 575,342                  |
| Leased Easements                                                 | 4,292                       | 3,955                       | —                          | —                          | 4,292                       | 3,955                       |
| Leased Equipment, Furniture, Fixtures                            | 21,720                      | 20,447                      | 18,374                     | 19,286                     | 40,094                      | 39,733                      |
| IT Subscriptions                                                 | 174,690                     | 127,285                     | 53,446                     | 52,213                     | 228,136                     | 179,498                     |
| Total Right-to-Use Capital Assets Amortized                      | <u>\$ 620,397</u>           | <u>\$ 666,391</u>           | <u>\$ 148,781</u>          | <u>\$ 132,137</u>          | <u>\$ 769,178</u>           | <u>\$ 798,528</u>           |
| Less: Accumulated Amortization                                   | <u>(324,898)</u>            | <u>(255,591)</u>            | <u>(70,712)</u>            | <u>(57,179)</u>            | <u>(395,610)</u>            | <u>(312,770)</u>            |
| Total Right-to-Use Capital Assets Amortized, Net                 | <u>\$ 295,499</u>           | <u>\$ 410,800</u>           | <u>\$ 78,069</u>           | <u>\$ 74,958</u>           | <u>\$ 373,568</u>           | <u>\$ 485,758</u>           |
| Total Capital Assets, including Right-to-Use Capital Assets, Net | <u><u>\$ 22,731,354</u></u> | <u><u>\$ 21,766,887</u></u> | <u><u>\$ 2,053,675</u></u> | <u><u>\$ 2,028,861</u></u> | <u><u>\$ 24,785,029</u></u> | <u><u>\$ 23,795,748</u></u> |

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 2024, 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 2024, indicated that 94.1 percent of principal arterial system bridges and 92.5 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 slightly slower than expected causing expenditures to be less than the budget. The increase in expenditures on bridges in the current year was due the several new major projects, such as the Stone Arch Bridge in Minneapolis, and several stretches of bridges along major interstates in Minnesota.

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 Capital 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, 2025, 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, 2025 and 2024  
(In Thousands)**

|                              | Governmental Activities |                     | Business-type Activities |                   | Total Primary Government |                     |
|------------------------------|-------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|
|                              | 2025                    | 2024                | 2025                     | 2024              | 2025                     | 2024                |
| General Obligation           | \$ 7,696,791            | \$ 6,997,312        | \$ 153,468               | \$ 150,805        | \$ 7,850,259             | \$ 7,148,117        |
| Revenue                      | 114,467                 | 64,101              | 154,989                  | 173,053           | 269,456                  | 237,154             |
| State Appropriation Bonds    | 378,652                 | 428,269             | —                        | —                 | 378,652                  | 428,269             |
| Certificate of Participation | 527,381                 | 545,441             | —                        | —                 | 527,381                  | 545,441             |
| Total                        | <u>\$ 8,717,291</u>     | <u>\$ 8,035,123</u> | <u>\$ 308,457</u>        | <u>\$ 323,858</u> | <u>\$ 9,025,748</u>      | <u>\$ 8,358,981</u> |

During fiscal year 2025, the state issued the following bonds:

- \$879.6 million in general obligation state various purpose bonds
- \$352.8 million in general obligation state trunk highway bonds
- \$30.0 million in general obligation taxable state various purpose bonds
- \$190.2 million in state various purpose refunding bonds
- \$141.2 million in state trunk highway refunding
- \$48.0 million in revenue bonds for grants for capital improvements in the taconite assistance area

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.

Minnesota Management and Budget  
400 Centennial Office Building  
658 Cedar Street  
Saint Paul, Minnesota, 55155-1489  
651-201-8000  
<https://www.mn.gov/mmb/>



State of Minnesota

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## Basic Financial Statements

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2025  
Annual  
Comprehensive  
Financial Report

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State of Minnesota

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# Government-wide Financial Statements

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2025  
Annual  
Comprehensive  
Financial Report

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**STATE OF MINNESOTA**
**STATEMENT OF NET POSITION**
**JUNE 30, 2025**
**(IN THOUSANDS)**

IN THOUSANDS)

|                                                                    | PRIMARY GOVERNMENT         |                             |               |                    |
|--------------------------------------------------------------------|----------------------------|-----------------------------|---------------|--------------------|
|                                                                    | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL         | COMPONENT<br>UNITS |
| ASSETS                                                             |                            |                             |               |                    |
| Current Assets:                                                    |                            |                             |               |                    |
| Cash and Cash Equivalents .....                                    | \$ 26,266,143              | \$ 3,176,825                | \$ 29,442,968 | \$ 3,336,645       |
| Investments .....                                                  | 4,907,486                  | 29,506                      | 4,936,992     | 2,638,053          |
| Accounts Receivable .....                                          | 4,173,337                  | 634,908                     | 4,808,245     | 867,242            |
| Due from Component Units .....                                     | 28,034                     | —                           | 28,034        | —                  |
| Due from Primary Government .....                                  | —                          | —                           | —             | 396,200            |
| Accrued Investment/Interest Earnings .....                         | 89,238                     | 2                           | 89,240        | 67,900             |
| Federal Aid Receivable .....                                       | 2,650,533                  | 56,324                      | 2,706,857     | 27,989             |
| Inventories .....                                                  | 67,606                     | 26,377                      | 93,983        | 65,240             |
| Loans and Notes Receivable .....                                   | 27,171                     | 821                         | 27,992        | 311,682            |
| Leases Receivable .....                                            | 2,820                      | 3,040                       | 5,860         | 32,290             |
| Internal Balances .....                                            | 103,538                    | (103,538)                   | —             | —                  |
| Other Assets .....                                                 | 2,892                      | 3,260                       | 6,152         | 33,573             |
| Total Current Assets .....                                         | \$ 38,318,798              | \$ 3,827,525                | \$ 42,146,323 | \$ 7,776,814       |
| Noncurrent Assets:                                                 |                            |                             |               |                    |
| Cash and Cash Equivalents-Restricted .....                         | \$ —                       | \$ 81,505                   | \$ 81,505     | \$ 2,576,353       |
| Investments-Restricted .....                                       | —                          | —                           | —             | 5,897,438          |
| Accounts Receivable-Restricted .....                               | —                          | —                           | —             | 222,992            |
| Due from Primary Government-Restricted .....                       | —                          | —                           | —             | 25,284             |
| Due from Primary Government .....                                  | —                          | —                           | —             | 1,002              |
| Due from Component Units .....                                     | 114,052                    | —                           | 114,052       | —                  |
| Investments .....                                                  | —                          | —                           | —             | 7,042,559          |
| Derivative Instrument-Rate Swap .....                              | —                          | —                           | —             | 40,447             |
| Accounts Receivable .....                                          | 1,172,889                  | 2,720                       | 1,175,609     | 397,519            |
| Loans and Notes Receivable .....                                   | 231,871                    | 2,183                       | 234,054       | 3,485,071          |
| Leases Receivable .....                                            | 5,178                      | 11,592                      | 16,770        | 586,350            |
| Investment in Land .....                                           | 15,943                     | —                           | 15,943        | —                  |
| Right-to-Use Capital Assets (Net) .....                            | 295,499                    | 78,069                      | 373,568       | 250,368            |
| Depreciable Capital Assets (Net) .....                             | 3,243,910                  | 1,741,566                   | 4,985,476     | 6,623,344          |
| Nondepreciable Capital Assets .....                                | 4,932,653                  | 234,040                     | 5,166,693     | 4,394,790          |
| Infrastructure (Not depreciated) .....                             | 14,259,292                 | —                           | 14,259,292    | —                  |
| Other Assets .....                                                 | 280                        | —                           | 280           | 9,337              |
| Total Noncurrent Assets .....                                      | \$ 24,271,567              | \$ 2,151,675                | \$ 26,423,242 | \$ 31,552,854      |
| Total Assets .....                                                 | \$ 62,590,365              | \$ 5,979,200                | \$ 68,569,565 | \$ 39,329,668      |
| DEFERRED OUTFLOWS OF RESOURCES                                     |                            |                             |               |                    |
| Accumulated Decrease in Fair Value of Derivative Instruments ..... | \$ —                       | \$ —                        | \$ —          | \$ 8,185           |
| Bond Refunding .....                                               | 8,114                      | 943                         | 9,057         | 2,674              |
| Deferred Outflows .....                                            | —                          | —                           | —             | 4,096              |
| Deferred Pension Outflows .....                                    | 1,279,150                  | 149,303                     | 1,428,453     | 236,101            |
| Deferred Other Postemployment Benefits Outflows .....              | 131,428                    | 26,165                      | 157,593       | 33,866             |
| Total Deferred Outflows of Resources .....                         | \$ 1,418,692               | \$ 176,411                  | \$ 1,595,103  | \$ 284,922         |
| LIABILITIES                                                        |                            |                             |               |                    |
| Current Liabilities:                                               |                            |                             |               |                    |
| Accounts Payable .....                                             | \$ 8,451,957               | \$ 342,108                  | \$ 8,794,065  | \$ 959,867         |
| Due to Component Units .....                                       | 362,715                    | 12                          | 362,727       | —                  |
| Due to Primary Government .....                                    | —                          | —                           | —             | 33,318             |
| Unearned Revenue .....                                             | 235,209                    | 84,358                      | 319,567       | 126,238            |
| Accrued Interest Payable .....                                     | 130,874                    | —                           | 130,874       | 146,642            |
| Bonds and Notes Payable .....                                      | 690,036                    | 37,666                      | 727,702       | 787,819            |
| Lease/Subscription Payable .....                                   | 85,491                     | 20,935                      | 106,426       | 30,582             |
| Certificates of Participation Payable .....                        | 17,170                     | —                           | 17,170        | —                  |
| Claims Payable .....                                               | 221,181                    | 20,841                      | 242,022       | 396,170            |
| Compensated Absences Payable .....                                 | 467,717                    | 47,352                      | 515,069       | 141,419            |
| Other Postemployment Benefits .....                                | 41,214                     | 6,745                       | 47,959        | 21,489             |
| Other Liabilities .....                                            | —                          | 12,852                      | 12,852        | 5,455              |
| Total Current Liabilities .....                                    | \$ 10,703,564              | \$ 572,869                  | \$ 11,276,433 | \$ 2,648,999       |



# STATE OF MINNESOTA

## STATEMENT OF NET POSITION

JUNE 30, 2025

(IN THOUSANDS)

|                                                                     | PRIMARY GOVERNMENT         |                             |               | COMPONENT<br>UNITS |
|---------------------------------------------------------------------|----------------------------|-----------------------------|---------------|--------------------|
|                                                                     | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL         |                    |
| Noncurrent Liabilities:                                             |                            |                             |               |                    |
| Accounts Payable-Restricted .....                                   | \$ —                       | \$ —                        | \$ —          | \$ 189,629         |
| Unearned Revenue-Restricted .....                                   | —                          | —                           | —             | 239,694            |
| Accrued Interest Payable-Restricted .....                           | —                          | —                           | —             | 12,321             |
| Accounts Payable .....                                              | —                          | —                           | —             | 29,843             |
| Due to Primary Government .....                                     | —                          | —                           | —             | 114,052            |
| Unearned Revenue .....                                              | 160,981                    | —                           | 160,981       | 6,025              |
| Interest Rate Swap Agreements .....                                 | —                          | —                           | —             | 6,860              |
| Bonds and Notes Payable .....                                       | 7,636,197                  | 291,067                     | 7,927,264     | 10,306,296         |
| Lease/Subscription Payable .....                                    | 196,941                    | 56,614                      | 253,555       | 148,548            |
| Due to Component Units .....                                        | 1,002                      | —                           | 1,002         | —                  |
| Certificates of Participation Payable .....                         | 510,211                    | —                           | 510,211       | —                  |
| Claims Payable .....                                                | 765,102                    | 1,164                       | 766,266       | 503,250            |
| Compensated Absences Payable .....                                  | 402,658                    | 232,889                     | 635,547       | 46,397             |
| Net Pension Liability .....                                         | 1,612,481                  | 213,893                     | 1,826,374     | 32,802             |
| Other Postemployment Benefits .....                                 | 681,966                    | 97,174                      | 779,140       | 302,944            |
| Funds Held in Trust .....                                           | —                          | —                           | —             | 587,416            |
| Other Liabilities .....                                             | —                          | 2,518                       | 2,518         | 120,085            |
| Total Noncurrent Liabilities .....                                  | \$ 11,967,539              | \$ 895,319                  | \$ 12,862,858 | \$ 12,646,162      |
| Total Liabilities .....                                             | \$ 22,671,103              | \$ 1,468,188                | \$ 24,139,291 | \$ 15,295,161      |
| DEFERRED INFLOWS OF RESOURCES                                       |                            |                             |               |                    |
| Accumulated Increase in Fair Values of Derivative Instruments ..... | \$ —                       | \$ —                        | \$ —          | \$ 40,447          |
| Bond Refunding .....                                                | 206,774                    | 5,169                       | 211,943       | 23,608             |
| Deferred Leases .....                                               | 7,998                      | 15,253                      | 23,251        | 563,995            |
| Deferred Revenue .....                                              | 422,024                    | —                           | 422,024       | 46,128             |
| Deferred Pension Inflows .....                                      | 1,490,426                  | 196,638                     | 1,687,064     | 340,852            |
| Deferred Other Postemployment Benefits Inflows .....                | 64,717                     | 23,490                      | 88,207        | 85,668             |
| Total Deferred Inflows of Resources .....                           | \$ 2,191,939               | \$ 240,550                  | \$ 2,432,489  | \$ 1,100,698       |
| NET POSITION                                                        |                            |                             |               |                    |
| Net Investment in Capital Assets .....                              | \$ 18,594,404              | \$ 1,673,505                | \$ 20,267,909 | \$ 7,786,564       |
| Restricted to:                                                      |                            |                             |               |                    |
| Improve Agricultural, Environmental and Energy Resources .....      | \$ 4,000,148               | \$ —                        | \$ 4,000,148  | \$ —               |
| Enhance Arts and Culture .....                                      | 36,152                     | —                           | 36,152        | —                  |
| Acquire, Maintain, and Improve Land and Buildings .....             | —                          | 657                         | 657           | —                  |
| Retire Indebtedness .....                                           | 511,488                    | 152,786                     | 664,274       | —                  |
| Develop Economy and Workforce .....                                 | 530,299                    | 7,369                       | 537,668       | —                  |
| Enhance E-12 Education .....                                        | 23,592                     | —                           | 23,592        | —                  |
| Enhance State Government .....                                      | 64,945                     | —                           | 64,945        | —                  |
| Enhance Health and Human Services .....                             | 235,260                    | 55,625                      | 290,885       | —                  |
| Enhance Higher Education .....                                      | 639                        | 22,259                      | 22,898        | —                  |
| Enhance 911 Services and Increase Safety .....                      | 16,771                     | 149,873                     | 166,644       | —                  |
| School Aid-Expendable .....                                         | 15,551                     | —                           | 15,551        | —                  |
| School Aid-Nonexpendable .....                                      | 2,330,113                  | —                           | 2,330,113     | —                  |
| Construct Highways and Improve Infrastructure .....                 | 2,608,982                  | —                           | 2,608,982     | —                  |
| Unemployment Benefits .....                                         | —                          | 1,173,149                   | 1,173,149     | —                  |
| Other Purposes .....                                                | —                          | 119,448                     | 119,448       | —                  |
| Component Units .....                                               | —                          | —                           | —             | 13,246,763         |
| Total Restricted .....                                              | \$ 10,373,940              | \$ 1,681,166                | \$ 12,055,106 | \$ 13,246,763      |
| Unrestricted .....                                                  | \$ 10,177,671              | \$ 1,092,202                | \$ 11,269,873 | \$ 2,185,404       |
| Total Net Position .....                                            | \$ 39,146,015              | \$ 4,446,873                | \$ 43,592,888 | \$ 23,218,731      |

The notes are an integral part of the financial statements.

**STATE OF MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**  
**(IN THOUSANDS)**

| FUNCTIONS/PROGRAMS                                     | EXPENSES             | PROGRAM REVENUES           |                                          |                                        |
|--------------------------------------------------------|----------------------|----------------------------|------------------------------------------|----------------------------------------|
|                                                        |                      | CHARGES<br>FOR<br>SERVICES | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS |
| Primary Government:                                    |                      |                            |                                          |                                        |
| Governmental Activities:                               |                      |                            |                                          |                                        |
| Agricultural, Environmental and Energy Resources ..... | \$ 2,092,577         | \$ 555,776                 | \$ 753,350                               | \$ 42,355                              |
| Economic and Workforce Development .....               | 1,869,749            | 82,122                     | 349,972                                  | —                                      |
| General Education .....                                | 14,025,258           | 23,960                     | 1,502,177                                | 3,417                                  |
| General Government .....                               | 2,105,935            | 373,352                    | 140,319                                  | —                                      |
| Health and Human Services .....                        | 29,032,573           | 655,920                    | 15,634,649                               | —                                      |
| Higher Education .....                                 | 1,306,409            | 26                         | 131                                      | —                                      |
| Intergovernmental Aid .....                            | 3,000,434            | —                          | —                                        | —                                      |
| Public Safety and Corrections .....                    | 1,841,112            | 275,046                    | 276,366                                  | —                                      |
| Transportation .....                                   | 4,825,943            | 74,942                     | 1,288,392                                | 156,679                                |
| Interest .....                                         | 267,997              | —                          | —                                        | —                                      |
| Total Governmental Activities .....                    | <u>\$ 60,367,987</u> | <u>\$ 2,041,144</u>        | <u>\$ 19,945,356</u>                     | <u>\$ 202,451</u>                      |
| Business-type Activities:                              |                      |                            |                                          |                                        |
| Family and Medical Benefit Insurance .....             | \$ 19,452            | \$ —                       | \$ —                                     | \$ —                                   |
| State Colleges and Universities .....                  | 2,371,807            | 790,476                    | 599,997                                  | —                                      |
| Unemployment Insurance .....                           | 1,342,708            | 1,173,353                  | 3,291                                    | —                                      |
| Lottery .....                                          | 546,461              | 708,337                    | —                                        | —                                      |
| Others .....                                           | 644,659              | 641,455                    | —                                        | —                                      |
| Total Business-type Activities .....                   | <u>\$ 4,925,087</u>  | <u>\$ 3,313,621</u>        | <u>\$ 603,288</u>                        | <u>\$ —</u>                            |
| Total Primary Government .....                         | <u>\$ 65,293,074</u> | <u>\$ 5,354,765</u>        | <u>\$ 20,548,644</u>                     | <u>\$ 202,451</u>                      |
| Component Units:                                       |                      |                            |                                          |                                        |
| Housing Finance .....                                  | \$ 958,617           | \$ 49,401                  | \$ 725,677                               | \$ —                                   |
| Metropolitan Council .....                             | 1,457,527            | 398,084                    | 724,283                                  | 535,236                                |
| University of Minnesota .....                          | 5,523,353            | 1,592,909                  | 2,516,086                                | 100,482                                |
| Others .....                                           | 1,143,346            | 153,189                    | 569,179                                  | 4,309                                  |
| Total Component Units .....                            | <u>\$ 9,082,843</u>  | <u>\$ 2,193,583</u>        | <u>\$ 4,535,225</u>                      | <u>\$ 640,027</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 Accounting Principle .....                   |                      |                            |                                          |                                        |
| Error Correction .....                                 |                      |                            |                                          |                                        |
| 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<br>ACTIVITIES                       | BUSINESS-<br>TYPE<br>ACTIVITIES | TOTAL                  | COMPONENT<br>UNITS    |
| \$ (741,096)                                     |                                 | \$ (741,096)           |                       |
| (1,437,655)                                      |                                 | (1,437,655)            |                       |
| (12,495,704)                                     |                                 | (12,495,704)           |                       |
| (1,592,264)                                      |                                 | (1,592,264)            |                       |
| (12,742,004)                                     |                                 | (12,742,004)           |                       |
| (1,306,252)                                      |                                 | (1,306,252)            |                       |
| (3,000,434)                                      |                                 | (3,000,434)            |                       |
| (1,289,700)                                      |                                 | (1,289,700)            |                       |
| (3,305,930)                                      |                                 | (3,305,930)            |                       |
| (267,997)                                        |                                 | (267,997)              |                       |
| <u>\$ (38,179,036)</u>                           |                                 | <u>\$ (38,179,036)</u> |                       |
|                                                  | \$ (19,452)                     | \$ (19,452)            |                       |
|                                                  | (981,334)                       | (981,334)              |                       |
|                                                  | (166,064)                       | (166,064)              |                       |
|                                                  | 161,876                         | 161,876                |                       |
|                                                  | (3,204)                         | (3,204)                |                       |
|                                                  | <u>\$ (1,008,178)</u>           | <u>\$ (1,008,178)</u>  |                       |
| <u>\$ (38,179,036)</u>                           | <u>\$ (1,008,178)</u>           | <u>\$ (39,187,214)</u> |                       |
|                                                  |                                 |                        | \$ (183,539)          |
|                                                  |                                 |                        | 200,076               |
|                                                  |                                 |                        | (1,313,876)           |
|                                                  |                                 |                        | <u>(416,669)</u>      |
|                                                  |                                 |                        | <u>\$ (1,714,008)</u> |
| \$ 18,138,683                                    | \$ —                            | \$ 18,138,683          | \$ —                  |
| 3,051,184                                        | —                               | 3,051,184              | —                     |
| 8,958,996                                        | —                               | 8,958,996              | 426,641               |
| 764,304                                          | —                               | 764,304                | 92,572                |
| 2,143,197                                        | —                               | 2,143,197              | —                     |
| 946,242                                          | —                               | 946,242                | —                     |
| 3,781,821                                        | —                               | 3,781,821              | —                     |
| 151,351                                          | —                               | 151,351                | —                     |
| 906,159                                          | 109,331                         | 1,015,490              | 1,517,727             |
| 132,046                                          | 963                             | 133,009                | 479,158               |
| —                                                | —                               | —                      | 1,313,814             |
| (824,401)                                        | 824,401                         | —                      | —                     |
| <u>\$ 38,149,582</u>                             | <u>\$ 934,695</u>               | <u>\$ 39,084,277</u>   | <u>\$ 3,829,912</u>   |
| <u>\$ (29,454)</u>                               | <u>\$ (73,483)</u>              | <u>\$ (102,937)</u>    | <u>\$ 2,115,904</u>   |
| \$ 39,963,338                                    | \$ 4,601,367                    | \$ 44,564,705          | \$ 21,105,325         |
| (326,857)                                        | (81,011)                        | (407,868)              | (2,498)               |
| (461,012)                                        | —                               | (461,012)              | —                     |
| <u>\$ 39,175,469</u>                             | <u>\$ 4,520,356</u>             | <u>\$ 43,695,825</u>   | <u>\$ 21,102,827</u>  |
| <u>\$ 39,146,015</u>                             | <u>\$ 4,446,873</u>             | <u>\$ 43,592,888</u>   | <u>\$ 23,218,731</u>  |





State of Minnesota

# Fund Financial Statements

2025  
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## Governmental Funds

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### **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.

2025  
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**STATE OF MINNESOTA****GOVERNMENTAL FUNDS****BALANCE SHEET****JUNE 30, 2025****(IN THOUSANDS)**

|                                                                           | GENERAL              | FEDERAL             | NONMAJOR FUNDS       | TOTAL                |
|---------------------------------------------------------------------------|----------------------|---------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                             |                      |                     |                      |                      |
| Cash and Cash Equivalents .....                                           | \$ 16,671,207        | \$ 57,671           | \$ 8,980,000         | \$ 25,708,878        |
| Investments .....                                                         | 2,056,610            | —                   | 2,850,876            | 4,907,486            |
| Accounts Receivable .....                                                 | 4,506,534            | 365,914             | 465,942              | 5,338,390            |
| Interfund Receivables .....                                               | 325,619              | 157                 | 703,795              | 1,029,571            |
| Due from Component Units .....                                            | 23,978               | —                   | 118,108              | 142,086              |
| Accrued Investment/Interest Earnings .....                                | 77,170               | —                   | 12,068               | 89,238               |
| Federal Aid Receivable .....                                              | —                    | 2,576,780           | 73,753               | 2,650,533            |
| Inventories .....                                                         | —                    | 2,459               | 64,738               | 67,197               |
| Loans and Notes Receivable .....                                          | 48,780               | 8,788               | 201,474              | 259,042              |
| Leases Receivable .....                                                   | —                    | —                   | 4,725                | 4,725                |
| Investment in Land .....                                                  | —                    | —                   | 15,943               | 15,943               |
| Total Assets .....                                                        | <u>\$ 23,709,898</u> | <u>\$ 3,011,769</u> | <u>\$ 13,491,422</u> | <u>\$ 40,213,089</u> |
| <b>LIABILITIES</b>                                                        |                      |                     |                      |                      |
| Accounts Payable .....                                                    | \$ 4,858,455         | \$ 2,605,097        | \$ 1,056,416         | \$ 8,519,968         |
| Interfund Payables .....                                                  | 6,231                | 67,428              | 792,180              | 865,839              |
| Due to Component Units .....                                              | 182,252              | 137,886             | 42,257               | 362,395              |
| Unearned Revenue .....                                                    | 144,723              | 194,484             | 50,168               | 389,375              |
| Total Liabilities .....                                                   | <u>\$ 5,191,661</u>  | <u>\$ 3,004,895</u> | <u>\$ 1,941,021</u>  | <u>\$ 10,137,577</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                     |                      |                      |
| Deferred Leases .....                                                     | \$ —                 | \$ —                | \$ 4,725             | \$ 4,725             |
| Deferred Revenue .....                                                    | 2,833,814            | —                   | 224,825              | 3,058,639            |
| Total Deferred Inflows of Resources .....                                 | <u>\$ 2,833,814</u>  | <u>\$ —</u>         | <u>\$ 229,550</u>    | <u>\$ 3,063,364</u>  |
| <b>FUND BALANCES</b>                                                      |                      |                     |                      |                      |
| Nonspendable .....                                                        | \$ 2,085,671         | \$ —                | \$ 2,394,851         | \$ 4,480,522         |
| Restricted .....                                                          | 199,708              | 6,874               | 6,887,367            | 7,093,949            |
| Committed .....                                                           | 131,708              | —                   | 1,226,757            | 1,358,465            |
| Assigned .....                                                            | 4,848,685            | —                   | 811,876              | 5,660,561            |
| Unassigned .....                                                          | 8,418,651            | —                   | —                    | 8,418,651            |
| Total Fund Balances .....                                                 | <u>\$ 15,684,423</u> | <u>\$ 6,874</u>     | <u>\$ 11,320,851</u> | <u>\$ 27,012,148</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances ..... | <u>\$ 23,709,898</u> | <u>\$ 3,011,769</u> | <u>\$ 13,491,422</u> | <u>\$ 40,213,089</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, 2025 (IN THOUSANDS)

|                                                  |                      |
|--------------------------------------------------|----------------------|
| <b>Total Fund Balance for Governmental Funds</b> | <b>\$ 27,012,148</b> |
|--------------------------------------------------|----------------------|

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

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

|                               |               |            |
|-------------------------------|---------------|------------|
| Infrastructure                | \$ 14,259,292 |            |
| Nondepreciable Capital Assets | 4,932,392     |            |
| Depreciable Capital Assets    | 6,204,285     |            |
| Accumulated Depreciation      | (3,068,371)   |            |
| Right-to-Use Capital Assets   | 547,930       |            |
| Accumulated Amortization      | (280,888)     |            |
|                               |               | 22,594,640 |

|                                                                                                                                                                                       |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 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. | 2,636,615 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                 |           |
|-----------------------------------------------------------------------------------------------------------------|-----------|
| Net Deferred Outflows (Inflows) resulting from the refunding of debt included in the Statement of Net Position. | (198,660) |
|-----------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                                                 |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 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. | 412,096 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                        |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Deferred pension outflows (inflows) resulting primarily from actuarial gains and losses to be amortized are included in the Statement of Net Position. | (202,440) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                              |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Deferred other postemployment benefits outflows (inflows) resulting primarily from actuarial gains and losses to be amortized are included in the Statement of Net Position. | 65,828 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

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                      | \$ (130,720) |              |
| General Obligation Bonds Payable              | (6,748,671)  |              |
| State Appropriation Bonds Payable             | (362,960)    |              |
| Revenue Bonds Payable                         | (104,730)    |              |
| Loans and Notes Payable                       | (46,877)     |              |
| Bond Premium Payable                          | (973,549)    |              |
| Due to Component Units                        | (1,322)      |              |
| Lease/Subscription Payable                    | (254,183)    |              |
| Certificates of Participation Payable         | (497,935)    |              |
| Certificates of Participation Premium Payable | (29,446)     |              |
| Claims Payable                                | (860,871)    |              |
| Compensated Absences Payable                  | (837,617)    |              |
| Net Pension Liability                         | (1,611,529)  |              |
| Other Postemployment Benefits                 | (713,802)    |              |
|                                               |              | (13,174,212) |

|                                                |                      |
|------------------------------------------------|----------------------|
| <b>Net Position of Governmental Activities</b> | <b>\$ 39,146,015</b> |
|------------------------------------------------|----------------------|

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, 2025

(IN THOUSANDS)

|                                                        | GENERAL        | FEDERAL       | NONMAJOR FUNDS | TOTAL          |
|--------------------------------------------------------|----------------|---------------|----------------|----------------|
| Net Revenues:                                          |                |               |                |                |
| Individual Income Taxes .....                          | \$ 17,785,593  | \$ —          | \$ —           | \$ 17,785,593  |
| Corporate Income Taxes .....                           | 3,056,349      | —             | —              | 3,056,349      |
| Sales Taxes .....                                      | 7,475,214      | —             | 1,411,658      | 8,886,872      |
| Property Taxes .....                                   | 750,842        | —             | —              | 750,842        |
| Motor Vehicle Taxes .....                              | 441,408        | —             | 1,702,032      | 2,143,440      |
| Fuel Taxes .....                                       | —              | —             | 945,693        | 945,693        |
| Other Taxes .....                                      | 3,520,418      | —             | 289,790        | 3,810,208      |
| Tobacco Settlement .....                               | 152,891        | —             | 3,750          | 156,641        |
| Federal Revenues .....                                 | 84,413         | 18,099,921    | 837,675        | 19,022,009     |
| Licenses and Fees .....                                | 286,788        | 4,333         | 519,152        | 810,273        |
| Departmental Services .....                            | 200,560        | 6,637         | 236,252        | 443,449        |
| Investment/Interest Earnings .....                     | 1,108,205      | 8,006         | 595,083        | 1,711,294      |
| Other Revenues .....                                   | 616,180        | 78,699        | 364,017        | 1,058,896      |
| Net Revenues .....                                     | \$ 35,478,861  | \$ 18,197,596 | \$ 6,905,102   | \$ 60,581,559  |
| Expenditures:                                          |                |               |                |                |
| Agricultural, Environmental and Energy Resources ..... | \$ 624,479     | \$ 350,816    | \$ 1,094,787   | \$ 2,070,082   |
| Economic and Workforce Development .....               | 853,759        | 374,427       | 617,572        | 1,845,758      |
| General Education .....                                | 12,661,467     | 1,239,359     | 117,479        | 14,018,305     |
| General Government .....                               | 1,287,599      | 19,259        | 157,762        | 1,464,620      |
| Health and Human Services .....                        | 13,361,362     | 15,332,858    | 292,165        | 28,986,385     |
| Higher Education .....                                 | 1,196,290      | —             | 109,764        | 1,306,054      |
| Intergovernmental Aid .....                            | 2,951,642      | —             | 48,791         | 3,000,433      |
| Public Safety and Corrections .....                    | 1,181,789      | 232,114       | 388,112        | 1,802,015      |
| Transportation .....                                   | 701,411        | 561,865       | 3,504,712      | 4,767,988      |
| Total Current Expenditures .....                       | \$ 34,819,798  | \$ 18,110,698 | \$ 6,331,144   | \$ 59,261,640  |
| Capital Outlay .....                                   | 181,074        | 65,509        | 1,032,634      | 1,279,217      |
| Debt Service .....                                     | 113,854        | 5,961         | 1,007,826      | 1,127,641      |
| Total Expenditures .....                               | \$ 35,114,726  | \$ 18,182,168 | \$ 8,371,604   | \$ 61,668,498  |
| Excess of Revenues over (under) Expenditures .....     | \$ 364,135     | \$ 15,428     | \$ (1,466,502) | \$ (1,086,939) |
| Other Financing Sources (Uses):                        |                |               |                |                |
| Bond Issuance .....                                    | \$ 48,010      | \$ —          | \$ 1,241,397   | \$ 1,289,407   |
| Loan Issuance .....                                    | —              | —             | 574            | 574            |
| Right-to-Use Issuance .....                            | 46,090         | 607           | 5,916          | 52,613         |
| Issuance of Refunding Bonds .....                      | —              | —             | 331,410        | 331,410        |
| Payment to Refunded Bonds Escrow Agent .....           | —              | —             | (331,410)      | (331,410)      |
| Bond Issuance Premium .....                            | 5,476          | —             | 197,097        | 202,573        |
| Transfers-In .....                                     | 354,327        | 1,576         | 1,169,740      | 1,525,643      |
| Transfers-Out .....                                    | (1,868,171)    | (17,879)      | (547,073)      | (2,433,123)    |
| Net Other Financing Sources (Uses) .....               | \$ (1,414,268) | \$ (15,696)   | \$ 2,067,651   | \$ 637,687     |
| Net Change in Fund Balances .....                      | \$ (1,050,133) | \$ (268)      | \$ 601,149     | \$ (449,252)   |
| Fund Balances, Beginning, as Reported .....            | \$ 16,856,480  | \$ 7,142      | \$ 10,719,702  | \$ 27,583,324  |
| Error Correction .....                                 | (121,924)      | —             | —              | (121,924)      |
| Fund Balances, Beginning, as Restated .....            | \$ 16,734,556  | \$ 7,142      | \$ 10,719,702  | \$ 27,461,400  |
| Fund Balances, Ending .....                            | \$ 15,684,423  | \$ 6,874      | \$ 11,320,851  | \$ 27,012,148  |

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, 2025

(IN THOUSANDS)

---

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| <b>Net Change in Fund Balances for Governmental Funds</b> | <b>\$ (449,252)</b> |
|-----------------------------------------------------------|---------------------|

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 capital assets are allocated over their estimated useful lives or lease/subscription terms as applicable as depreciation/amortization. This is the amount by which capital outlay exceeded the depreciation/amortization in the current period.

|                           |                  |         |
|---------------------------|------------------|---------|
| Capital Outlay            | \$ 1,279,217     |         |
| Depreciation/Amortization | <u>(323,149)</u> |         |
|                           |                  | 956,068 |

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.

14,327

Net changes in capital assets due to the transfer of capital assets between governmental-type activities and business-type activities.

(11,677)

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.

(76,937)

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

439,013

Bond, loan, certificates of participation, and lease/subscription 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.

(1,897,440)

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.

(29,116)

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.

(81,022)

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.

(22,452)

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.

1,253,683

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.

(124,649)

|                                                          |                           |
|----------------------------------------------------------|---------------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b><u>\$ (29,454)</u></b> |
|----------------------------------------------------------|---------------------------|

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, 2025 (IN THOUSANDS)

|                                                        | GENERAL FUND               |                            |                            |
|--------------------------------------------------------|----------------------------|----------------------------|----------------------------|
|                                                        | ORIGINAL<br>BUDGET         | FINAL<br>BUDGET            | ACTUAL                     |
| Net Revenues:                                          |                            |                            |                            |
| Individual Income Taxes .....                          | \$ 15,986,000              | \$ 15,552,979              | \$ 16,655,774              |
| Corporate Income Taxes .....                           | 3,147,465                  | 3,304,391                  | 3,192,096                  |
| Sales Taxes .....                                      | 7,764,458                  | 7,528,992                  | 7,403,624                  |
| Property Taxes .....                                   | 743,297                    | 744,389                    | 745,305                    |
| Other Taxes .....                                      | 3,342,919                  | 3,345,744                  | 3,379,621                  |
| Tobacco Settlement .....                               | 170,971                    | 166,111                    | 152,891                    |
| Licenses and Fees .....                                | 255,038                    | 273,880                    | 279,813                    |
| Departmental Services .....                            | 97,034                     | 98,648                     | 110,526                    |
| Investment/Interest Earnings .....                     | 241,828                    | 714,708                    | 746,846                    |
| Other Revenues .....                                   | 356,851                    | 440,163                    | 502,533                    |
| Net Revenues .....                                     | <u>\$ 32,105,861</u>       | <u>\$ 32,170,005</u>       | <u>\$ 33,169,029</u>       |
| Expenditures:                                          |                            |                            |                            |
| Agricultural, Environmental and Energy Resources ..... | \$ 536,885                 | \$ 536,751                 | \$ 535,558                 |
| Economic and Workforce Development .....               | 935,614                    | 940,578                    | 758,962                    |
| General Education .....                                | 12,313,876                 | 12,538,565                 | 12,522,748                 |
| General Government .....                               | 1,478,846                  | 1,468,476                  | 1,448,332                  |
| Health and Human Services .....                        | 11,829,046                 | 11,940,714                 | 11,877,279                 |
| Higher Education .....                                 | 1,076,072                  | 1,077,847                  | 1,077,393                  |
| Intergovernmental Aid .....                            | 2,615,514                  | 2,615,620                  | 2,614,962                  |
| Public Safety and Corrections .....                    | 1,171,731                  | 1,172,513                  | 1,167,012                  |
| Transportation .....                                   | 283,284                    | 283,309                    | 282,577                    |
| Total Expenditures .....                               | <u>\$ 32,240,868</u>       | <u>\$ 32,574,373</u>       | <u>\$ 32,284,823</u>       |
| Excess of Revenues over (under) Expenditures .....     | <u>\$ (135,007)</u>        | <u>\$ (404,368)</u>        | <u>\$ 884,206</u>          |
| Other Financing Sources (Uses):                        |                            |                            |                            |
| Transfers-In .....                                     | \$ 25,807                  | \$ 32,241                  | \$ 60,832                  |
| Transfers-Out .....                                    | (3,194,894)                | (3,194,894)                | (3,194,894)                |
| Net Other Financing Sources (Uses) .....               | <u>\$ (3,169,087)</u>      | <u>\$ (3,162,653)</u>      | <u>\$ (3,134,062)</u>      |
| Net Change in Fund Balances .....                      | <u>\$ (3,304,094)</u>      | <u>\$ (3,567,021)</u>      | <u>\$ (2,249,856)</u>      |
| Fund Balances, Beginning, as Reported .....            | <u>\$ 12,782,742</u>       | <u>\$ 12,782,742</u>       | <u>\$ 12,782,742</u>       |
| Prior Period Adjustments .....                         | —                          | —                          | 437,538                    |
| Fund Balances, Beginning, as Restated .....            | <u>\$ 12,782,742</u>       | <u>\$ 12,782,742</u>       | <u>\$ 13,220,280</u>       |
| Budgetary Fund Balances, Ending .....                  | <u>\$ 9,478,648</u>        | <u>\$ 9,215,721</u>        | <u>\$ 10,970,424</u>       |
| Less: Appropriation Carryover .....                    | —                          | —                          | 1,885,594                  |
| Less: Reserved for Long-Term Receivables .....         | —                          | —                          | 14,769                     |
| Less: Budgetary Reserve .....                          | —                          | —                          | 3,535,932                  |
| Unassigned Fund Balance, Ending .....                  | <u><u>\$ 9,478,648</u></u> | <u><u>\$ 9,215,721</u></u> | <u><u>\$ 5,534,129</u></u> |

The notes are an integral part of the financial statements.

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Annual  
Comprehensive  
Financial Report

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## Proprietary Funds

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### **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 (Minn State). Minn State 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 Minn State 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, 2025

(IN THOUSANDS)

|                                                          | ENTERPRISE FUNDS                            |                                     |                           |                                 |              |                              |
|----------------------------------------------------------|---------------------------------------------|-------------------------------------|---------------------------|---------------------------------|--------------|------------------------------|
|                                                          | FAMILY &<br>MEDICAL<br>BENEFIT<br>INSURANCE | STATE<br>COLLEGES &<br>UNIVERSITIES | UNEMPLOYMENT<br>INSURANCE | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL        | INTERNAL<br>SERVICE<br>FUNDS |
| ASSETS                                                   |                                             |                                     |                           |                                 |              |                              |
| Current Assets:                                          |                                             |                                     |                           |                                 |              |                              |
| Cash and Cash Equivalents .....                          | \$ 713,658                                  | \$ 1,167,165                        | \$ 832,577                | \$ 463,425                      | \$ 3,176,825 | \$ 557,265                   |
| Investments .....                                        | —                                           | 28,375                              | —                         | 1,131                           | 29,506       | —                            |
| Accounts Receivable .....                                | —                                           | 77,368                              | 516,526                   | 41,014                          | 634,908      | 135,000                      |
| Interfund Receivables .....                              | —                                           | 20,242                              | —                         | 3,299                           | 23,541       | 13                           |
| Accrued Investment/Interest Earnings .....               | —                                           | —                                   | —                         | 2                               | 2            | —                            |
| Federal Aid Receivable .....                             | —                                           | 52,688                              | 3,636                     | —                               | 56,324       | —                            |
| Inventories .....                                        | —                                           | 10,905                              | —                         | 15,472                          | 26,377       | 409                          |
| Loans and Notes Receivable .....                         | —                                           | 821                                 | —                         | —                               | 821          | —                            |
| Leases Receivable .....                                  | —                                           | 2,792                               | —                         | 248                             | 3,040        | 1,366                        |
| Prepaid Expenses .....                                   | —                                           | 2,708                               | —                         | 552                             | 3,260        | 2,892                        |
| Total Current Assets .....                               | \$ 713,658                                  | \$ 1,363,064                        | \$ 1,352,739              | \$ 525,143                      | \$ 3,954,604 | \$ 696,945                   |
| Noncurrent Assets:                                       |                                             |                                     |                           |                                 |              |                              |
| Cash and Cash Equivalents-Restricted .....               | \$ —                                        | \$ 81,505                           | \$ —                      | \$ —                            | \$ 81,505    | \$ —                         |
| Accounts Receivable .....                                | —                                           | —                                   | —                         | 2,720                           | 2,720        | —                            |
| Loans and Notes Receivable .....                         | —                                           | 2,183                               | —                         | —                               | 2,183        | —                            |
| Leases Receivable .....                                  | —                                           | 11,592                              | —                         | —                               | 11,592       | 1,907                        |
| Right-to-Use Capital Assets (Net) .....                  | 354                                         | 60,174                              | —                         | 17,541                          | 78,069       | 28,457                       |
| Depreciable Capital Assets (Net) .....                   | —                                           | 1,606,268                           | —                         | 135,298                         | 1,741,566    | 107,996                      |
| Nondepreciable Capital Assets .....                      | —                                           | 201,431                             | —                         | 32,609                          | 234,040      | 261                          |
| Prepaid Expenses .....                                   | —                                           | —                                   | —                         | —                               | —            | 280                          |
| Total Noncurrent Assets .....                            | \$ 354                                      | \$ 1,963,153                        | \$ —                      | \$ 188,168                      | \$ 2,151,675 | \$ 138,901                   |
| Total Assets .....                                       | \$ 714,012                                  | \$ 3,326,217                        | \$ 1,352,739              | \$ 713,311                      | \$ 6,106,279 | \$ 835,846                   |
| DEFERRED OUTFLOWS OF RESOURCES                           |                                             |                                     |                           |                                 |              |                              |
| Bond Refunding .....                                     | \$ —                                        | \$ 943                              | \$ —                      | \$ —                            | \$ 943       | \$ —                         |
| Deferred Pension Outflows .....                          | 145                                         | 126,361                             | —                         | 22,797                          | 149,303      | 26,410                       |
| Deferred Other Postemployment Benefits<br>Outflows ..... | 107                                         | 22,132                              | —                         | 3,926                           | 26,165       | 1,736                        |
| Total Deferred Outflows of Resources .....               | \$ 252                                      | \$ 149,436                          | \$ —                      | \$ 26,723                       | \$ 176,411   | \$ 28,146                    |
| LIABILITIES                                              |                                             |                                     |                           |                                 |              |                              |
| Current Liabilities:                                     |                                             |                                     |                           |                                 |              |                              |
| Accounts Payable .....                                   | \$ 3,348                                    | \$ 183,762                          | \$ 69,661                 | \$ 85,337                       | \$ 342,108   | \$ 59,360                    |
| Interfund Payables .....                                 | 4,500                                       | 2,253                               | 93,315                    | 27,011                          | 127,079      | 60,000                       |
| Due to Component Units .....                             | —                                           | —                                   | —                         | 12                              | 12           | —                            |
| Unearned Revenue .....                                   | —                                           | 58,185                              | 16,614                    | 9,559                           | 84,358       | 6,815                        |
| Accrued Interest Payable .....                           | —                                           | —                                   | —                         | —                               | —            | 154                          |
| Bonds and Notes Payable .....                            | —                                           | 37,666                              | —                         | —                               | 37,666       | 28,275                       |
| Lease/Subscription Payable .....                         | 42                                          | 16,638                              | —                         | 4,255                           | 20,935       | 11,664                       |
| Claims Payable .....                                     | —                                           | 2,069                               | —                         | 18,772                          | 20,841       | 125,412                      |
| Compensated Absences Payable .....                       | 419                                         | 30,473                              | —                         | 16,460                          | 47,352       | 16,240                       |
| Other Postemployment Benefits .....                      | 33                                          | 5,491                               | —                         | 1,221                           | 6,745        | 535                          |
| Other Liabilities .....                                  | —                                           | 12,852                              | —                         | —                               | 12,852       | —                            |
| Total Current Liabilities .....                          | \$ 8,342                                    | \$ 349,389                          | \$ 179,590                | \$ 162,627                      | \$ 699,948   | \$ 308,455                   |

# STATE OF MINNESOTA

## PROPRIETARY FUNDS

### STATEMENT OF NET POSITION

JUNE 30, 2025

(IN THOUSANDS)

|                                                            | ENTERPRISE FUNDS                            |                                     |                           |                                 |              |                              |
|------------------------------------------------------------|---------------------------------------------|-------------------------------------|---------------------------|---------------------------------|--------------|------------------------------|
|                                                            | FAMILY &<br>MEDICAL<br>BENEFIT<br>INSURANCE | STATE<br>COLLEGES &<br>UNIVERSITIES | UNEMPLOYMENT<br>INSURANCE | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL        | INTERNAL<br>SERVICE<br>FUNDS |
| Noncurrent Liabilities:                                    |                                             |                                     |                           |                                 |              |                              |
| Bonds and Notes Payable .....                              | \$ —                                        | \$ 291,067                          | \$ —                      | \$ —                            | \$ 291,067   | \$ 61,171                    |
| Lease/Subscription Payable .....                           | 324                                         | 42,441                              | —                         | 13,849                          | 56,614       | 16,585                       |
| Claims Payable .....                                       | —                                           | 1,164                               | —                         | —                               | 1,164        | —                            |
| Compensated Absences Payable .....                         | 142                                         | 223,468                             | —                         | 9,279                           | 232,889      | 16,518                       |
| Net Pension Liability .....                                | 6                                           | 205,303                             | —                         | 8,584                           | 213,893      | 952                          |
| Other Postemployment Benefits .....                        | 551                                         | 76,446                              | —                         | 20,177                          | 97,174       | 8,843                        |
| Other Liabilities .....                                    | —                                           | 2,518                               | —                         | —                               | 2,518        | —                            |
| Total Noncurrent Liabilities .....                         | \$ 1,023                                    | \$ 842,407                          | \$ —                      | \$ 51,889                       | \$ 895,319   | \$ 104,069                   |
| Total Liabilities .....                                    | \$ 9,365                                    | \$ 1,191,796                        | \$ 179,590                | \$ 214,516                      | \$ 1,595,267 | \$ 412,524                   |
| DEFERRED INFLOWS OF RESOURCES                              |                                             |                                     |                           |                                 |              |                              |
| Bond Refunding .....                                       | \$ —                                        | \$ 5,169                            | \$ —                      | \$ —                            | \$ 5,169     | \$ —                         |
| Deferred Leases .....                                      | —                                           | 15,005                              | —                         | 248                             | 15,253       | 3,273                        |
| Deferred Pension Inflows .....                             | 194                                         | 167,835                             | —                         | 28,609                          | 196,638      | 35,246                       |
| Deferred Other Postemployment Benefits<br>Inflows .....    | 51                                          | 21,522                              | —                         | 1,917                           | 23,490       | 853                          |
| Total Deferred Inflows of Resources .....                  | \$ 245                                      | \$ 209,531                          | \$ —                      | \$ 30,774                       | \$ 240,550   | \$ 39,372                    |
| NET POSITION                                               |                                             |                                     |                           |                                 |              |                              |
| Net Investment in Capital Assets .....                     | \$ —                                        | \$ 1,506,161                        | \$ —                      | \$ 167,344                      | \$ 1,673,505 | \$ 19,019                    |
| Restricted for:                                            |                                             |                                     |                           |                                 |              |                              |
| Acquire, Maintain, and Improve Land and<br>Buildings ..... | \$ —                                        | \$ 657                              | \$ —                      | \$ —                            | \$ 657       | \$ —                         |
| Retire Indebtedness .....                                  | —                                           | 152,786                             | —                         | —                               | 152,786      | —                            |
| Develop Economy and Workforce .....                        | —                                           | —                                   | —                         | 7,369                           | 7,369        | —                            |
| Enhance Health and Human Services .....                    | —                                           | —                                   | —                         | 55,625                          | 55,625       | —                            |
| Enhance Higher Education .....                             | —                                           | 22,259                              | —                         | —                               | 22,259       | —                            |
| Enhance 911 Services and Increase Safety .....             | —                                           | —                                   | —                         | 149,873                         | 149,873      | —                            |
| Unemployment Benefits .....                                | —                                           | —                                   | 1,173,149                 | —                               | 1,173,149    | —                            |
| Other Purposes .....                                       | —                                           | —                                   | —                         | 119,448                         | 119,448      | —                            |
| Total Restricted .....                                     | \$ —                                        | \$ 175,702                          | \$ 1,173,149              | \$ 332,315                      | \$ 1,681,166 | \$ —                         |
| Unrestricted .....                                         | \$ 704,654                                  | \$ 392,463                          | \$ —                      | \$ (4,915)                      | \$ 1,092,202 | \$ 393,077                   |
| Total Net Position .....                                   | \$ 704,654                                  | \$ 2,074,326                        | \$ 1,173,149              | \$ 494,744                      | \$ 4,446,873 | \$ 412,096                   |

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, 2025

(IN THOUSANDS)

|                                                                                          | ENTERPRISE FUNDS                            |                                     |                           |                                 |                |                              |
|------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|---------------------------|---------------------------------|----------------|------------------------------|
|                                                                                          | FAMILY &<br>MEDICAL<br>BENEFIT<br>INSURANCE | STATE<br>COLLEGES &<br>UNIVERSITIES | UNEMPLOYMENT<br>INSURANCE | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL          | INTERNAL<br>SERVICE<br>FUNDS |
| Operating Revenues:                                                                      |                                             |                                     |                           |                                 |                |                              |
| Tuition and Fees .....                                                                   | \$ —                                        | \$ 670,429                          | \$ —                      | \$ —                            | \$ 670,429     | \$ —                         |
| Restricted Student Payments, Net .....                                                   | —                                           | 103,268                             | —                         | —                               | 103,268        | —                            |
| Net Sales .....                                                                          | —                                           | —                                   | —                         | 1,053,209                       | 1,053,209      | 388,233                      |
| Insurance Premiums .....                                                                 | —                                           | —                                   | 1,131,206                 | 245,995                         | 1,377,201      | 1,321,795                    |
| Other Income .....                                                                       | —                                           | 16,779                              | 42,147                    | 50,588                          | 109,514        | 17,077                       |
| Total Operating Revenues .....                                                           | \$ —                                        | \$ 790,476                          | \$ 1,173,353              | \$ 1,349,792                    | \$ 3,313,621   | \$ 1,727,105                 |
| Less: Cost of Goods Sold .....                                                           | —                                           | —                                   | —                         | 537,553                         | 537,553        | —                            |
| Gross Margin .....                                                                       | \$ —                                        | \$ 790,476                          | \$ 1,173,353              | \$ 812,239                      | \$ 2,776,068   | \$ 1,727,105                 |
| Operating Expenses:                                                                      |                                             |                                     |                           |                                 |                |                              |
| Purchased Services .....                                                                 | \$ 9,504                                    | \$ 282,906                          | \$ —                      | \$ 105,045                      | \$ 397,455     | \$ 249,716                   |
| Salaries and Fringe Benefits .....                                                       | 7,079                                       | 1,553,427                           | —                         | 222,259                         | 1,782,765      | 160,841                      |
| Student Financial Aid .....                                                              | —                                           | 147,229                             | —                         | —                               | 147,229        | —                            |
| Unemployment Benefits .....                                                              | —                                           | —                                   | 1,338,457                 | —                               | 1,338,457      | —                            |
| Claims .....                                                                             | —                                           | —                                   | —                         | 233,366                         | 233,366        | 1,318,508                    |
| Depreciation and Amortization .....                                                      | 51                                          | 163,830                             | —                         | 19,151                          | 183,032        | 40,527                       |
| Supplies and Materials .....                                                             | 301                                         | 125,589                             | —                         | 5,844                           | 131,734        | 12,282                       |
| Repairs and Maintenance .....                                                            | —                                           | 22,574                              | —                         | 2,159                           | 24,733         | 14,942                       |
| Indirect Costs .....                                                                     | 1,087                                       | —                                   | —                         | 14,194                          | 15,281         | 5,049                        |
| Other Expenses .....                                                                     | 1                                           | 49,573                              | —                         | 6,182                           | 55,756         | 2,868                        |
| Total Operating Expenses .....                                                           | \$ 18,023                                   | \$ 2,345,128                        | \$ 1,338,457              | \$ 608,200                      | \$ 4,309,808   | \$ 1,804,733                 |
| Operating Income (Loss) .....                                                            | \$ (18,023)                                 | \$ (1,554,652)                      | \$ (165,104)              | \$ 204,039                      | \$ (1,533,740) | \$ (77,628)                  |
| Nonoperating Revenues (Expenses):                                                        |                                             |                                     |                           |                                 |                |                              |
| Investment/Interest Earnings .....                                                       | \$ 32,854                                   | \$ 32,786                           | \$ 32,209                 | \$ 11,482                       | \$ 109,331     | \$ 25,673                    |
| Federal Grants .....                                                                     | —                                           | 361,603                             | 3,291                     | —                               | 364,894        | —                            |
| Private Grants .....                                                                     | —                                           | 38,760                              | —                         | —                               | 38,760         | —                            |
| Grants and Subsidies .....                                                               | —                                           | 199,634                             | —                         | —                               | 199,634        | —                            |
| Interest and Financing Costs .....                                                       | (16)                                        | (9,733)                             | —                         | (220)                           | (9,969)        | (4,778)                      |
| Grants, Aids and Subsidies .....                                                         | (1,413)                                     | (16,946)                            | (4,251)                   | (30,199)                        | (52,809)       | —                            |
| Other Nonoperating Expenses .....                                                        | —                                           | —                                   | —                         | (14,948)                        | (14,948)       | (373)                        |
| Gain (Loss) on Disposal of Capital Assets<br>including Right-to-Use Capital Assets ..... | —                                           | 1,071                               | —                         | (108)                           | 963            | 2,502                        |
| Total Nonoperating Revenues (Expenses) ..                                                | \$ 31,425                                   | \$ 607,175                          | \$ 31,249                 | \$ (33,993)                     | \$ 635,856     | \$ 23,024                    |
| Income (Loss) Before Transfers and<br>Contributions .....                                | \$ 13,402                                   | \$ (947,477)                        | \$ (133,855)              | \$ 170,046                      | \$ (897,884)   | \$ (54,604)                  |
| Capital Contributions .....                                                              | —                                           | —                                   | —                         | 11,677                          | 11,677         | —                            |
| Transfers-In .....                                                                       | —                                           | 990,594                             | —                         | 30,474                          | 1,021,068      | 640                          |
| Transfers-Out .....                                                                      | (4,616)                                     | —                                   | (42,078)                  | (161,650)                       | (208,344)      | (22,973)                     |
| Change in Net Position .....                                                             | \$ 8,786                                    | \$ 43,117                           | \$ (175,933)              | \$ 50,547                       | \$ (73,483)    | \$ (76,937)                  |
| Net Position, Beginning, as Reported .....                                               | \$ 695,938                                  | \$ 2,102,520                        | \$ 1,349,082              | \$ 453,827                      | \$ 4,601,367   | \$ 500,955                   |
| Change in Accounting Principle .....                                                     | (70)                                        | (71,311)                            | —                         | (9,630)                         | (81,011)       | (11,922)                     |
| Net Position, Beginning, as Restated .....                                               | \$ 695,868                                  | \$ 2,031,209                        | \$ 1,349,082              | \$ 444,197                      | \$ 4,520,356   | \$ 489,033                   |
| Net Position, Ending .....                                                               | \$ 704,654                                  | \$ 2,074,326                        | \$ 1,173,149              | \$ 494,744                      | \$ 4,446,873   | \$ 412,096                   |

The notes are an integral part of the financial statements.



**STATE OF MINNESOTA**
**PROPRIETARY FUNDS**
**STATEMENT OF CASH FLOWS**
**YEAR ENDED JUNE 30, 2025**
**(IN THOUSANDS)**

|                                                                    | ENTERPRISE FUNDS                            |                                     |                           |                                 |                     |                              |
|--------------------------------------------------------------------|---------------------------------------------|-------------------------------------|---------------------------|---------------------------------|---------------------|------------------------------|
|                                                                    | FAMILY &<br>MEDICAL<br>BENEFIT<br>INSURANCE | STATE<br>COLLEGES &<br>UNIVERSITIES | UNEMPLOYMENT<br>INSURANCE | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL               | INTERNAL<br>SERVICE<br>FUNDS |
| <b>Cash Flows from Operating Activities:</b>                       |                                             |                                     |                           |                                 |                     |                              |
| Receipts from Customers .....                                      | \$ —                                        | \$ 797,423                          | \$ 963,495                | \$ 1,297,780                    | \$ 3,058,698        | \$ 1,685,968                 |
| Receipts from Other Revenues .....                                 | —                                           | —                                   | 42,147                    | 49,610                          | 91,757              | 17,077                       |
| Receipts from Repayment of Program Loans ..                        | —                                           | 881                                 | —                         | —                               | 881                 | —                            |
| Financial Aid Disbursements .....                                  | —                                           | (147,229)                           | —                         | —                               | (147,229)           | —                            |
| Payments to Claimants .....                                        | —                                           | —                                   | (1,319,741)               | (684,258)                       | (2,003,999)         | (1,304,301)                  |
| Payments to Suppliers .....                                        | (10,893)                                    | (471,420)                           | —                         | (167,817)                       | (650,130)           | (273,209)                    |
| Payments to Employees .....                                        | (3,373)                                     | (1,560,487)                         | —                         | (228,834)                       | (1,792,694)         | (168,473)                    |
| Payments to Others .....                                           | —                                           | —                                   | —                         | (62,185)                        | (62,185)            | (373)                        |
| Net Cash Flows from Operating Activities .....                     | \$ (14,266)                                 | \$ (1,380,832)                      | \$ (314,099)              | \$ 204,296                      | \$ (1,504,901)      | \$ (43,311)                  |
| <b>Cash Flows from Noncapital Financing Activities:</b>            |                                             |                                     |                           |                                 |                     |                              |
| Grant Receipts .....                                               | \$ —                                        | \$ 572,958                          | \$ 614                    | \$ —                            | \$ 573,572          | \$ —                         |
| Grant Disbursements .....                                          | (1,413)                                     | (29,368)                            | (135)                     | (30,199)                        | (61,115)            | —                            |
| Transfers-In .....                                                 | —                                           | 928,671                             | —                         | 30,474                          | 959,145             | 640                          |
| Transfers-Out .....                                                | (116)                                       | —                                   | (7,596)                   | (165,444)                       | (173,156)           | (22,973)                     |
| Repayment of Advances from Others .....                            | —                                           | —                                   | (59,512)                  | —                               | (59,512)            | —                            |
| Net Cash Flows from Noncapital Financing Activities .....          | \$ (1,529)                                  | \$ 1,472,261                        | \$ (66,629)               | \$ (165,169)                    | \$ 1,238,934        | \$ (22,333)                  |
| <b>Cash Flows from Capital and Related Financing Activities:</b>   |                                             |                                     |                           |                                 |                     |                              |
| Transfers-In .....                                                 | \$ —                                        | \$ 77,568                           | \$ —                      | \$ —                            | \$ 77,568           | \$ —                         |
| Investment in Capital Assets .....                                 | —                                           | (138,917)                           | —                         | (26,290)                        | (165,207)           | (50,844)                     |
| Proceeds from Disposal of Capital Assets .....                     | —                                           | 5,501                               | —                         | 427                             | 5,928               | 8,382                        |
| Proceeds from Capital Bonds .....                                  | —                                           | 23,967                              | —                         | —                               | 23,967              | —                            |
| Proceeds from Loans .....                                          | —                                           | —                                   | —                         | —                               | —                   | 51,255                       |
| Lease/Subscription Payments .....                                  | (39)                                        | (21,208)                            | —                         | (4,954)                         | (26,201)            | (12,948)                     |
| Repayment of Loan Principal .....                                  | —                                           | (1,453)                             | —                         | —                               | (1,453)             | (25,893)                     |
| Repayment of Bond Principal .....                                  | —                                           | (35,024)                            | —                         | —                               | (35,024)            | —                            |
| Interest Paid .....                                                | (16)                                        | (4,439)                             | —                         | (220)                           | (4,675)             | (4,729)                      |
| Net Cash Flows from Capital and Related Financing Activities ..... | \$ (55)                                     | \$ (94,005)                         | \$ —                      | \$ (31,037)                     | \$ (125,097)        | \$ (34,777)                  |
| <b>Cash Flows from Investing Activities:</b>                       |                                             |                                     |                           |                                 |                     |                              |
| Proceeds from Sales and Maturities of Investments .....            | \$ —                                        | \$ 5,000                            | \$ —                      | \$ —                            | \$ 5,000            | \$ —                         |
| Purchase of Investments .....                                      | —                                           | (9,457)                             | —                         | —                               | (9,457)             | —                            |
| Investment/Interest Earnings .....                                 | 32,854                                      | 33,863                              | 32,209                    | 10,861                          | 109,787             | 25,673                       |
| Net Cash Flows from Investing Activities .....                     | \$ 32,854                                   | \$ 29,406                           | \$ 32,209                 | \$ 10,861                       | \$ 105,330          | \$ 25,673                    |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>  | <b>\$ 17,004</b>                            | <b>\$ 26,830</b>                    | <b>\$ (348,519)</b>       | <b>\$ 18,951</b>                | <b>\$ (285,734)</b> | <b>\$ (74,748)</b>           |
| <b>Cash and Cash Equivalents, Beginning, as Reported .....</b>     | <b>\$ 696,654</b>                           | <b>\$ 1,221,840</b>                 | <b>\$ 1,181,096</b>       | <b>\$ 444,474</b>               | <b>\$ 3,544,064</b> | <b>\$ 632,013</b>            |
| <b>Cash and Cash Equivalents, Ending .....</b>                     | <b>\$ 713,658</b>                           | <b>\$ 1,248,670</b>                 | <b>\$ 832,577</b>         | <b>\$ 463,425</b>               | <b>\$ 3,258,330</b> | <b>\$ 557,265</b>            |

CONTINUED

# STATE OF MINNESOTA

## PROPRIETARY FUNDS (CONTINUED)

### STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                                   | ENTERPRISE FUNDS                            |                                     |                           |                                 |                |                              |
|---------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|---------------------------|---------------------------------|----------------|------------------------------|
|                                                                                                   | FAMILY &<br>MEDICAL<br>BENEFIT<br>INSURANCE | STATE<br>COLLEGES &<br>UNIVERSITIES | UNEMPLOYMENT<br>INSURANCE | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL          | INTERNAL<br>SERVICE<br>FUNDS |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash Flows from Operating Activities:</b> |                                             |                                     |                           |                                 |                |                              |
| Operating Income (Loss) .....                                                                     | \$ (18,023)                                 | \$ (1,554,652)                      | \$ (165,104)              | \$ 204,039                      | \$ (1,533,740) | \$ (77,628)                  |
| <b>Adjustments to Reconcile Operating Income to<br/>Net Cash Flows from Operating Activities:</b> |                                             |                                     |                           |                                 |                |                              |
| Depreciation and Amortization .....                                                               | \$ 51                                       | \$ 163,830                          | \$ —                      | \$ 19,151                       | \$ 183,032     | \$ 40,527                    |
| Miscellaneous Nonoperating Expenses .....                                                         | —                                           | —                                   | —                         | (14,948)                        | (14,948)       | (373)                        |
| Loan Principal Repayments .....                                                                   | —                                           | 881                                 | —                         | —                               | 881            | —                            |
| Provision for Loan Defaults .....                                                                 | —                                           | 49                                  | —                         | —                               | 49             | —                            |
| Loans Forgiven .....                                                                              | —                                           | 51                                  | —                         | —                               | 51             | —                            |
| <b>Change in Assets, Liabilities, Deferred<br/>Outflows and Inflows of Resources:</b>             |                                             |                                     |                           |                                 |                |                              |
| Accounts Receivable .....                                                                         | —                                           | (488)                               | (134,833)                 | (5,635)                         | (140,956)      | (23,191)                     |
| Leases Receivable .....                                                                           | —                                           | (396)                               | —                         | —                               | (396)          | —                            |
| Inventories .....                                                                                 | —                                           | 1,728                               | —                         | (1,187)                         | 541            | 45                           |
| Other Assets .....                                                                                | —                                           | —                                   | —                         | 154                             | 154            | 1,381                        |
| Deferred Outflows of Resources .....                                                              | (252)                                       | 33,109                              | —                         | 4,485                           | 37,342         | 6,018                        |
| Accounts Payable .....                                                                            | 2,632                                       | (3,661)                             | 14,098                    | 8,700                           | 21,769         | 10,222                       |
| Claims Payable .....                                                                              | —                                           | —                                   | —                         | (2,492)                         | (2,492)        | 14,207                       |
| Compensated Absences Payable .....                                                                | 491                                         | 24,183                              | —                         | 1,555                           | 26,229         | 3,078                        |
| Unearned Revenue .....                                                                            | —                                           | 7,830                               | (28,326)                  | 3,189                           | (17,307)       | (869)                        |
| Net Pension Liability .....                                                                       | 6                                           | (136,684)                           | —                         | (20,752)                        | (157,430)      | (26,222)                     |
| Other Postemployment Benefits .....                                                               | 584                                         | (11,214)                            | —                         | 597                             | (10,033)       | 269                          |
| Other Liabilities .....                                                                           | —                                           | 9,337                               | 66                        | —                               | 9,403          | —                            |
| Deferred Inflows of Resources .....                                                               | 245                                         | 85,265                              | —                         | 7,440                           | 92,950         | 9,225                        |
| Net Reconciling Items to be Added to<br>(Deducted from) Operating Income .....                    | \$ 3,757                                    | \$ 173,820                          | \$ (148,995)              | \$ 257                          | \$ 28,839      | \$ 34,317                    |
| Net Cash Flows from Operating<br>Activities .....                                                 | \$ (14,266)                                 | \$ (1,380,832)                      | \$ (314,099)              | \$ 204,296                      | \$ (1,504,901) | \$ (43,311)                  |
| <b>Noncash Investing, Capital and Financing<br/>Activities:</b>                                   |                                             |                                     |                           |                                 |                |                              |
| Donated Capital Assets .....                                                                      | \$ —                                        | \$ 1,889                            | \$ —                      | \$ —                            | \$ 1,889       | \$ —                         |
| Capital Contributions .....                                                                       | —                                           | —                                   | —                         | 11,677                          | 11,677         | —                            |
| Leases Receivable Additions .....                                                                 | —                                           | —                                   | —                         | 258                             | 258            | 1,941                        |
| Right-to-Use Capital Assets Acquired through<br>Lease/Subscription .....                          | 405                                         | 26,951                              | —                         | 13,145                          | 40,501         | 774                          |
| Right-to-Use Capital Assets Remeasurement<br>Additions .....                                      | —                                           | —                                   | —                         | 1,261                           | 1,261          | 538                          |
| Right-to-Use Capital Assets Remeasurement<br>Deletions .....                                      | —                                           | —                                   | —                         | (10,822)                        | (10,822)       | —                            |
| Bond Premium Amortization .....                                                                   | —                                           | 4,344                               | —                         | —                               | 4,344          | —                            |

The notes are an integral part of the financial statements.

2025  
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Financial Report

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## Fiduciary Funds

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### **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.



**STATE OF MINNESOTA**
**FIDUCIARY FUNDS**
**STATEMENT OF NET POSITION**
**JUNE 30, 2025**
**(IN THOUSANDS)**

|                                                                                                                         | PENSION<br>TRUST | INVESTMENT<br>TRUST | CUSTODIAL  |
|-------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|------------|
| <b>ASSETS</b>                                                                                                           |                  |                     |            |
| Cash and Cash Equivalent Investments .....                                                                              | \$ 77,204        | \$ —                | \$ 318,955 |
| Investment Pools, at fair value:                                                                                        |                  |                     |            |
| Cash Equivalent Investments .....                                                                                       | \$ 4,948,022     | \$ 50,855           | \$ —       |
| Investments:                                                                                                            |                  |                     |            |
| Equity .....                                                                                                            | \$ 90,776,311    | \$ 1,091,145        | \$ —       |
| Fixed Income .....                                                                                                      | 23,641,725       | 378,761             | —          |
| Total Investments .....                                                                                                 | \$ 114,418,036   | \$ 1,469,906        | \$ —       |
| Accrued Interest and Dividends .....                                                                                    | 283,607          | 3,150               | —          |
| Securities Trade Receivable (Payable) .....                                                                             | (728,997)        | (7,332)             | —          |
| Total Investment Pool Participation .....                                                                               | \$ 118,920,668   | \$ 1,516,579        | \$ —       |
| Receivables:                                                                                                            |                  |                     |            |
| Accounts Receivable .....                                                                                               | \$ —             | \$ —                | \$ 4,755   |
| Interfund Receivables .....                                                                                             | 20,437           | —                   | —          |
| Taxes Receivable .....                                                                                                  | —                | —                   | 89,154     |
| Other Receivables .....                                                                                                 | 122,331          | —                   | —          |
| Total Receivables .....                                                                                                 | \$ 142,768       | \$ —                | \$ 93,909  |
| Securities Lending Collateral .....                                                                                     | \$ 3,751,395     | \$ —                | \$ —       |
| Right-to-Use Capital Assets (Net) .....                                                                                 | 731              | —                   | —          |
| Depreciable Capital Assets (Net) .....                                                                                  | 18,880           | —                   | —          |
| Nondepreciable Capital Assets .....                                                                                     | 8,695            | —                   | —          |
| Total Assets .....                                                                                                      | \$ 122,920,341   | \$ 1,516,579        | \$ 412,864 |
| <b>LIABILITIES</b>                                                                                                      |                  |                     |            |
| Accounts Payable .....                                                                                                  | \$ 88,375        | \$ —                | \$ 358,737 |
| Interfund Payables .....                                                                                                | 20,644           | —                   | —          |
| Lease/Subscription Payable .....                                                                                        | 738              | —                   | —          |
| Compensated Absences Payable .....                                                                                      | 7,793            | —                   | —          |
| Securities Lending Liabilities .....                                                                                    | 3,751,395        | —                   | —          |
| Other Liabilities .....                                                                                                 | 3,293            | —                   | —          |
| Total Liabilities .....                                                                                                 | \$ 3,872,238     | \$ —                | \$ 358,737 |
| <b>NET POSITION</b>                                                                                                     |                  |                     |            |
| Net Position Restricted for Pensions, Pooled Investments<br>and Individuals, Organizations, and Other Governments ..... | \$ 119,048,103   | \$ 1,516,579        | \$ 54,127  |

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, 2025**
**(IN THOUSANDS)**

|                                                                     | PENSION<br>TRUST | INVESTMENT<br>TRUST | CUSTODIAL    |
|---------------------------------------------------------------------|------------------|---------------------|--------------|
| Additions:                                                          |                  |                     |              |
| Contributions:                                                      |                  |                     |              |
| Employer .....                                                      | \$ 2,017,265     | \$ —                | \$ —         |
| Member .....                                                        | 2,246,040        | —                   | —            |
| Contributions From Other Sources .....                              | 10,461           | —                   | —            |
| Participating Plans .....                                           | —                | 9,361               | —            |
| Total Contributions .....                                           | \$ 4,273,766     | \$ 9,361            | \$ —         |
| Net Investment Income (Loss):                                       |                  |                     |              |
| Investment Income (Loss) .....                                      | \$ 12,283,973    | \$ 185,920          | \$ —         |
| Less: Investment Expenses .....                                     | (372,800)        | (736)               | —            |
| Net Investment Income (Loss) .....                                  | \$ 11,911,173    | \$ 185,184          | \$ —         |
| Securities Lending Revenues (Expenses):                             |                  |                     |              |
| Securities Lending Income .....                                     | \$ 213,726       | \$ —                | \$ —         |
| Securities Lending Rebates and Fees .....                           | (196,444)        | —                   | —            |
| Net Securities Lending Revenue .....                                | \$ 17,282        | \$ —                | \$ —         |
| Total Investment Income (Loss) .....                                | \$ 11,928,455    | \$ 185,184          | \$ —         |
| Tax Collections for Other Governments .....                         | \$ —             | \$ —                | \$ 1,023,284 |
| Beneficiary Deposits - Child Support .....                          | —                | —                   | 501,850      |
| Beneficiary Deposits - Corrections .....                            | —                | —                   | 26,377       |
| Beneficiary Deposits - Regional Treatment Centers .....             | —                | —                   | 6,372        |
| Beneficiary Deposits - Veterans Homes .....                         | —                | —                   | 1,863        |
| Employee Insurance Trust .....                                      | —                | —                   | 46,869       |
| Courts Interest Held for Other Governments and<br>Individuals ..... | —                | —                   | 32,377       |
| Legal Settlements for External Parties .....                        | —                | —                   | 8,100        |
| Miscellaneous .....                                                 | —                | —                   | 5,469        |
| Other Additions .....                                               | 56,173           | —                   | —            |
| Transfers-In .....                                                  | 142,099          | —                   | —            |
| Total Additions .....                                               | \$ 16,400,493    | \$ 194,545          | \$ 1,652,561 |

# STATE OF MINNESOTA

## FIDUCIARY FUNDS

### STATEMENT OF CHANGES

#### IN NET POSITION

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                                                                                     | PENSION<br>TRUST | INVESTMENT<br>TRUST | CUSTODIAL    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|--------------|
| Deductions:                                                                                                                                         |                  |                     |              |
| Benefits .....                                                                                                                                      | \$ 6,432,763     | \$ —                | \$ —         |
| Refunds and Withdrawals .....                                                                                                                       | 733,406          | 164,554             | —            |
| Administrative Expenses .....                                                                                                                       | 86,888           | 213                 | 1,396        |
| Tax Payments to Other Governments .....                                                                                                             | —                | —                   | 1,023,174    |
| Beneficiary Payments - Child Support .....                                                                                                          | —                | —                   | 501,850      |
| Beneficiary Payments - Corrections .....                                                                                                            | —                | —                   | 26,870       |
| Beneficiary Payments - Regional Treatment Centers .....                                                                                             | —                | —                   | 5,945        |
| Beneficiary Payments - Veterans Homes .....                                                                                                         | —                | —                   | 1,999        |
| Employee Insurance Trust .....                                                                                                                      | —                | —                   | 44,612       |
| Court Payments to Other Governments and Individuals .....                                                                                           | —                | —                   | 31,237       |
| Legal Settlements Paid to External Parties .....                                                                                                    | —                | —                   | 8,001        |
| Miscellaneous .....                                                                                                                                 | —                | —                   | 1,485        |
| Transfers-Out .....                                                                                                                                 | 25,010           | —                   | —            |
| Total Deductions .....                                                                                                                              | \$ 7,278,067     | \$ 164,767          | \$ 1,646,569 |
| Net Increase (Decrease) .....                                                                                                                       | \$ 9,122,426     | \$ 29,778           | \$ 5,992     |
| Net Position Restricted for Pensions, Pooled Investments,<br>and Individuals, Organizations, and Other Governments<br>Beginning, as Reported .....  | \$ 109,908,842   | \$ 1,504,772        | \$ 48,135    |
| Change in Accounting Principle .....                                                                                                                | (1,136)          | —                   | —            |
| Change in Reporting Entity .....                                                                                                                    | 17,971           | (17,971)            | —            |
| Net Position Restricted for Pensions, Pooled Investments,<br>and Individuals, Organizations, and Other Governments,<br>Beginning, as Restated ..... | \$ 109,925,677   | \$ 1,486,801        | \$ 48,135    |
| Net Position Restricted for Pensions, Pooled Investments,<br>and Individuals, Organizations, and Other Governments,<br>Ending .....                 | \$ 119,048,103   | \$ 1,516,579        | \$ 54,127    |

The notes are an integral part of the financial statements.





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# 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, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                                                       | HOUSING<br>FINANCE<br>AGENCY | METROPOLITAN<br>COUNCIL | UNIVERSITY<br>OF<br>MINNESOTA | NONMAJOR<br>COMPONENT<br>UNITS | TOTAL<br>COMPONENT<br>UNITS |
|-----------------------------------------------------------------------|------------------------------|-------------------------|-------------------------------|--------------------------------|-----------------------------|
| ASSETS                                                                |                              |                         |                               |                                |                             |
| Current Assets:                                                       |                              |                         |                               |                                |                             |
| Cash and Cash Equivalents .....                                       | \$ 97,469                    | \$ 844,861              | \$ 1,190,398                  | \$ 1,203,917                   | \$ 3,336,645                |
| Investments .....                                                     | —                            | 488,448                 | 1,877,693                     | 271,912                        | 2,638,053                   |
| Accounts Receivable .....                                             | 6,958                        | 133,947                 | 670,252                       | 56,085                         | 867,242                     |
| Due from Primary Government .....                                     | 99                           | 99,270                  | 34,409                        | 262,422                        | 396,200                     |
| Accrued Investment/Interest Earnings .....                            | 33,710                       | 4,600                   | 7,330                         | 22,260                         | 67,900                      |
| Federal Aid Receivable .....                                          | 3,921                        | 10,115                  | —                             | 13,953                         | 27,989                      |
| Inventories .....                                                     | —                            | 42,724                  | 22,478                        | 38                             | 65,240                      |
| Loans and Notes Receivable .....                                      | 62,149                       | 129                     | 6,301                         | 243,103                        | 311,682                     |
| Leases Receivable .....                                               | —                            | 19,797                  | 4,540                         | 7,953                          | 32,290                      |
| Other Assets .....                                                    | 474                          | 2,210                   | 25,780                        | 5,109                          | 33,573                      |
| Total Current Assets .....                                            | \$ 204,780                   | \$ 1,646,101            | \$ 3,839,181                  | \$ 2,086,752                   | \$ 7,776,814                |
| Noncurrent Assets:                                                    |                              |                         |                               |                                |                             |
| Cash and Cash Equivalents-Restricted .....                            | \$ 1,396,762                 | \$ 645,688              | \$ 256,368                    | \$ 277,535                     | \$ 2,576,353                |
| Investments-Restricted .....                                          | 5,663,496                    | —                       | 209,235                       | 24,707                         | 5,897,438                   |
| Accounts Receivable-Restricted .....                                  | —                            | 221,765                 | —                             | 1,227                          | 222,992                     |
| Due from Primary Government-Restricted .....                          | —                            | 25,284                  | —                             | —                              | 25,284                      |
| Due from Primary Government .....                                     | —                            | —                       | —                             | 1,002                          | 1,002                       |
| Investments .....                                                     | —                            | 316,282                 | 6,726,277                     | —                              | 7,042,559                   |
| Interest Rate Swap Agreements .....                                   | 40,447                       | —                       | —                             | —                              | 40,447                      |
| Accounts Receivable .....                                             | —                            | —                       | 122,066                       | 275,453                        | 397,519                     |
| Loans and Notes Receivable .....                                      | 1,230,508                    | 27,365                  | 36,561                        | 2,190,637                      | 3,485,071                   |
| Leases Receivable .....                                               | —                            | —                       | 283,871                       | 302,479                        | 586,350                     |
| Right-to-Use Capital Assets (Net) .....                               | 5,089                        | 11,319                  | 228,702                       | 5,258                          | 250,368                     |
| Depreciable Capital Assets (Net) .....                                | 1,255                        | 3,370,992               | 2,527,406                     | 723,691                        | 6,623,344                   |
| Nondepreciable Capital Assets .....                                   | —                            | 3,739,061               | 613,245                       | 42,484                         | 4,394,790                   |
| Other Assets .....                                                    | 974                          | —                       | 7,092                         | 1,271                          | 9,337                       |
| Total Noncurrent Assets .....                                         | \$ 8,338,531                 | \$ 8,357,756            | \$ 11,010,823                 | \$ 3,845,744                   | \$ 31,552,854               |
| Total Assets .....                                                    | \$ 8,543,311                 | \$ 10,003,857           | \$ 14,850,004                 | \$ 5,932,496                   | \$ 39,329,668               |
| DEFERRED OUTFLOWS OF RESOURCES                                        |                              |                         |                               |                                |                             |
| Accumulated Decrease in Fair Value of<br>Derivative Instruments ..... | \$ 6,860                     | \$ 1,325                | \$ —                          | \$ —                           | \$ 8,185                    |
| Bond Refunding .....                                                  | —                            | —                       | 244                           | 2,430                          | 2,674                       |
| Deferred Outflows .....                                               | —                            | —                       | 4,096                         | —                              | 4,096                       |
| Deferred Pension Outflows .....                                       | 6,603                        | 89,700                  | 137,069                       | 2,729                          | 236,101                     |
| Deferred Other Postemployment Benefits<br>Outflows .....              | 461                          | 15,764                  | 17,503                        | 138                            | 33,866                      |
| Total Deferred Outflows of Resources .....                            | \$ 13,924                    | \$ 106,789              | \$ 158,912                    | \$ 5,297                       | \$ 284,922                  |

# STATE OF MINNESOTA

## COMPONENT UNIT FUNDS

### STATEMENT OF NET POSITION

DECEMBER 31, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                                                       | HOUSING<br>FINANCE<br>AGENCY | METROPOLITAN<br>COUNCIL | UNIVERSITY<br>OF<br>MINNESOTA | NONMAJOR<br>COMPONENT<br>UNITS | TOTAL<br>COMPONENT<br>UNITS |
|-----------------------------------------------------------------------|------------------------------|-------------------------|-------------------------------|--------------------------------|-----------------------------|
| <b>LIABILITIES</b>                                                    |                              |                         |                               |                                |                             |
| <b>Current Liabilities:</b>                                           |                              |                         |                               |                                |                             |
| Accounts Payable .....                                                | \$ 56,266                    | \$ 102,850              | \$ 738,987                    | \$ 61,764                      | \$ 959,867                  |
| Due to Primary Government .....                                       | —                            | 675                     | —                             | 32,643                         | 33,318                      |
| Unearned Revenue .....                                                | —                            | 35,119                  | 74,386                        | 16,733                         | 126,238                     |
| Accrued Interest Payable .....                                        | 113,930                      | 2,622                   | 18,742                        | 11,348                         | 146,642                     |
| Bonds and Notes Payable .....                                         | 178,161                      | 193,850                 | 348,614                       | 67,194                         | 787,819                     |
| Lease/Subscription Payable .....                                      | 1,965                        | 1,139                   | 27,229                        | 249                            | 30,582                      |
| Claims Payable .....                                                  | —                            | 17,827                  | 58,722                        | 319,621                        | 396,170                     |
| Compensated Absences Payable .....                                    | 4,087                        | 38,505                  | 97,070                        | 1,757                          | 141,419                     |
| Other Postemployment Benefits .....                                   | 144                          | 16,328                  | 4,974                         | 43                             | 21,489                      |
| Other Liabilities .....                                               | —                            | —                       | 5,350                         | 105                            | 5,455                       |
| Total Current Liabilities .....                                       | \$ 354,553                   | \$ 408,915              | \$ 1,374,074                  | \$ 511,457                     | \$ 2,648,999                |
| <b>Noncurrent Liabilities:</b>                                        |                              |                         |                               |                                |                             |
| Accounts Payable-Restricted .....                                     | \$ —                         | \$ 158,047              | \$ 29,416                     | \$ 2,166                       | \$ 189,629                  |
| Unearned Revenue-Restricted .....                                     | —                            | 239,694                 | —                             | —                              | 239,694                     |
| Accrued Interest Payable-Restricted .....                             | —                            | 12,321                  | —                             | —                              | 12,321                      |
| Accounts Payable .....                                                | 29,843                       | —                       | —                             | —                              | 29,843                      |
| Due to Primary Government .....                                       | —                            | —                       | —                             | 114,052                        | 114,052                     |
| Unearned Revenue .....                                                | —                            | —                       | 5,991                         | 34                             | 6,025                       |
| Interest Rate Swap Agreements .....                                   | 6,860                        | —                       | —                             | —                              | 6,860                       |
| Bonds and Notes Payable .....                                         | 6,354,703                    | 1,489,545               | 1,537,831                     | 924,217                        | 10,306,296                  |
| Lease/Subscription Payable .....                                      | 3,024                        | 10,324                  | 130,216                       | 4,984                          | 148,548                     |
| Claims Payable .....                                                  | —                            | 16,720                  | 12,057                        | 474,473                        | 503,250                     |
| Compensated Absences Payable .....                                    | 3,519                        | 11,037                  | 29,785                        | 2,056                          | 46,397                      |
| Net Pension Liability .....                                           | 238                          | 17,634                  | 14,832                        | 98                             | 32,802                      |
| Other Postemployment Benefits .....                                   | 2,386                        | 243,252                 | 56,593                        | 713                            | 302,944                     |
| Funds Held in Trust .....                                             | 84,141                       | —                       | 503,275                       | —                              | 587,416                     |
| Other Liabilities .....                                               | —                            | —                       | 115,519                       | 4,566                          | 120,085                     |
| Total Noncurrent Liabilities .....                                    | \$ 6,484,714                 | \$ 2,198,574            | \$ 2,435,515                  | \$ 1,527,359                   | \$ 12,646,162               |
| Total Liabilities .....                                               | \$ 6,839,267                 | \$ 2,607,489            | \$ 3,809,589                  | \$ 2,038,816                   | \$ 15,295,161               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                              |                         |                               |                                |                             |
| Accumulated Increase in Fair Value of<br>Derivative Instruments ..... | \$ 40,447                    | \$ —                    | \$ —                          | \$ —                           | \$ 40,447                   |
| Bond Refunding .....                                                  | —                            | —                       | 23,608                        | —                              | 23,608                      |
| Deferred Leases .....                                                 | —                            | 19,564                  | 259,656                       | 284,775                        | 563,995                     |
| Deferred Revenue .....                                                | 19,038                       | —                       | 1,344                         | 25,746                         | 46,128                      |
| Deferred Pension Inflows .....                                        | 8,813                        | 139,139                 | 189,235                       | 3,665                          | 340,852                     |
| Deferred Other Postemployment Benefits<br>Inflows .....               | 227                          | 77,382                  | 7,991                         | 68                             | 85,668                      |
| Total Deferred Inflows of Resources .....                             | \$ 68,525                    | \$ 236,085              | \$ 481,834                    | \$ 314,254                     | \$ 1,100,698                |
| <b>NET POSITION</b>                                                   |                              |                         |                               |                                |                             |
| Net Investment in Capital Assets .....                                | \$ 1,355                     | \$ 5,417,373            | \$ 1,609,804                  | \$ 758,032                     | \$ 7,786,564                |
| Restricted-Expendable .....                                           | 2,356,309                    | 1,573,156               | 4,734,828                     | 2,564,582                      | 11,228,875                  |
| Restricted-Nonexpendable .....                                        | —                            | —                       | 2,017,888                     | —                              | 2,017,888                   |
| Unrestricted .....                                                    | (708,221)                    | 276,543                 | 2,354,973                     | 262,109                        | 2,185,404                   |
| Total Net Position .....                                              | \$ 1,649,443                 | \$ 7,267,072            | \$ 10,717,493                 | \$ 3,584,723                   | \$ 23,218,731               |

The notes are an integral part of the financial statements.

# STATE OF MINNESOTA

## COMPONENT UNIT FUNDS

### STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                            | HOUSING<br>FINANCE<br>AGENCY | METROPOLITAN<br>COUNCIL | UNIVERSITY<br>OF<br>MINNESOTA | NONMAJOR<br>COMPONENT<br>UNITS | TOTAL<br>COMPONENT<br>UNITS |
|--------------------------------------------|------------------------------|-------------------------|-------------------------------|--------------------------------|-----------------------------|
| Net Expenses:                              |                              |                         |                               |                                |                             |
| Total Expenses .....                       | \$ 958,617                   | \$ 1,457,527            | \$ 5,523,353                  | \$ 1,143,346                   | \$ 9,082,843                |
| Program Revenues:                          |                              |                         |                               |                                |                             |
| Charges for Services .....                 | \$ 49,401                    | \$ 398,084              | \$ 1,592,909                  | \$ 153,189                     | \$ 2,193,583                |
| Operating Grants and Contributions .....   | 725,677                      | 724,283                 | 2,516,086                     | 569,179                        | 4,535,225                   |
| Capital Grants and Contributions .....     | —                            | 535,236                 | 100,482                       | 4,309                          | 640,027                     |
| Net (Expense) Revenue .....                | \$ (183,539)                 | \$ 200,076              | \$ (1,313,876)                | \$ (416,669)                   | \$ (1,714,008)              |
| General Revenues:                          |                              |                         |                               |                                |                             |
| Taxes:                                     |                              |                         |                               |                                |                             |
| Sales Taxes .....                          | \$ —                         | \$ 424,262              | \$ —                          | \$ 2,379                       | \$ 426,641                  |
| Property Taxes .....                       | —                            | 92,572                  | —                             | —                              | 92,572                      |
| Investment/Interest Earnings .....         | 443,580                      | 133,232                 | 857,988                       | 82,927                         | 1,517,727                   |
| Other Revenues .....                       | —                            | 767                     | 470,974                       | 7,417                          | 479,158                     |
| Total General Revenues before Grants ..... | \$ 443,580                   | \$ 650,833              | \$ 1,328,962                  | \$ 92,723                      | \$ 2,516,098                |
| State Grants Not Restricted .....          | —                            | —                       | 787,118                       | 526,696                        | 1,313,814                   |
| Total General Revenues .....               | \$ 443,580                   | \$ 650,833              | \$ 2,116,080                  | \$ 619,419                     | \$ 3,829,912                |
| Change in Net Position .....               | \$ 260,041                   | \$ 850,909              | \$ 802,204                    | \$ 202,750                     | \$ 2,115,904                |
| Net Position, Beginning, as Reported ..... | \$ 1,391,896                 | \$ 6,416,163            | \$ 9,915,289                  | \$ 3,381,977                   | \$ 21,105,325               |
| Change in Accounting Principle .....       | (2,494)                      | —                       | —                             | (4)                            | (2,498)                     |
| Net Position, Beginning, as Restated ..... | \$ 1,389,402                 | \$ 6,416,163            | \$ 9,915,289                  | \$ 3,381,973                   | \$ 21,102,827               |
| Net Position, Ending .....                 | \$ 1,649,443                 | \$ 7,267,072            | \$ 10,717,493                 | \$ 3,584,723                   | \$ 23,218,731               |

The notes are an integral part of the financial statements.

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**2025 Annual Comprehensive Financial Report**  
**Index of Notes to the Financial Statements**


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## 2025 Annual Comprehensive Financial Report

### Notes to the Financial Statements

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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, 2025:

- GASB Statement No. 101 "Compensated Absences" was issued June 2022. This statement updates the recognition and measurement guidance for compensated absences. See Note 11 – Long-Term Liabilities - Primary Government and Note 20 – Change in Accounting Principle, Change in Accounting Estimate, Error Correction, and Change in Reporting Entity for details of the impact from this statement.
- GASB Statement No. 102 "Certain Risk Disclosures" was issued December 2023. This statement provides users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement did not have a material impact to the state.

##### 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 Climate Innovation Finance Authority (MnCIFA)** - MnCIFA is a publicly accountable financing authority, also known as a "green bank." MnCIFA provides funding assistance for projects that stimulate the development of clean energy and greenhouse gas emissions reduction using financing tools to leverage private and public capital that can inhibit the financing of these projects. MnCIFA is composed of commissioners from state departments and agencies, with the governor appointing the remaining members. The board directs the operations of the authority and determines the funding for the 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. The most recently available audited financial information for NSCF and included in this report is as of December 31, 2023.
- 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](http://www.mnhousing.gov)
- Metropolitan Council, 390 Robert Street North, St. Paul, Minnesota 55101-1805, [www.metrocouncil.org](http://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](http://www.twin-cities.umn.edu)
- Minnesota Climate Innovation Authority, Department of Commerce, 85 7th Place East, Suite 280, St. Paul, Minnesota 55101, <https://mn.gov/commerce/energy/consumer/energy-programs/climate-innovation.jsp>
- Minnesota Comprehensive Health Assoc., 1650 West End Boulevard, Suite 100, St. Louis Park, Minnesota 55416, [www.mchamn.com](http://www.mchamn.com)
- Minnesota Sports Facilities Authority, 1005 4th Street South, Minneapolis, Minnesota 55415-1752, [www.msfa.com](http://www.msfa.com)
- National Sports Center Foundation, National Sports Center, 1750 105th Avenue Northeast, Blaine, Minnesota 55449-4500, [www.nscsports.org](http://www.nscsports.org)
- Office of Higher Education, 1450 Energy Park Drive, Suite 350, St. Paul, Minnesota 55108-5227, [www.ohe.state.mn.us](http://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](http://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](http://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](http://www.mnlottery.com)
- Minnesota State Retirement System, 60 Empire Drive, Suite 300, St. Paul, Minnesota 55103-3000, [www.msrs.state.mn.us](http://www.msrs.state.mn.us)

- State Board of Investment, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103-3555, [www.msbi.us](http://www.msbi.us)
- Teachers Retirement Association, 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103-1889, [www.minnesotatra.org](http://www.minnesotatra.org)
- Public Employees Retirement Association, 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088, [www.mnpera.org](http://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](http://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 capital assets 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 on the economic resource measurement focus and full accrual basis of accounting 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 capital 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 (Minn State) 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 capital 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, Child and Dependent Care, and Renter's Property Tax 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 paid in cash only when an employee uses the leave or upon termination from state employment. Leave balances are liquidated on a first-in, first-out basis. 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 Capital Assets**

Capital assets, including right-to-use capital 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 capital assets are generally defined by the state as right-to-use capital 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 capital 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 Capital Assets for further information on capital assets, including right-to-use capital 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 capital 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, Housing Assistance, 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 (<https://mn.gov/mmb/accounting/reports/budgetary-control.jsp>).

## **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. Investments are broken down by type for the pension and investment trust funds on the Statement of Net Position. Equity investments can be further broken down by private and public equities. Private equities totaled \$22,232,798,000 in the pension trust funds and public equities totaled \$68,543,513,000 and \$1,091,145,000 in the pension trust funds and investment trust funds, respectively, as of June 30, 2025. 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 2,510,666 total acres as of June 30, 2025.

## 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, 2025 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, 2025, 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 \$1,423,496,000 that is \$33,120,000 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 \$30,323,000.

The following table summarizes, by derivative instrument type, the investment derivative instrument activity, and June 30 positions for fiscal year 2025.

**Primary Government**  
**Derivative Instrument Activity for the Year Ended June 30, 2025**  
**By Derivative Instrument Type**  
**(In Thousands)**

| Derivative Instrument Type        | Change in Fair Value | Year End Fair Value | Notional Amount      |
|-----------------------------------|----------------------|---------------------|----------------------|
| Governmental Activities:          |                      |                     |                      |
| Futures                           | \$ 3,464             | \$ —                | \$ 8,205             |
| Total Governmental Activities     | <u>\$ 3,464</u>      | <u>\$ —</u>         | <u>\$ 8,205</u>      |
| Business-type Activities:         |                      |                     |                      |
| Futures                           | \$ 1                 | \$ —                | \$ 1                 |
| Total Business-type Activities    | <u>\$ 1</u>          | <u>\$ —</u>         | <u>\$ 1</u>          |
| Fiduciary Activities:             |                      |                     |                      |
| Futures                           | \$ 44,545            | \$ —                | \$ 436,198           |
| Fixed Income Options Written      | 227                  | (440)               | (332,437)            |
| Futures Options Bought            | (3,636)              | —                   | —                    |
| Futures Options Written           | 1,989                | —                   | —                    |
| Fixed Income Options Bought       | (13)                 | 456                 | 110,106              |
| FX Forwards                       | (161,202)            | (78,050)            | 34,425,139           |
| Warrants/Stock Rights             | 183                  | 135                 | 193                  |
| Credit Default Swaps Bought       | (176)                | —                   | —                    |
| Credit Default Swaps Written      | 1,401                | 7,066               | 208,336              |
| Pay Fixed Interest Rate Swaps     | (4,163)              | (642)               | 361,712              |
| Receive Fixed Interest Rate Swaps | 775                  | (303)               | 111,036              |
| Total Return Swaps Equity         | 162                  | 17                  | (1,000)              |
| Total Fiduciary Activities        | <u>\$ (119,908)</u>  | <u>\$ (71,761)</u>  | <u>\$ 35,319,283</u> |

Credit Risk: Minnesota is exposed to credit risk through twenty-five 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 \$812,007,000 should these counterparties fail to perform. These counterparties have S&P Global Ratings (S&P) credit ratings of A- 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, 2025  
(In Thousands)**

| Quality Rating        | Fair Value                  |
|-----------------------|-----------------------------|
| AAA                   | \$ 2,778,788                |
| AA                    | 7,025,698                   |
| A                     | 1,003,404                   |
| BBB                   | 425,080                     |
| BB                    | 92,248                      |
| CCC                   | 5,904                       |
| Agencies              | 4,538                       |
| U.S. Governments      | 9,183                       |
| Unrated               | 21,035,363                  |
| Total Debt Securities | <u><u>\$ 32,380,206</u></u> |

**Primary Government  
Pension and Investment Trust Funds  
Investments and Cash Equivalent Investments  
Credit Risk Exposure  
As of June 30, 2025  
(In Thousands)**

| Quality Rating        | Fair Value                  |
|-----------------------|-----------------------------|
| AAA                   | \$ 1,024,566                |
| AA                    | 15,955,053                  |
| A                     | 1,069,979                   |
| BBB                   | 2,672,436                   |
| BB                    | 1,423,344                   |
| B                     | 1,207,442                   |
| CCC                   | 652,427                     |
| CC                    | 30,484                      |
| C                     | 952                         |
| D                     | 5,527                       |
| Unrated               | 4,617,936                   |
| Total Debt Securities | <u><u>\$ 28,660,146</u></u> |



## 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, 2025  
(In Thousands)**

| Security Type                       | Fair Value           | Weighted<br>Average<br>Maturity in<br>Years |
|-------------------------------------|----------------------|---------------------------------------------|
| Debt Securities:                    |                      |                                             |
| Asset-Backed Securities             | \$ 3,003,111         | 1.75                                        |
| Collateralized Mortgage Obligations | 277,668              | 3.58                                        |
| Corporate Debt                      | 1,637,804            | 3.70                                        |
| Mortgage-Backed Securities          | 450,746              | 7.47                                        |
| Short-Term Investment Securities    | 26,193,577           | 0.00                                        |
| State or Local Government Bonds     | 120,621              | 5.59                                        |
| U.S. Agencies                       | 201,622              | 0.89                                        |
| U.S. Treasury                       | 406,922              | 11.31                                       |
| Yankee Bonds                        | 88,135               | 5.53                                        |
| Total Debt Securities               | <u>\$ 32,380,206</u> |                                             |

**Primary Government  
Pension and Investment Trust Funds  
Investments and Cash Equivalent Investments  
Interest Rate Risk  
As of June 30, 2025  
(In Thousands)**

| Security Type                       | Fair Value           | Weighted<br>Average Maturity<br>in Years |
|-------------------------------------|----------------------|------------------------------------------|
| Debt Securities:                    |                      |                                          |
| Asset-Backed Securities             | \$ 1,179,536         | 5.15                                     |
| Bank Loans                          | 328,074              | 4.87                                     |
| Collateralized Mortgage Obligations | 1,149,782            | 9.55                                     |
| Corporate Debt                      | 4,448,745            | 5.42                                     |
| Foreign Country Bonds               | 399,297              | 7.34                                     |
| Mortgage-backed Securities          | 2,397,234            | 7.68                                     |
| Short-Term Investment Securities    | 4,967,807            | 0.00                                     |
| State or Local Government Bonds     | 59,348               | 16.01                                    |
| U.S. Agencies                       | 327,221              | 8.48                                     |
| U.S. Treasury                       | 11,994,350           | 12.35                                    |
| Yankee Bonds                        | 1,408,752            | 8.22                                     |
| Total Debt Securities               | <u>\$ 28,660,146</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, 2025 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, 2025 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 \$11,549,777,000 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, 2025**  
**(In Thousands)**

| Investments                       | Fair Value                   | Level 1      | Level 2       | Level 3    |
|-----------------------------------|------------------------------|--------------|---------------|------------|
| Cash Equivalent Investments:      |                              |              |               |            |
| Short Terms                       | \$ 7,078,504                 | \$ —         | \$ 7,078,504  | \$ —       |
| Total Cash Equivalent Investments | \$ 7,078,504                 | \$ —         | \$ 7,078,504  | \$ —       |
| Equity:                           |                              |              |               |            |
| Common Stock                      | \$ 2,945,933                 | \$ 2,945,798 | \$ 135        | \$ —       |
| Real Estate Investment Trust      | 57,246                       | 57,246       | —             | —          |
| Total Equity                      | \$ 3,003,179                 | \$ 3,003,044 | \$ 135        | \$ —       |
| Fixed Income:                     |                              |              |               |            |
| Asset-backed Securities           | \$ 3,036,100                 | \$ —         | \$ 2,510,679  | \$ 525,421 |
| Mortgage-backed Securities        | 695,410                      | —            | 695,410       | —          |
| Corporate Bonds                   | 1,694,988                    | —            | 1,694,988     | —          |
| Government Issues                 | 2,063,449                    | 13,741       | 2,049,708     | —          |
| Total Fixed Income                | \$ 7,489,947                 | \$ 13,741    | \$ 6,950,785  | \$ 525,421 |
| Total Investments by Fair Value   | \$ 17,571,630 <sup>(1)</sup> | \$ 3,016,785 | \$ 14,029,424 | \$ 525,421 |

<sup>(1)</sup> Total investments by fair value are less than the cash, cash equivalent investments, and investments shown on the financial statements. 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, 2025  
(In Thousands)**

| Investments                                    | Fair Value                    | Level 1               | Level 2              | Level 3              |
|------------------------------------------------|-------------------------------|-----------------------|----------------------|----------------------|
| Cash Equivalent Investments:                   |                               |                       |                      |                      |
| Short Terms                                    | \$ 773,412                    | \$ —                  | \$ 773,412           | \$ —                 |
| Total Cash Equivalent Investments              | \$ 773,412                    | \$ —                  | \$ 773,412           | \$ —                 |
| Equity:                                        |                               |                       |                      |                      |
| Common Stock                                   | \$ 51,367,046                 | \$ 51,349,822         | \$ 16,754            | \$ 470               |
| Real Estate Investment Trust                   | 870,738                       | 870,737               | —                    | 1                    |
| Other Equity                                   | 1,207,919                     | 822,119               | 3,104                | 382,696              |
| Total Equity                                   | \$ 53,445,703                 | \$ 53,042,678         | \$ 19,858            | \$ 383,167           |
| Fixed Income:                                  |                               |                       |                      |                      |
| Asset-backed Securities                        | \$ 1,485,530                  | \$ —                  | \$ 1,478,645         | \$ 6,885             |
| Mortgage-backed Securities                     | 3,920,201                     | —                     | 3,915,640            | 4,561                |
| Corporate Bonds                                | 6,278,884                     | —                     | 6,275,717            | 3,167                |
| Government Issues                              | 13,765,826                    | —                     | 13,765,826           | —                    |
| Other Debt Instruments                         | 1,045,020                     | —                     | 1,045,020            | —                    |
| Total Fixed Income                             | \$ 26,495,461                 | \$ —                  | \$ 26,480,848        | \$ 14,613            |
| Investment Derivatives:                        |                               |                       |                      |                      |
| Options, Rights, Warrants                      | \$ 135                        | \$ 135                | \$ —                 | \$ —                 |
| Total Investment Derivatives                   | \$ 135                        | \$ 135                | \$ —                 | \$ —                 |
| Total Investments by Fair Value                | \$ 80,714,711                 | \$ 53,042,813         | \$ 27,274,118        | \$ 397,780           |
| Investments Measured at Net Asset Value (NAV): | NAV                           | Number of Investments | Percent of NAV Value | Unfunded Commitments |
| Private Equity                                 | \$ 16,291,901                 | 194                   | 73 %                 | \$ 8,362,268         |
| Real Estate                                    | 2,266,877                     | 35                    | 10 %                 | 1,300,532            |
| Real Assets                                    | 1,901,044                     | 31                    | 9 %                  | 606,080              |
| Private Credit                                 | 1,760,368                     | 42                    | 8 %                  | 1,280,897            |
| Total Investments at NAV                       | \$ 22,220,190                 | 302                   | 100 %                | \$ 11,549,777        |
| Total Investments by Fair Value and NAV        | \$ 102,934,901 <sup>(1)</sup> |                       |                      |                      |

<sup>(1)</sup> Total investments by fair value and NAV are less than the cash, cash equivalent investments, and investments shown on the financial statements. 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, 2025.

## 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, 2025. 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, 2025**  
**(In Thousands)**

| Currency          | Cash              | Equity               | Fixed Income      |
|-------------------|-------------------|----------------------|-------------------|
| Australian Dollar | \$ 3,290          | \$ 672,209           | \$ 579            |
| Brazilian Real    | 1,124             | 221,239              | 24,276            |
| Canadian Dollar   | 7,627             | 1,295,617            | 937               |
| Danish Krone      | 2,323             | 260,251              | —                 |
| Euro Currency     | 21,524            | 5,944,001            | 172,449           |
| Hong Kong Dollar  | 4,438             | 1,165,484            | —                 |
| Indian Rupee      | 55                | 256,057              | 15,826            |
| Japanese Yen      | 38,101            | 2,383,274            | —                 |
| New Taiwan Dollar | 177               | 796,763              | —                 |
| Pound Sterling    | 15,148            | 1,726,436            | 19,963            |
| Singapore Dollar  | 987               | 176,465              | —                 |
| South Korean Won  | 418               | 630,495              | —                 |
| Swedish Krona     | 1,132             | 306,855              | —                 |
| Swiss Franc       | 1,802             | 979,754              | —                 |
| Yuan Renminbi     | 920               | 153,921              | 8,939             |
| Others            | 2,925             | 831,297              | 162,983           |
| Total             | <u>\$ 101,991</u> | <u>\$ 17,800,118</u> | <u>\$ 405,952</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, 2025, the investment pool had an average duration of one day and an average weighted maturity of 111.01 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, 2025, 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, 2025, were \$6,252,070,000 and \$6,019,173,000, 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 \$3,751,395,000 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, 2025  
(In Thousands)**

| Investment Type          | Fair Value          |
|--------------------------|---------------------|
| Domestic Equities        | \$ 4,147,842        |
| U.S. Government Bonds    | 895,246             |
| International Equities   | 639,543             |
| Domestic Corporate Bonds | 336,542             |
| Total                    | <u>\$ 6,019,173</u> |

## Component Units

### Housing Finance Agency

As of June 30, 2025, the Housing Finance Agency (HFA) had \$1,494,231,000 of cash and cash equivalents and \$5,663,496,000 of investments. As of June 30, 2025, \$1,494,015,000 of deposits and \$5,588,712,000 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, 2025  
(In Thousands)**

| Fair Value of Portfolio | Investment<br>Maturities |
|-------------------------|--------------------------|
| Less Than 1 Year        | \$ 2,007,151             |
| 1-5 Year(s)             | 17,474                   |
| 5-10 Years              | 2,015                    |
| 10+ Years               | 5,129,928                |
| Total                   | <u>\$ 7,156,568</u>      |

HFA cash equivalents included \$216,000 of investment agreements, which are generally uncollateralized, interest-bearing contracts.

HFA investments had an estimated fair value of \$5,663,496,000 as of June 30, 2025. Included in these investments were US Treasuries (not rated) with a par value of \$514,295,000, and \$5,149,201,000 in U.S. Agencies, also at par value, having an S&P rating of AA+ and Moody's rating of Aa1.

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 \$503,622,000 and \$5,159,874,000 using Level 1 and Level 2 inputs, respectively.

HFA had investments in single issuers as of June 30, 2025, excluding investments issued or explicitly guaranteed by the U.S. Government that exceeded five percent or more of total investments. These investments of \$2,903,000,000 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, 2025, as both an asset and liability called "interest rate swap agreements." The inception-to-date change in fair value as of June 30, 2025, 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, 2025, HFA had interest rate swap agreements with the following counterparties: the Bank of New York Mellon (ten agreements), Royal Bank of Canada (ten agreements), Wells Fargo (two agreements), and Bank of America (nine agreements) for total notional amounts of \$292,690,000, \$296,585,000, \$61,255,000, and \$244,670,000 and fair values of \$21,532,000, \$9,679,000, \$2,781,000, and \$591,000 respectively. For these counterparties, the fair values for the fiscal year ended June 30, 2025, decreased \$4,365, decreased \$10,216,000, decreased \$2,033,000, and decreased \$1,258,000 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, Aa2, Aa2, and Aa2 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, 2024, the Metropolitan Council (MC) had \$1,490,549,000 in cash and cash equivalents and \$804,730,000 in investments. Of this amount, \$691,743,000 was subject to rating. Using the Moody's rating scale, \$294,993,000 of these investments ranged from Aaa-A1, while \$396,750,000 were not rated. The remaining amount of \$1,603,536,000 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 \$2,000,000 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 \$860,585,000 and \$418,709,000 using Level 1 and Level 2 inputs, respectively. MC measured another \$736,758,000 of investments at the net asset value, and \$24,000,000 at the amortized cost. The remaining \$6,193,000 was cash and cash equivalents. MC also held \$238,070,000 in the Non-Retirement Equity Fund

and \$10,964,000 in the Non-Retirement Money Market 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.

| <b>Major Component Unit<br/>Metropolitan Council<br/>Fair Value of Investments<br/>As of December 31, 2024<br/>(In Thousands)</b> |                         |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Fair Value of Portfolio                                                                                                           | Estimated<br>Fair Value |
| Less Than 1 Year                                                                                                                  | \$ 1,978,994            |
| 1-5 Year(s)                                                                                                                       | 302,827                 |
| 5+ Years                                                                                                                          | 13,458                  |
| Total                                                                                                                             | <u>\$ 2,295,279</u>     |

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 2024, MC performed a statistical analysis and determined that the liquidated hedges were essentially effective.

As of December 31, 2024, MC had 217 New York Mercantile Exchange (NYMEX) heating oil futures contracts (9.11 million gallons) acquired from April 4, 2024 through December 19, 2024, to terminate on dates from January 31, 2025, through October 31, 2026. As of December 31, 2024, the ultra-low sulfur diesel futures contracts had a fair value of \$20,307,000.

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, 2025, the University of Minnesota (U of M), including its discretely presented component units, had \$1,446,766,000 of cash and cash equivalents and \$8,813,205,000 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 \$1,239,044,000 and investments of \$3,642,778,000.

As of June 30, 2025, U of M's bank balance of \$123,376,000 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, 2025, \$1,012,396,000 of investment in securities was subject to quality rating and interest rate risk. This amount was rated as follows:

- \$903,257,000 was rated AA or better
- \$92,391,000 was rated BBB to A
- \$13,828,000 was rated BB or lower
- \$2,920,000 was not rated

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

- \$837,833,000 in government agencies with weighted average maturities of 1.5 to 2.7 years
- \$29,822,000 in mortgage-backed securities with a weighted average maturity of 9.2 years
- \$10,684,000 in other asset-backed securities with a weighted average maturity of 2.5 years
- \$98,647,000 in corporate bonds with a weighted average maturity of 1.1 years
- \$2,249,000 in foreign governmental bonds with a weighted average maturity of 1.3 years
- \$33,161,000 in other fixed income funds with a weighted average maturity of 7.8 years

As of June 30, 2025, U of M had \$141,637,000 of equity investments subject to foreign currency risk. The two components of this amount are \$103,795,000 in Euro Currency and \$37,842,000 in British Pound Sterling.

As of June 30, 2025, 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 \$241,449,000, \$982,901,000, and \$26,748,000 using Level 1, 2 and 3 inputs, respectively. U of M measured another \$2,391,680,000 of investments at the net asset value.

## Nonmajor Component Units

### Nonmajor Component Units Cash, Cash Equivalents, and Investments As of December 31, 2024 or June 30, 2025, as applicable (In Thousands)

| Component Unit                                 | Cash and Cash<br>Equivalents | Investments       |
|------------------------------------------------|------------------------------|-------------------|
| Agricultural and Economic Development Board    | \$ 1,303                     | \$ 24,707         |
| Minnesota Climate Innovation Finance Authority | 90,996                       | —                 |
| Minnesota Comprehensive Health Association     | 108                          | —                 |
| Minnesota Sports Facilities Authority          | 78,442                       | —                 |
| National Sports Center Foundation              | 4,956                        | —                 |
| Office of Higher Education                     | 625,994                      | —                 |
| Public Facilities Authority                    | 643,739                      | —                 |
| Rural Finance Authority                        | 25,839                       | —                 |
| Workers' Compensation Assigned Risk Plan       | 10,075                       | 271,912           |
| Total                                          | <u>\$ 1,481,452</u>          | <u>\$ 296,619</u> |

### Note 3 – Disaggregation of Receivables

**Primary Government  
Components of Net Receivables  
Government-wide  
As of June 30, 2025  
(In Thousands)**

| Description                           | Governmental Activities         |                        |                                            | Total                      |
|---------------------------------------|---------------------------------|------------------------|--------------------------------------------|----------------------------|
|                                       | General Fund <sup>(2)</sup>     | Federal Fund           | Nonmajor Governmental Funds <sup>(1)</sup> |                            |
| Taxes:                                |                                 |                        |                                            |                            |
| Corporate and Individual              | \$ 1,905,876                    | \$ —                   | \$ —                                       | \$ 1,905,876               |
| Sales and Use                         | 1,018,972                       | —                      | 106,734                                    | 1,125,706                  |
| Property                              | 373,447                         | —                      | —                                          | 373,447                    |
| Health Care Provider                  | 597,865                         | —                      | —                                          | 597,865                    |
| Motor Vehicle/Fuel                    | —                               | —                      | 81,193                                     | 81,193                     |
| Others                                | 104,526                         | —                      | 43,162                                     | 147,688                    |
| Child Support                         | 15,510                          | 14,453                 | 131                                        | 30,094                     |
| Workers' Compensation                 | —                               | —                      | 8,671                                      | 8,671                      |
| Others                                | 490,545                         | 351,461                | 233,680                                    | 1,075,686                  |
| Net Receivables                       | <u>\$ 4,506,741</u>             | <u>\$ 365,914</u>      | <u>\$ 473,571</u>                          | <u>\$ 5,346,226</u>        |
|                                       |                                 |                        |                                            |                            |
| Description                           | Business-type Activities        |                        |                                            | Total                      |
|                                       | State Colleges and Universities | Unemployment Insurance | Nonmajor Enterprise Funds                  |                            |
| Insurance Premiums                    | \$ —                            | \$ 516,526             | \$ —                                       | \$ 516,526                 |
| Tuition and Fees <sup>(3)</sup>       | 77,368                          | —                      | —                                          | 77,368                     |
| Others                                | —                               | —                      | 43,734                                     | 43,734                     |
| Net Receivables                       | <u>\$ 77,368</u>                | <u>\$ 516,526</u>      | <u>\$ 43,734</u>                           | <u>\$ 637,628</u>          |
| Total Government-wide Net Receivables |                                 |                        |                                            | <u><u>\$ 5,983,854</u></u> |

<sup>(1)</sup> Includes \$135.000 million for Internal Service Funds, less Internal Service Fund eliminations of \$127.371 million among Governmental Activities.

<sup>(2)</sup> Includes \$207 thousand interfund receivables from Fiduciary Funds reclassified to accounts receivable on the Government-wide Statement of Net Position.

<sup>(3)</sup> The revenue associated with tuition and fees is reduced by a scholarship allowance of \$359.412 million.

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

- Corporate and Individual Taxes \$25,623,000
- Sales and Use Taxes \$12,355,000
- Health Care Services \$188,876,000
- Child Support \$67,015,000
- Tuition and Fees \$46,703,000

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

- Corporate and Individual Taxes \$612,722,000
- Sales and Use Taxes \$157,101,000
- Child Support \$28,777,000
- Health Care Provider \$131,127,000
- Other Receivables \$245,882,000

## 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, 2025.

| <b>Primary Government<br/>Loans and Notes Receivable, Net of Allowance<br/>As of June 30, 2025<br/>(In Thousands)</b> |                  |                 |                                |                                      |                                  |
|-----------------------------------------------------------------------------------------------------------------------|------------------|-----------------|--------------------------------|--------------------------------------|----------------------------------|
| Loan Purpose                                                                                                          | General Fund     | Federal Fund    | Nonmajor Special Revenue Funds | State Colleges and Universities Fund | Total Loans and Notes Receivable |
| Student Loan Program                                                                                                  | \$ —             | \$ —            | \$ —                           | \$ 2,009                             | \$ 2,009                         |
| Economic Development                                                                                                  | 39,173           | 8,788           | 57,790                         | —                                    | 105,751                          |
| School Districts                                                                                                      | 1,356            | —               | —                              | —                                    | 1,356                            |
| Agricultural, Environmental and Energy Resources                                                                      | —                | —               | 122,230                        | —                                    | 122,230                          |
| Human Services                                                                                                        | —                | —               | 17,877                         | —                                    | 17,877                           |
| Transportation                                                                                                        | —                | —               | 3,131                          | —                                    | 3,131                            |
| Others                                                                                                                | 8,251            | —               | 446                            | 995                                  | 9,692                            |
| Total                                                                                                                 | <u>\$ 48,780</u> | <u>\$ 8,788</u> | <u>\$ 201,474</u>              | <u>\$ 3,004</u>                      | <u>\$ 262,046</u>                |

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-five 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 fifty 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 2025, the lessee exercised this option to eliminate their lease payments to the state.

State Colleges and University Fund (enterprise fund) has entered into several lease agreements, primarily for building space. The leases expire at various dates through 2065.

### Primary Government Leases Receivable and Revenue As of and for the Year June 30, 2025 (In Thousands)

| Primary Government                   | Leases Receivable | Lease Revenue   |
|--------------------------------------|-------------------|-----------------|
| Nonmajor Special Revenue Funds       | \$ 4,725          | \$ 944          |
| Internal Service Funds               | 3,273             | 1,454           |
| State Colleges and Universities Fund | 14,384            | 3,511           |
| Nonmajor Enterprise Funds            | 248               | 79              |
| Total                                | <u>\$ 22,630</u>  | <u>\$ 5,988</u> |

## Component Units

The following table is the loans and notes receivable, net of allowances outstanding as of December 31, 2024 or June 30, 2025, as applicable.

**Component Units  
Loans and Notes Receivable  
As of December 31, 2024 or June 30, 2025, as applicable  
(In Thousands)**

| Component Unit                                 | Loans and Notes<br>Receivable |
|------------------------------------------------|-------------------------------|
| Housing Finance Agency                         | \$ 1,292,657                  |
| Metropolitan Council                           | 27,494                        |
| University of Minnesota                        | 42,862                        |
| Minnesota Climate Innovation Finance Authority | 16,400                        |
| National Sports Center Foundation              | 337                           |
| Office of Higher Education                     | 429,913                       |
| Public Facilities Authority                    | 1,860,826                     |
| Rural Finance Authority                        | 126,264                       |
| Total                                          | <u>\$ 3,796,753</u>           |

The following table is a schedule of leases receivable as of December 31, 2024 or June 30, 2025, 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, 2024 or June 30, 2025, as applicable  
(In Thousands)**

| Component Unit                      | Leases Receivable |
|-------------------------------------|-------------------|
| Metropolitan Council                | \$ 19,797         |
| University of Minnesota             | 288,411           |
| Minnesota Sports Facility Authority | 310,432           |
| Total                               | <u>\$ 618,640</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 2025, the following interfund transactions were considered to be significant, unusual or unique in nature:

- A transfers-out was recorded on the Statement of Activities - governmental activities for a transfer of a capital asset to the Nonmajor Enterprise Funds (Giants Ridge Fund) for \$11,677,000. The Giants Ridge Fund recorded a capital contribution on the Statement of Revenues, Expenses, and Changes in Net Position, which was reclassified as a transfers-in on the Statement of Activities - business-type activities. See Note 6 – Capital Assets, including Right-to-Use Capital Assets.
- The General Fund recorded a one-time transfers-out to the Nonmajor Special Revenue Funds (Miscellaneous Special Revenue Fund) of \$93,200,000 to establish a loan program to provide operating loans to eligible long-term services and support providers on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.



**Primary Government  
Interfund Receivables and Payables  
As of June 30, 2025  
(In Thousands)**

| Description                                                        | Amount            |
|--------------------------------------------------------------------|-------------------|
| Due to the General Fund from:                                      |                   |
| Federal Fund                                                       | \$ 66,989         |
| Nonmajor Governmental Funds                                        | 169,817           |
| Family and Medical Benefit Insurance Fund                          | 4,500             |
| Nonmajor Enterprise Funds                                          | 24,106            |
| Internal Service Funds                                             | 60,000            |
| Fiduciary Funds                                                    | 207               |
| Total Due to General Fund from Other Funds                         | <u>\$ 325,619</u> |
| Due to the Federal Fund from:                                      |                   |
| Unemployment Insurance Fund                                        | \$ 157            |
| Total Due to Federal Fund from Other Funds                         | <u>\$ 157</u>     |
| Due to Nonmajor Governmental Funds from:                           |                   |
| General Fund                                                       | \$ 2,932          |
| Federal Fund                                                       | 439               |
| Nonmajor Governmental Funds                                        | 602,108           |
| State Colleges and Universities Fund                               | 2,253             |
| Unemployment Insurance Fund                                        | 93,158            |
| Nonmajor Enterprise Funds                                          | 2,905             |
| Total Due to Nonmajor Governmental Funds from Other Funds          | <u>\$ 703,795</u> |
| Due to the State Colleges and Universities Fund from:              |                   |
| Nonmajor Governmental Funds                                        | \$ 20,242         |
| Total Due to State Colleges and Universities Fund from Other Funds | <u>\$ 20,242</u>  |
| Due to Nonmajor Enterprise Funds from:                             |                   |
| General Fund                                                       | \$ 3,299          |
| Total Due to Nonmajor Enterprise Funds from Other Funds            | <u>\$ 3,299</u>   |
| Due to the Internal Service Funds from:                            |                   |
| Nonmajor Governmental Funds                                        | \$ 13             |
| Total Due to Internal Service Funds from Other Funds               | <u>\$ 13</u>      |
| Due to Fiduciary Funds from:                                       |                   |
| Fiduciary Funds                                                    | \$ 20,437         |
| Total Due to Fiduciary Funds from Other Funds                      | <u>\$ 20,437</u>  |

**Primary Government  
Interfund Transfers  
Year Ended June 30, 2025  
(In Thousands)**

| Description                                                              | Amount              |
|--------------------------------------------------------------------------|---------------------|
| Transfers to the General Fund from:                                      |                     |
| Federal Fund                                                             | \$ 11,379           |
| Nonmajor Governmental Funds                                              | 198,694             |
| Family and Medical Benefit Insurance Fund                                | 4,616               |
| Nonmajor Enterprise Funds                                                | 123,657             |
| Internal Service Funds                                                   | 15,981              |
| Total Transfers to General Fund from Other Funds                         | <u>\$ 354,327</u>   |
| Transfers to the Federal Fund from:                                      |                     |
| Nonmajor Governmental Funds                                              | \$ 1,421            |
| Unemployment Insurance Fund                                              | 155                 |
| Total Transfers to Federal Fund from Other Funds                         | <u>\$ 1,576</u>     |
| Transfers to Nonmajor Governmental Funds from:                           |                     |
| General Fund                                                             | \$ 789,212          |
| Federal Fund                                                             | 6,500               |
| Nonmajor Governmental Funds                                              | 287,120             |
| Unemployment Insurance Fund                                              | 41,923              |
| Nonmajor Enterprise Funds                                                | 37,993              |
| Internal Service Funds                                                   | 6,992               |
| Total Transfers to Nonmajor Governmental Funds from Other Funds          | <u>\$ 1,169,740</u> |
| Transfers to the State Colleges and Universities Fund from:              |                     |
| General Fund                                                             | \$ 934,526          |
| Nonmajor Governmental Funds                                              | 56,068              |
| Total Transfers to State Colleges and Universities Fund from Other Funds | <u>\$ 990,594</u>   |
| Transfers to Nonmajor Enterprise Funds from:                             |                     |
| General Fund                                                             | \$ 27,344           |
| Nonmajor Governmental Funds                                              | 3,130               |
| Total Transfers to Nonmajor Enterprise Funds from Other Funds            | <u>\$ 30,474</u>    |
| Transfers to Internal Service Funds From:                                |                     |
| Nonmajor Governmental Funds                                              | \$ 640              |
| Total Transfers to Internal Service Funds                                | <u>\$ 640</u>       |
| Transfers to Fiduciary Funds from:                                       |                     |
| General Fund                                                             | \$ 117,089          |
| Fiduciary Funds                                                          | 25,010              |
| Total Transfers to Fiduciary Funds from Other Funds                      | <u>\$ 142,099</u>   |

## Component Units

**Primary Government and Component Units  
Receivables and Payables  
As of December 31, 2024 or June 30, 2025, as applicable  
(In Thousands)**

| Component Units                | Due from<br>Primary<br>Government | Due to<br>Primary<br>Government  |
|--------------------------------|-----------------------------------|----------------------------------|
| Major Component Units:         |                                   |                                  |
| Housing Finance Agency         | \$ 99                             | \$ —                             |
| Metropolitan Council           | 124,554                           | 675                              |
| University of Minnesota        | 34,409                            | —                                |
| Total Major Component Units    | \$ 159,062                        | \$ 675                           |
| Nonmajor Component Units       | 263,424                           | 146,695                          |
| Total Component Units          | <u>\$ 422,486</u>                 | <u>\$ 147,370</u>                |
|                                |                                   |                                  |
|                                | Due from<br>Component<br>Units    | Due to<br>Component<br>Units     |
| Primary Government             |                                   |                                  |
| Major Governmental Funds:      |                                   |                                  |
| General Fund                   | \$ 23,978                         | \$ 182,252                       |
| Federal Fund                   | —                                 | 137,886                          |
| Total Major Governmental Funds | \$ 23,978                         | \$ 320,138                       |
| Nonmajor Governmental Funds    | 118,108                           | 42,257                           |
| Nonmajor Enterprise Funds      | —                                 | 12                               |
| Total Primary Government       | <u>\$ 142,086</u>                 | <u>\$ 362,407</u> <sup>(1)</sup> |

<sup>(1)</sup> Due to Component Units on the Government-wide Statement of Net Position totals \$363.729 million and includes \$1.322 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 \$5,284,000 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 \$60,079,000 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 \$1,322,000 loans payable disclosed above.

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

### Primary Government

**Primary Government  
Capital Assets, including Right-to-Use Capital Asset Activity  
Government-wide Governmental Activities  
Year Ended June 30, 2025  
(In Thousands)**

| Asset Category                                                                            | Beginning             | Additions           | Deductions          | Ending                |
|-------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|-----------------------|
| <b>Governmental Activities:</b>                                                           |                       |                     |                     |                       |
| <b>Capital Assets not Depreciated:</b>                                                    |                       |                     |                     |                       |
| Land                                                                                      | \$ 3,059,643          | \$ 110,911          | \$ (3,801)          | \$ 3,166,753          |
| Buildings, Structures, Improvements                                                       | 342,252               | —                   | —                   | 342,252               |
| Construction in Progress                                                                  | 230,928               | 403,619             | (171,928)           | 462,619               |
| Development in Progress                                                                   | 291,902               | 67,890              | (53,328)            | 306,464               |
| Infrastructure                                                                            | 13,748,699            | 516,656             | (6,063)             | 14,259,292            |
| Easements                                                                                 | 598,220               | 44,210              | (155)               | 642,275               |
| Art and Historical Treasures                                                              | 12,290                | —                   | —                   | 12,290                |
| <b>Total Capital Assets not Depreciated</b>                                               | <b>\$ 18,283,934</b>  | <b>\$ 1,143,286</b> | <b>\$ (235,275)</b> | <b>\$ 19,191,945</b>  |
| <b>Capital Assets Depreciated:</b>                                                        |                       |                     |                     |                       |
| Buildings, Structures, Improvements                                                       | \$ 3,909,044          | \$ 190,800          | \$ (5,427)          | \$ 4,094,417          |
| Infrastructure                                                                            | 609,713               | 24,890              | (1,442)             | 633,161               |
| Easements                                                                                 | 5,932                 | 320                 | (143)               | 6,109                 |
| Internally Generated Computer Software                                                    | 507,780               | 52,251              | (1,099)             | 558,932               |
| Equipment, Furniture, Fixtures                                                            | 1,087,737             | 178,131             | (81,823)            | 1,184,045             |
| <b>Total Capital Assets Depreciated</b>                                                   | <b>\$ 6,120,206</b>   | <b>\$ 446,392</b>   | <b>\$ (89,934)</b>  | <b>\$ 6,476,664</b>   |
| <b>Accumulated Depreciation for:</b>                                                      |                       |                     |                     |                       |
| Buildings, Structures, Improvements                                                       | \$ (1,884,036)        | \$ (102,288)        | \$ 2,483            | \$ (1,983,841)        |
| Infrastructure                                                                            | (194,654)             | (20,155)            | 409                 | (214,400)             |
| Easements                                                                                 | (1,957)               | (670)               | 143                 | (2,484)               |
| Internally Generated Computer Software                                                    | (364,989)             | (41,235)            | 751                 | (405,473)             |
| Equipment, Furniture, Fixtures                                                            | (602,417)             | (90,200)            | 66,061              | (626,556)             |
| <b>Total Accumulated Depreciation</b>                                                     | <b>\$ (3,048,053)</b> | <b>\$ (254,548)</b> | <b>\$ 69,847</b>    | <b>\$ (3,232,754)</b> |
| <b>Total Capital Assets Depreciated, Net</b>                                              | <b>\$ 3,072,153</b>   | <b>\$ 191,844</b>   | <b>\$ (20,087)</b>  | <b>\$ 3,243,910</b>   |
| <b>Right-to-Use Capital Assets Amortized:</b>                                             |                       |                     |                     |                       |
| Leased Buildings, Structures, Improvements                                                | \$ 514,704            | \$ 26,516           | \$ (121,525)        | \$ 419,695            |
| Leased Easements                                                                          | 3,955                 | 337                 | —                   | 4,292                 |
| Leased Equipment, Furniture, Fixtures                                                     | 20,447                | 3,019               | (1,746)             | 21,720                |
| IT Subscriptions                                                                          | 127,285               | 56,637              | (9,232)             | 174,690               |
| <b>Total Right-to-Use Capital Assets Amortized</b>                                        | <b>\$ 666,391</b>     | <b>\$ 86,509</b>    | <b>\$ (132,503)</b> | <b>\$ 620,397</b>     |
| <b>Accumulated Amortization for:</b>                                                      |                       |                     |                     |                       |
| Leased Buildings, Structures, Improvements                                                | \$ (185,875)          | \$ (63,138)         | \$ 30,034           | \$ (218,979)          |
| Leased Easements                                                                          | (903)                 | (765)               | —                   | (1,668)               |
| Leased Equipment, Furniture, Fixtures                                                     | (10,559)              | (4,244)             | 1,688               | (13,115)              |
| IT Subscriptions                                                                          | (58,254)              | (40,981)            | 8,099               | (91,136)              |
| <b>Total Accumulated Amortization</b>                                                     | <b>\$ (255,591)</b>   | <b>\$ (109,128)</b> | <b>\$ 39,821</b>    | <b>\$ (324,898)</b>   |
| <b>Total Right-to-Use Capital Assets Amortized, Net</b>                                   | <b>\$ 410,800</b>     | <b>\$ (22,619)</b>  | <b>\$ (92,682)</b>  | <b>\$ 295,499</b>     |
| <b>Governmental Activities Capital Assets, including Right-to-Use Capital Assets, Net</b> | <b>\$ 21,766,887</b>  | <b>\$ 1,312,511</b> | <b>\$ (348,044)</b> | <b>\$ 22,731,354</b>  |

Capital outlay expenditures in the governmental funds totaled \$1,279,217,000 for fiscal year 2025. Donations of general capital assets received were valued at \$39,308,000. Transfers of \$284,643,000 were primarily from construction in progress for completed projects and a transfer of a leased building with a net book value of \$78,825,000 when a bargain purchase option was exercised during current year. In addition, a completed infrastructure project with a value of \$11,677,000 was transferred from construction in progress in governmental

activities to infrastructure in the Nonmajor Enterprise Funds (Giants Ridge Fund). See Note 5 – Interfund Transactions and Balances with Component Units. Right-to-use capital assets include remeasurement additions of \$20,863,000. Internal service funds had additions of \$51,618,000 and right-to-use capital assets remeasurement additions totaling \$538,000.

| <b>Primary Government</b><br><b>Capital Assets, including Right-to-Use Capital Asset Activity</b><br><b>Government-wide Business-type Activities</b><br><b>Year Ended June 30, 2025</b><br><b>(In Thousands)</b> |                       |                     |                    |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|--------------------|-----------------------|
| Asset Category                                                                                                                                                                                                   | Beginning             | Additions           | Deductions         | Ending                |
| Capital Assets not Depreciated:                                                                                                                                                                                  |                       |                     |                    |                       |
| Land                                                                                                                                                                                                             | \$ 93,817             | \$ 783              | \$ (79)            | \$ 94,521             |
| Construction in Progress                                                                                                                                                                                         | 80,205                | 126,308             | (80,477)           | 126,036               |
| Development in Progress                                                                                                                                                                                          | 4,402                 | 8,485               | —                  | 12,887                |
| Other Intangibles                                                                                                                                                                                                | 596                   | —                   | —                  | 596                   |
| Total Capital Assets not Depreciated                                                                                                                                                                             | <u>\$ 179,020</u>     | <u>\$ 135,576</u>   | <u>\$ (80,556)</u> | <u>\$ 234,040</u>     |
| Capital Assets Depreciated:                                                                                                                                                                                      |                       |                     |                    |                       |
| Buildings, Structures, Improvements                                                                                                                                                                              | \$ 4,170,429          | \$ 81,066           | \$ (15,123)        | \$ 4,236,372          |
| Infrastructure                                                                                                                                                                                                   | 30,733                | 16,253              | —                  | 46,986                |
| Library Collections                                                                                                                                                                                              | 31,920                | 4,414               | (4,634)            | 31,700                |
| Internally Generated Computer Software                                                                                                                                                                           | 73,618                | 3,001               | (339)              | 76,280                |
| Equipment, Furniture, Fixtures                                                                                                                                                                                   | 381,616               | 18,940              | (5,545)            | 395,011               |
| Total Capital Assets Depreciated                                                                                                                                                                                 | <u>\$ 4,688,316</u>   | <u>\$ 123,674</u>   | <u>\$ (25,641)</u> | <u>\$ 4,786,349</u>   |
| Accumulated Depreciation for:                                                                                                                                                                                    |                       |                     |                    |                       |
| Buildings, Structures, Improvements                                                                                                                                                                              | \$ (2,524,270)        | \$ (129,191)        | \$ 14,534          | \$ (2,638,927)        |
| Infrastructure                                                                                                                                                                                                   | (22,393)              | (608)               | —                  | (23,001)              |
| Library Collections                                                                                                                                                                                              | (18,348)              | (4,322)             | 4,427              | (18,243)              |
| Internally Generated Computer Software                                                                                                                                                                           | (51,594)              | (7,039)             | —                  | (58,633)              |
| Equipment, Furniture, Fixtures                                                                                                                                                                                   | (296,828)             | (14,219)            | 5,068              | (305,979)             |
| Total Accumulated Depreciation                                                                                                                                                                                   | <u>\$ (2,913,433)</u> | <u>\$ (155,379)</u> | <u>\$ 24,029</u>   | <u>\$ (3,044,783)</u> |
| Total Capital Assets Depreciated, Net                                                                                                                                                                            | <u>\$ 1,774,883</u>   | <u>\$ (31,705)</u>  | <u>\$ (1,612)</u>  | <u>\$ 1,741,566</u>   |
| Right-to-Use Capital Assets Amortized:                                                                                                                                                                           |                       |                     |                    |                       |
| Leased Buildings, Structures, Improvements                                                                                                                                                                       | \$ 60,638             | \$ 31,195           | \$ (14,872)        | \$ 76,961             |
| Leased Equipment, Furniture, Fixtures                                                                                                                                                                            | 19,286                | 4,921               | (5,833)            | 18,374                |
| IT Subscriptions                                                                                                                                                                                                 | 52,213                | 5,646               | (4,413)            | 53,446                |
| Total Right-to-Use Capital Assets Amortized                                                                                                                                                                      | <u>\$ 132,137</u>     | <u>\$ 41,762</u>    | <u>\$ (25,118)</u> | <u>\$ 148,781</u>     |
| Accumulated Amortization for:                                                                                                                                                                                    |                       |                     |                    |                       |
| Leased Buildings, Structures, Improvements                                                                                                                                                                       | \$ (22,109)           | \$ (10,016)         | \$ 3,874           | \$ (28,251)           |
| Leased Equipment, Furniture, Fixtures                                                                                                                                                                            | (13,827)              | (5,740)             | 5,833              | (13,734)              |
| IT Subscriptions                                                                                                                                                                                                 | (21,243)              | (11,897)            | 4,413              | (28,727)              |
| Total Accumulated Amortization                                                                                                                                                                                   | <u>\$ (57,179)</u>    | <u>\$ (27,653)</u>  | <u>\$ 14,120</u>   | <u>\$ (70,712)</u>    |
| Total Right-to-Use Capital Assets Amortized, Net                                                                                                                                                                 | <u>\$ 74,958</u>      | <u>\$ 14,109</u>    | <u>\$ (10,998)</u> | <u>\$ 78,069</u>      |
| Business-type Activities Capital Assets, including Right-to-Use Capital Assets, Net                                                                                                                              | <u>\$ 2,028,861</u>   | <u>\$ 117,980</u>   | <u>\$ (93,166)</u> | <u>\$ 2,053,675</u>   |

Transfers for Business-type Activities totaling \$80,477,000 primarily related to construction in progress for completed projects. A completed infrastructure project with a value of \$11,677,000 was transferred from construction in progress governmental activities to infrastructure in the Nonmajor Enterprise Funds (Giants Ridge Fund). See Note 5 – Interfund Transactions and Balances with Component Units.

**Primary Government**  
**Capital Assets, including Right-to-Use Capital Asset Activity**  
**Fiduciary Funds**  
**Year Ended June 30, 2025**  
**(In Thousands)**

| Asset Category                                                              | Beginning               | Additions              | Deductions         | Ending                  |
|-----------------------------------------------------------------------------|-------------------------|------------------------|--------------------|-------------------------|
| Capital Assets not Depreciated:                                             |                         |                        |                    |                         |
| Land                                                                        | \$ 429                  | \$ —                   | \$ —               | \$ 429                  |
| Construction in Progress                                                    | 3,512                   | 1,978                  | —                  | 5,490                   |
| Development in Progress                                                     | 925                     | 1,851                  | —                  | 2,776                   |
| Total Capital Assets not Depreciated                                        | <u>\$ 4,866</u>         | <u>\$ 3,829</u>        | <u>\$ —</u>        | <u>\$ 8,695</u>         |
| Capital Assets Depreciated:                                                 |                         |                        |                    |                         |
| Buildings                                                                   | \$ 29,763               | \$ —                   | \$ —               | \$ 29,763               |
| Internally Generated Computer Software                                      | 35,956                  | —                      | —                  | 35,956                  |
| Equipment, Furniture, Fixtures                                              | 7,165                   | 768                    | (385)              | 7,548                   |
| Total Capital Assets Depreciated                                            | <u>\$ 72,884</u>        | <u>\$ 768</u>          | <u>\$ (385)</u>    | <u>\$ 73,267</u>        |
| Accumulated Depreciation for:                                               |                         |                        |                    |                         |
| Buildings                                                                   | \$ (17,203)             | \$ (739)               | \$ —               | \$ (17,942)             |
| Internally Generated Computer Software                                      | (27,974)                | (2,220)                | —                  | (30,194)                |
| Equipment, Furniture, Fixtures                                              | (6,323)                 | (313)                  | 385                | (6,251)                 |
| Total Accumulated Depreciation                                              | <u>\$ (51,500)</u>      | <u>\$ (3,272)</u>      | <u>\$ 385</u>      | <u>\$ (54,387)</u>      |
| Total Capital Assets Depreciated, Net                                       | <u>\$ 21,384</u>        | <u>\$ (2,504)</u>      | <u>\$ —</u>        | <u>\$ 18,880</u>        |
| Right-to-Use Capital Assets Amortized:                                      |                         |                        |                    |                         |
| Leased Equipment, Furniture, Fixtures                                       | \$ 116                  | \$ 10                  | \$ —               | \$ 126                  |
| IT Subscriptions                                                            | 243                     | 887                    | —                  | 1,130                   |
| Total Right-to-Use Capital Assets Amortized                                 | <u>\$ 359</u>           | <u>\$ 897</u>          | <u>\$ —</u>        | <u>\$ 1,256</u>         |
| Accumulated Amortization for:                                               |                         |                        |                    |                         |
| Leased Equipment, Furniture, Fixtures                                       | \$ (76)                 | \$ (22)                | \$ —               | \$ (98)                 |
| IT Subscriptions                                                            | (99)                    | (328)                  | —                  | (427)                   |
| Total Accumulated Amortization                                              | <u>\$ (175)</u>         | <u>\$ (350)</u>        | <u>\$ —</u>        | <u>\$ (525)</u>         |
| Total Right-to-Use Capital Assets Amortized, Net                            | <u>\$ 184</u>           | <u>\$ 547</u>          | <u>\$ —</u>        | <u>\$ 731</u>           |
| Fiduciary Funds, Capital Assets, including Right-to-Use Capital Assets, Net | <u><u>\$ 26,434</u></u> | <u><u>\$ 1,872</u></u> | <u><u>\$ —</u></u> | <u><u>\$ 28,306</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, 2025  
(In Thousands)**

| Function                                       | Depreciation/<br>Amortization<br>Expense |
|------------------------------------------------|------------------------------------------|
| Governmental Activities:                       |                                          |
| Agricultural, Environmental & Energy Resources | \$ 37,419                                |
| Economic and Workforce Development             | 11,103                                   |
| General Education                              | 9,103                                    |
| General Government                             | 66,385                                   |
| Health and Human Services                      | 79,755                                   |
| Higher Education                               | 324                                      |
| Public Safety and Corrections                  | 57,745                                   |
| Transportation                                 | 61,315                                   |
| Internal Service Funds                         | 40,527                                   |
| Total Governmental Activities                  | <u>\$ 363,676</u>                        |
| Business-type Activities:                      |                                          |
| Family and Medical Benefit Insurance           | \$ 51                                    |
| State Colleges and Universities                | 163,830                                  |
| Lottery                                        | 4,166                                    |
| Others                                         | 14,985                                   |
| Total Business-type Activities                 | <u>\$ 183,032</u>                        |

**Primary Government  
Significant Project Authorizations and Commitments  
As of June 30, 2025  
(In Thousands)**

| Description                       | Administration    | Transportation   |
|-----------------------------------|-------------------|------------------|
| Authorization                     | \$ 797,701        | \$ 2,048,674     |
| Less: Expended (through June 30)  | (294,513)         | (1,774,106)      |
| Less: Unexpended Commitment       | (387,358)         | (261,343)        |
| Remaining Available Authorization | <u>\$ 115,830</u> | <u>\$ 13,225</u> |

## Component Units

**Component Units**  
**Capital Asset, including Right-to-Use Capital Assets**  
**As of December 31, 2024 or June 30, 2025, as applicable**  
**(In Thousands)**

| Asset Category                                                             | Major Component Units     |                         |                            |                                | Total          |
|----------------------------------------------------------------------------|---------------------------|-------------------------|----------------------------|--------------------------------|----------------|
|                                                                            | Housing<br>Finance Agency | Metropolitan<br>Council | University<br>of Minnesota | Nonmajor<br>Component<br>Units |                |
| Capital Assets not Depreciated:                                            |                           |                         |                            |                                |                |
| Land                                                                       | \$ —                      | \$ 353,896              | \$ 272,472                 | \$ 32,145                      | \$ 658,513     |
| Construction in Progress                                                   | —                         | 3,385,165               | 216,049                    | 10,339                         | 3,611,553      |
| Easements                                                                  | —                         | —                       | 5                          | —                              | 5              |
| Museums and Collections                                                    | —                         | —                       | 124,719                    | —                              | 124,719        |
| Total Capital Assets not Depreciated                                       | \$ —                      | \$ 3,739,061            | \$ 613,245                 | \$ 42,484                      | \$ 4,394,790   |
| Capital Assets Depreciated:                                                |                           |                         |                            |                                |                |
| Buildings, Structures, Improvements                                        | \$ —                      | \$ 5,605,117            | \$ 5,246,545               | \$ 879,756                     | \$ 11,731,418  |
| Infrastructure                                                             | —                         | —                       | 461,072                    | 44,384                         | 505,456        |
| Other Intangibles                                                          | —                         | —                       | 6,903                      | —                              | 6,903          |
| Library                                                                    | —                         | —                       | 191,050                    | —                              | 191,050        |
| Internally Generated Computer Software                                     | 7,487                     | —                       | 204,342                    | —                              | 211,829        |
| Equipment, Furniture, Fixtures                                             | 3,593                     | 1,384,822               | 940,554                    | 243,989                        | 2,572,958      |
| Total Capital Assets Depreciated                                           | \$ 11,080                 | \$ 6,989,939            | \$ 7,050,466               | \$ 1,168,129                   | \$ 15,219,614  |
| Total Accumulated Depreciation                                             | \$ (9,825)                | \$ (3,618,947)          | \$ (4,545,199)             | \$ (444,438)                   | \$ (8,618,409) |
| Total Capital Assets Depreciated, Net <sup>(1)</sup>                       | \$ 1,255                  | \$ 3,370,992            | \$ 2,505,267               | \$ 723,691                     | \$ 6,601,205   |
| Right-to-Use Capital Assets Amortized:                                     |                           |                         |                            |                                |                |
| Leased Buildings, Structures, Improvements                                 | \$ 9,739                  | \$ 9,045                | \$ 261,770                 | \$ 6,236                       | \$ 286,790     |
| Leased Easements                                                           | —                         | 4,817                   | 3,698                      | —                              | 8,515          |
| Leased Equipment, Furniture, Fixtures                                      | —                         | —                       | 9,685                      | —                              | 9,685          |
| IT Subscriptions                                                           | 3,858                     | 3,971                   | 69,226                     | 181                            | 77,236         |
| Total Right-to-Use Capital Assets Amortized                                | \$ 13,597                 | \$ 17,833               | \$ 344,379                 | \$ 6,417                       | \$ 382,226     |
| Total Accumulated Amortization                                             | \$ (8,508)                | \$ (6,514)              | \$ (115,677)               | \$ (1,159)                     | \$ (131,858)   |
| Total Right-to-Use Capital Assets Amortized, Net                           | \$ 5,089                  | \$ 11,319               | \$ 228,702                 | \$ 5,258                       | \$ 250,368     |
| Component Units Capital Assets, including Right-to-Use Capital Assets, Net | \$ 6,344                  | \$ 7,121,372            | \$ 3,347,214               | \$ 771,433                     | \$ 11,246,363  |

<sup>(1)</sup> In addition to this amount, the component units of the University of Minnesota had combined capital assets with a net value of \$22.139 million as of June 30, 2025.



## Note 7 – Disaggregation of Payables

**Primary Government  
Components of Accounts Payable  
Government-wide  
As of June 30, 2025  
(In Thousands)**

|                           | Governmental Activities |              |                                            |              |
|---------------------------|-------------------------|--------------|--------------------------------------------|--------------|
| Description               | General Fund            | Federal Fund | Nonmajor Governmental Funds <sup>(1)</sup> | Total        |
| School Aid Programs       | \$ 1,365,056            | \$ 300,215   | \$ 270                                     | \$ 1,665,541 |
| Tax Refunds               | 1,065,459               | —            | —                                          | 1,065,459    |
| Medical Care Programs     | 1,189,763               | 1,851,244    | 16,089                                     | 3,057,096    |
| Grants                    | 817,080                 | 315,212      | 612,935                                    | 1,745,227    |
| Salaries and Benefits     | 119,740                 | 17,764       | 55,142                                     | 192,646      |
| Vendors/Service Providers | 301,357                 | 120,662      | 303,969                                    | 725,988      |
| Net Payables              | \$ 4,858,455            | \$ 2,605,097 | \$ 988,405                                 | \$ 8,451,957 |

|                           | Business-type Activities             |                                 |                        |                           |            |
|---------------------------|--------------------------------------|---------------------------------|------------------------|---------------------------|------------|
| Description               | Family Medical and Benefit Insurance | State Colleges and Universities | Unemployment Insurance | Nonmajor Enterprise Funds | Total      |
| Salaries and Benefits     | \$ 469                               | \$ 113,632                      | \$ —                   | \$ 8,488                  | \$ 122,589 |
| Vendors/Service Providers | 2,879                                | 70,130                          | 69,661                 | 76,849                    | 219,519    |
| Net Payables              | \$ 3,348                             | \$ 183,762                      | \$ 69,661              | \$ 85,337                 | \$ 342,108 |

|                                    |              |
|------------------------------------|--------------|
| Total Government-wide Net Payables | \$ 8,794,065 |
|------------------------------------|--------------|

<sup>(1)</sup> Includes \$59.360 million for Internal Service Funds, less Internal Service Fund eliminations of \$127.371 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 (Minn State), 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 2025, the plan will not be open for enrollment until January 1, 2026, therefore it does not have a stand-alone report for fiscal year 2025.

| Plan Administrator                                     | Plans Covered                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minnesota State Retirement System (MSRS)               | State Employees Retirement Fund<br>Correctional Employees Retirement Fund<br>Judges Retirement Fund<br>Legislators Retirement Fund<br>State Patrol Retirement Fund<br>Hennepin County Supplemental Retirement Fund<br>Health Care Savings Fund<br>Unclassified Employees Retirement Fund<br>Minnesota Deferred Compensation Fund |
| Public Employees Retirement Association (PERA)         | General Employees Retirement Fund<br>Police and Fire Fund<br>Public Employees Correctional Fund<br>Volunteer Firefighter Retirement Fund<br>Volunteer Firefighter Retirement Defined Contribution Fund<br>Defined Contribution Fund                                                                                              |
| Teachers Retirement Association (TRA)                  | Teachers Retirement Fund                                                                                                                                                                                                                                                                                                         |
| Minnesota State Colleges and Universities (Minn State) | 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 Minn State 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, 2025, 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. For allowable service after the first ten years, 1.7 percent for each year prior to July 1, 2025, and 1.9 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).

Prior measurement period was 1.7 percent for all years after the first 10 years of allowable service.

Level formula: 1.7 percent of the high-five average salary for each year of allowable service prior to July 1, 2025, and 1.9 percent for each year thereafter, with full benefits at normal retirement age. Not eligible for benefits under the Rule of 90.

Prior measurement period was 1.7 percent for all years of allowable service.

**Annual Benefit Increase** 1.5 percent through December 31, 2025 and 1.75 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.

Prior measurement period was 1.5 percent fixed rate after December 31, 2023.

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.<br>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.<br>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 through December 31, 2025. Thereafter, 100 percent of the Social Security Administration increase, but not less than 1.0 percent or more than 1.75 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 until it no longer meets the conditions, then the benefit increase will return to 1.75 percent maximum. 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. In fiscal year 2026, the benefit increase of 1.50 percent is projected for all years. |

The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental units and subdivisions. Approximately 420 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 through December 31, 2025, 3.0 percent through December 31, 2026, and 1.0 percent thereafter. 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. |

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.<br>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.<br>Members hired on or after July 1, 1989: Level formula.<br><br>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** 1.1 percent through December 31, 2024, then increase by 0.1 percent each year over four 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 <sup>(1)</sup> | CERF      | GERF              | P&FF <sup>(4)</sup> | TRF <sup>(2)(3)</sup> |
|-----------------------------------------------------|---------------------|-----------|-------------------|---------------------|-----------------------|
| Minnesota Statutory Authority                       | 352.04              | 352.92    | 353.27<br>353.505 | 353.65              | 354.42<br>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                    | \$ —                | \$ —      | \$ 16,000         | \$ 9,000            | \$ 59,549             |
| Primary Government Contributions – Reporting Period | \$ 217,197          | \$ 69,431 | \$ 17,298         | \$ 9,587            | \$ 81,218             |

<sup>(1)</sup> Member contribution rates increase by 0.50 percent effective fiscal year 2026.

<sup>(2)</sup> 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 1.06 percent effective fiscal year 2026.

<sup>(3)</sup> Non-Employer contributions include a one-time state aid contribution for TRF of \$28.462 million.

<sup>(4)</sup> Non-Employer contributions include a \$9 million state contribution for P&FF that will increase to \$17.7 million in fiscal year 2026 and thereafter. The contribution will continue until the plan is 110 percent funded for three consecutive years.

**Primary Government Administered Multiple-Employer Cost Sharing Plans**  
**Summary of Pension Amounts**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                                                   | SERF <sup>(1)</sup> | CERF <sup>(1)</sup> | GERF <sup>(1)</sup> | P&FF <sup>(1)</sup> | TRF <sup>(1)</sup> | Total               |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Primary Government's Proportionate Share of the Net Pension Liability as an:                  |                     |                     |                     |                     |                    |                     |
| Employer                                                                                      | \$ 25,569           | \$ 471,114          | \$ 8,004            | \$ 3,072            | \$ 219,682         | \$ 727,441          |
| Non-Employer Contributing Entity                                                              | —                   | —                   | 93,185              | 95,008              | 340,763            | 528,956             |
| Total                                                                                         | <u>\$ 25,569</u>    | <u>\$ 471,114</u>   | <u>\$ 101,189</u>   | <u>\$ 98,080</u>    | <u>\$ 560,445</u>  | <u>\$ 1,256,397</u> |
| Primary Government's Total Proportionate Share Percentage of the Net Pension Liability as of: |                     |                     |                     |                     |                    |                     |
| Current Year Measurement Date                                                                 | 76.87%              | 99.91%              | 2.74%               | 7.46%               | 8.82%              |                     |
| Prior Year Measurement Date                                                                   | 76.41%              | 99.91%              | 2.94%               | 4.13%               | 9.27%              |                     |
| Deferred Outflows of Resources                                                                | \$ 709,191          | \$ 167,882          | \$ 27,306           | \$ 204,318          | \$ 164,457         | \$ 1,273,154        |
| Deferred Inflows of Resources                                                                 | \$ 946,432          | \$ 115,755          | \$ 85,147           | \$ 183,431          | \$ 232,140         | \$ 1,562,905        |
| Net Pension Expense                                                                           | \$ (11,568)         | \$ 72,211           | \$ (405)            | \$ 22,892           | \$ 12,849          | \$ 95,979           |

<sup>(1)</sup> 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 <sup>(1)(5)</sup>   | CERF <sup>(1)(6)</sup>   | GERF <sup>(1)</sup>      | P&FF <sup>(2)</sup>      | TRF <sup>(3)</sup> |
|-----------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------|
| Actuarial Valuation/<br>Measurement Date      | June 30, 2024            | June 30, 2024            | June 30, 2024            | June 30, 2024            | June 30, 2024      |
| Long-Term Expected<br>Rate                    | 7.00%                    | 7.00%                    | 7.00%                    | 7.00%                    | 7.00%              |
| 20 Year Municipal Bond<br>Rate <sup>(4)</sup> | 3.97%                    | 3.97%                    | 3.97%                    | 3.97%                    | 3.94%              |
| Experience Study Dates                        | 2018-2022                | 2015-2019                | 2014-2018                | 2015-2019                | 2018-2022          |
| Inflation                                     | 2.25%                    | 2.25%                    | 2.25%                    | 2.25%                    | 2.50%              |
| Salary Increases                              | Service<br>Related Rates | Service<br>Related Rates | Service<br>Related Rates | Service<br>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-2021 for SERF and GERF, and Scale MP-2019 for CERF. There are various adjustments in each plan to match experience. In the prior year measurement period, SERF adjusted for mortality improvements based on Scale MP-2018. In fiscal year 2026, CERF will use the Pub-2010 Public Safety Mortality Table and 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.
- (3) For TRF mortality rate assumptions, the Pub-2010 Teacher Mortality Table was used and adjusted for mortality improvements based on Scale MP-2021. 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-2015.
- (4) Source: Fidelity Index for SERF, CERF, GERF, and P&FF and Bond Buyers for TRF.
- (5) For SERF in fiscal year 2026, the combined service annuity load will change from 4 percent to 9 percent for vested terminated members, and from 5 percent to 51 percent for non-vested terminated members.
- (6) For CERF in fiscal year 2026, the combined service annuity load will change from 17 percent to 6 percent for vested terminated members, and from 6 percent to 111 percent for non-vested terminated members.

**Primary Government Administered Multiple-Employer Cost Sharing Plans  
Deferred Outflows of Resources  
As of June 30, 2025  
(In Thousands)**

| Description                                                                                                                | SERF              | CERF              | GERF             | P&FF              | TRF               | Total               |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| Difference Between<br>Expected and Actual<br>Experience                                                                    | \$ 187,491        | \$ 44,569         | \$ 9,514         | \$ 38,222         | \$ 26,718         | \$ 306,514          |
| Changes in Assumption                                                                                                      | 288,281           | 53,863            | 494              | 107,815           | 56,521            | 506,974             |
| Change in<br>Proportionate<br>Difference Between<br>Actual Contributions<br>and Proportionate<br>Share of<br>Contributions | 16,222            | 19                | —                | 48,694            | —                 | 64,935              |
| Contributions<br>Subsequent to the<br>Measurement Date                                                                     | 217,197           | 69,431            | 17,298           | 9,587             | 81,218            | 394,731             |
| Total                                                                                                                      | <u>\$ 709,191</u> | <u>\$ 167,882</u> | <u>\$ 27,306</u> | <u>\$ 204,318</u> | <u>\$ 164,457</u> | <u>\$ 1,273,154</u> |



**Primary Government Administered Multiple-Employer Cost Sharing Plans**  
**Deferred Inflows of Resources**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                        | SERF              | CERF              | GERF             | P&FF              | TRF               | Total               |
|--------------------------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| Difference Between Expected and Actual Experience                  | \$ 2,059          | \$ 946            | \$ —             | \$ —              | \$ 7,263          | \$ 10,268           |
| Changes in Assumption                                              | 467,450           | 54,405            | 38,298           | 144,425           | 66,835            | 771,413             |
| Net Difference Between Projected and Actual Earnings on Investment | 475,739           | 60,299            | 29,384           | 31,891            | 79,324            | 676,637             |
| Change in Proportionate Share of Contributions                     | 1,184             | 105               | 17,465           | 7,115             | 78,718            | 104,587             |
| Total                                                              | <u>\$ 946,432</u> | <u>\$ 115,755</u> | <u>\$ 85,147</u> | <u>\$ 183,431</u> | <u>\$ 232,140</u> | <u>\$ 1,562,905</u> |

**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, 2025**  
**(In Thousands)**

| Description                                                           | SERF                | CERF               | GERF               | P&FF             | TRF                 | Total               |
|-----------------------------------------------------------------------|---------------------|--------------------|--------------------|------------------|---------------------|---------------------|
| 2026                                                                  | \$ (138,474)        | \$ 944             | \$ (43,324)        | \$ 7,848         | \$ (68,908)         | \$ (241,914)        |
| 2027                                                                  | 29,723              | 14,601             | (10,772)           | 27,048           | 29,331              | 89,931              |
| 2028                                                                  | (226,265)           | (16,051)           | (13,717)           | (4,493)          | (55,349)            | (315,875)           |
| 2029                                                                  | (119,422)           | (16,798)           | (7,326)            | (33,519)         | (39,547)            | (216,612)           |
| 2030                                                                  | —                   | —                  | —                  | 14,416           | (14,428)            | (12)                |
| Net Pension Expense                                                   | <u>\$ (454,438)</u> | <u>\$ (17,304)</u> | <u>\$ (75,139)</u> | <u>\$ 11,300</u> | <u>\$ (148,901)</u> | <u>\$ (684,482)</u> |
| Deferred Outflow of Resources as a Reduction to Net Pension Liability | 217,197             | 69,431             | 17,298             | 9,587            | 81,218              | 394,731             |
| Net Deferred Outflows (Inflows) of Resources                          | <u>\$ (237,241)</u> | <u>\$ 52,127</u>   | <u>\$ (57,841)</u> | <u>\$ 20,887</u> | <u>\$ (67,683)</u>  | <u>\$ (289,751)</u> |

**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         | <p>Members hired before July 1, 1989: Tier 1 or Tier 2 formula, whichever is greater.<br/>Members hired on or after July 1, 1989: Tier 2 formula.</p> <p>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.</p> <p>Basic members receive 2.0 percent of the high-five average salary for all years of allowable service.</p> <p>The Tier 1 formula also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90 or greater).</p> <p>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.</p> <p>Basic members receive 2.5 percent of the high-five average salary for all years of allowable service.</p> <p>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.</p> |
| Annual Benefit Increase | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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

| Description                                                                       | SPTRF <sup>(1)(2)</sup> |
|-----------------------------------------------------------------------------------|-------------------------|
| Minnesota Statutory Authority                                                     | 354A.12                 |
| Required Contribution Rate:                                                       |                         |
| Active Members                                                                    | 7.5-10.0%               |
| Employer(s)                                                                       | 9.0-12.5%               |
| Primary Government as Non-Employer Contributing Entity -<br>Statutory Requirement | \$ 17,203               |
| Primary Government Contributions - Reporting Period                               | \$ 17,223               |

<sup>(1)</sup> 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 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.

<sup>(2)</sup> Non-Employer contributions include a one-time state aid contribution of \$1.538 million.

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan**  
**Summary of Pension Amounts**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                                                   | SPTRF <sup>(1)</sup> |
|-----------------------------------------------------------------------------------------------|----------------------|
| Primary Government's Proportionate Share of the Net Pension Liability as an:                  |                      |
| Employer                                                                                      | \$ 155               |
| Non-Employer Contributing Entity                                                              | 162,831              |
| Total                                                                                         | <u>\$ 162,986</u>    |
| Primary Government's Total Proportionate Share Percentage of the Net Pension Liability as of: |                      |
| Current Measurement Date                                                                      | 27.25%               |
| Prior Measurement Date                                                                        | 29.06%               |
| Deferred Outflows of Resources                                                                | \$ 19,316            |
| Deferred Inflows of Resources                                                                 | \$ 22,013            |
| Net Pension Expense                                                                           | \$ 8,503             |

<sup>(1)</sup> 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 <sup>(1)</sup> |
|--------------------------------------------|----------------------|
| Actuarial Valuation/Measurement Date       | June 30, 2024        |
| Long-Term Expected Rate                    | 7.00%                |
| 20 Year Municipal Bond Rate <sup>(2)</sup> | 3.97%                |
| Experience Study Dates                     | 2016-2021            |
| Inflation                                  | 2.50%                |
| Salary Increases                           | 2.50-8.00%           |
| Payroll Growth                             | 2.50%                |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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, 2025**  
**(In Thousands)**

| Description                                       | SPTRF            |
|---------------------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 1,745         |
| Change in Proportionate Share of Contributions    | 348              |
| Contributions Subsequent to the Measurement Date  | 17,223           |
| Total                                             | <u>\$ 19,316</u> |

**Non-Primary Government Administered Multiple-Employer Cost Sharing Plan**  
**Deferred Inflows of Resources**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                        | SPTRF            |
|--------------------------------------------------------------------|------------------|
| Difference Between Expected and Actual Experience                  | \$ 1,465         |
| Changes in Assumption                                              | 2,139            |
| Net Difference Between Projected and Actual Earnings on Investment | 10,496           |
| Change in Proportionate Share of Contributions                     | 7,913            |
| Total                                                              | <u>\$ 22,013</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, 2025**  
**(In Thousands)**

| Description                                                           | SPTRF              |
|-----------------------------------------------------------------------|--------------------|
| 2026                                                                  | \$ (14,137)        |
| 2027                                                                  | 2,355              |
| 2028                                                                  | (4,995)            |
| 2029                                                                  | (3,143)            |
| Net Pension Expense                                                   | <u>\$ (19,920)</u> |
| Deferred Outflow of Resources as a Reduction to Net Pension Liability | 17,223             |
| Net Deferred Outflows (Inflows) of Resources                          | <u>\$ (2,697)</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 282 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** 1.5 percent through December 31, 2025 and 1.75 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.

Prior measurement period was 1.5 percent fixed rate after December 31, 2023.

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 through December 31, 2025, and 1.25 percent thereafter. 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.

Prior measurement period was 1.0 fixed rate.

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

| Description                                         | JRF                  | LRF                | SPRF                 |
|-----------------------------------------------------|----------------------|--------------------|----------------------|
| 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% <sup>(1)</sup> | N/A <sup>(2)</sup> | 23.1% <sup>(3)</sup> |
| Primary Government Contributions – Reporting Period | \$ 19,857            | \$ 8,364           | \$ 38,365            |

<sup>(1)</sup> Employer contributions include an additional \$6 million each year until the plan is 110 percent funded for three consecutive years. This contribution was previously due to continue until the earlier of the plan is fully funded for three consecutive years or July 1, 2048.

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

<sup>(3)</sup> 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 110 percent funded for three consecutive years. This contribution was previously due to continue until the earlier of the plan is fully funded for three consecutive years or July 1, 2048. Beginning fiscal year 2026, employer contributions will also include an additional \$2.3 million each year through fiscal year 2048.

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

| Description                                     | JRF | LRF | SPRF  |
|-------------------------------------------------|-----|-----|-------|
| Members (or their beneficiaries)                |     |     |       |
| Currently Receiving Benefits                    | 423 | 334 | 1,172 |
| Members Entitled to, but not Receiving Benefits | 21  | 16  | 79    |
| Active Members                                  | 318 | 7   | 987   |

**Primary Government Administered Single-Employer Plans**  
**Summary of Pension Amounts**  
As of June 30, 2025  
(In Thousands)

| Description                    | JRF        | LRF        | SPRF       | Total      |
|--------------------------------|------------|------------|------------|------------|
| Net Pension Liability          | \$ 151,937 | \$ 100,461 | \$ 154,593 | \$ 406,991 |
| Deferred Outflows of Resources | 31,437     | 8,364      | 96,182     | 135,983    |
| Deferred Inflows of Resources  | 21,621     | —          | 80,525     | 102,146    |
| Net Pension Expense            | 13,200     | 877        | 21,030     | 35,107     |

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

| Description                                | JRF <sup>(1)</sup> | LRF <sup>(1)</sup> | SPRF <sup>(1)</sup>   |
|--------------------------------------------|--------------------|--------------------|-----------------------|
| Actuarial Valuation / Measurement Date     | June 30, 2024      | June 30, 2024      | June 30, 2024         |
| Long-Term Expected Rate                    | 7.00%              | N/A                | 7.00%                 |
| 20 Year Municipal Bond Rate <sup>(2)</sup> | 3.97%              | 3.97%              | 3.97%                 |
| 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%                 |

<sup>(1)</sup> 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-2021 for LRF. There are various adjustments in each plan to match experience. In the prior year measurement period, LRF adjusted for mortality improvements based on Scale MP-2018. In fiscal year 2026, SPRF will use the Pub-2010 Public Safety Mortality Table and adjust for mortality improvements based on Scale MP-2021 and JRF will use the Pub-2010 General Mortality Table, Above Median Income, and adjust for mortality improvements based on Scale MP-2021.

<sup>(2)</sup> Source: Fidelity Index 20-Year Municipal GO AA Index.

**Primary Government Administered Single-Employer Plans**  
**Schedule of Net Pension Liability**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                                      | JRF               | LRF               | SPRF                | Total               |
|----------------------------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Total Pension Liability (TPL):</b>                                            |                   |                   |                     |                     |
| Service Cost                                                                     | \$ 10,043         | \$ 199            | \$ 29,442           | \$ 39,684           |
| Interest on the Total Pension Liability                                          | 29,416            | 4,018             | 80,498              | 113,932             |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 7,281             | (558)             | (2,687)             | 4,036               |
| Changes in Assumptions                                                           | —                 | (2,784)           | —                   | (2,784)             |
| Benefit Payments, Including Refunds of Member Contributions                      | (30,626)          | (8,811)           | (69,890)            | (109,327)           |
| Net Change in Total Pension Liability                                            | \$ 16,114         | \$ (7,936)        | \$ 37,363           | \$ 45,541           |
| Total Pension Liability, Beginning                                               | \$ 430,526        | \$ 108,397        | \$ 1,170,196        | \$ 1,709,119        |
| Total Pension Liability, Ending                                                  | <u>\$ 446,640</u> | <u>\$ 100,461</u> | <u>\$ 1,207,559</u> | <u>\$ 1,754,660</u> |
| <b>Fiduciary Net Position (FNP):</b>                                             |                   |                   |                     |                     |
| Contributions – Employer                                                         | \$ 19,534         | \$ 8,813          | \$ 47,035           | \$ 75,382           |
| Contributions – Member                                                           | 4,420             | 38                | 17,453              | 21,911              |
| Net Investment Income                                                            | 32,493            | —                 | 115,542             | 148,035             |
| Benefit Payments, Including Refunds of Member Contributions                      | (30,626)          | (8,811)           | (69,890)            | (109,327)           |
| Pension Plan Administrative Expenses                                             | (105)             | (40)              | (272)               | (417)               |
| Other Changes                                                                    | —                 | —                 | (1)                 | (1)                 |
| Net Change in Plan Fiduciary Net Position                                        | \$ 25,716         | \$ —              | \$ 109,867          | \$ 135,583          |
| Plan Fiduciary Net Position, Beginning                                           | \$ 268,987        | \$ —              | \$ 943,099          | \$ 1,212,086        |
| Plan Fiduciary Net Position, Ending                                              | <u>\$ 294,703</u> | <u>\$ —</u>       | <u>\$ 1,052,966</u> | <u>\$ 1,347,669</u> |
| Net Pension Liability (NPL)                                                      | <u>\$ 151,937</u> | <u>\$ 100,461</u> | <u>\$ 154,593</u>   | <u>\$ 406,991</u>   |

**Primary Government Administered Single-Employer Plans**  
**Deferred Outflows of Resources**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                       | JRF              | LRF             | SPRF             | Total             |
|---------------------------------------------------|------------------|-----------------|------------------|-------------------|
| Difference Between Expected and Actual Experience | \$ 6,641         | \$ —            | \$ 27,769        | \$ 34,410         |
| Changes in Assumption                             | 4,939            | —               | 30,048           | 34,987            |
| Contributions Subsequent to the Measurement Date  | 19,857           | 8,364           | 38,365           | 66,586            |
| Total                                             | <u>\$ 31,437</u> | <u>\$ 8,364</u> | <u>\$ 96,182</u> | <u>\$ 135,983</u> |

**Primary Government Administered Single-Employer Plans**  
**Deferred Inflows of Resources**  
**As of June 30, 2025**  
**(In Thousands)**

| Description                                                        | JRF              | SPRF             | Total             |
|--------------------------------------------------------------------|------------------|------------------|-------------------|
| Difference Between Expected and Actual Experience                  | \$ 1,499         | \$ 3,520         | \$ 5,019          |
| Changes in Assumption                                              | 10,091           | 41,016           | 51,107            |
| Net Difference Between Projected and Actual Earnings on Investment | 10,031           | 35,989           | 46,020            |
| Total                                                              | <u>\$ 21,621</u> | <u>\$ 80,525</u> | <u>\$ 102,146</u> |

**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, 2025**  
**(In Thousands)**

| Description                                                           | JRF                | LRF             | SPRF               | Total              |
|-----------------------------------------------------------------------|--------------------|-----------------|--------------------|--------------------|
| 2026                                                                  | \$ (4,551)         | \$ —            | \$ (11,247)        | \$ (15,798)        |
| 2027                                                                  | 577                | —               | 22,507             | 23,084             |
| 2028                                                                  | (4,743)            | —               | (17,010)           | (21,753)           |
| 2029                                                                  | (1,324)            | —               | (16,510)           | (17,834)           |
| 2030                                                                  | —                  | —               | (448)              | (448)              |
| Net Pension Expense                                                   | <u>\$ (10,041)</u> | <u>\$ —</u>     | <u>\$ (22,708)</u> | <u>\$ (32,749)</u> |
| Deferred Outflow of Resources as a Reduction to Net Pension Liability | 19,857             | 8,364           | 38,365             | 66,586             |
| Net Deferred Outflows (Inflows) of Resources                          | <u>\$ 9,816</u>    | <u>\$ 8,364</u> | <u>\$ 15,657</u>   | <u>\$ 33,837</u>   |



## Summary of Defined Benefit Plans

### Summary of Defined Benefit Plans As of June 30, 2025 (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          | \$ 1,256,397                                                         | \$ 162,986                                                              | \$ 406,991                                            | \$ 1,826,374 |
| Deferred Outflows of Resources | 1,273,154                                                            | 19,316                                                                  | 135,983                                               | 1,428,453    |
| Deferred Inflows of Resources  | 1,562,905                                                            | 22,013                                                                  | 102,146                                               | 1,687,064    |
| Net Pension Expense            | 95,979                                                               | 8,503                                                                   | 35,107                                                | 139,589      |

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, 2025

| 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                | 100.00 %          |                                                    |

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, 2025  
(In Thousands)**

| Plan                  | With a 1% Decrease |                    | Current Discount Rate |                    | With a 1% Increase |                    |
|-----------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|
|                       | Rate               | NPL <sup>(1)</sup> | Rate                  | NPL <sup>(1)</sup> | Rate               | NPL <sup>(1)</sup> |
| SERF                  | 6.00 %             | \$ 1,759,405       | 7.00 %                | \$ 25,569          | 8.00 %             | \$(1,414,586)      |
| CERF                  | 6.00 %             | 805,626            | 7.00 %                | 471,114            | 8.00 %             | 199,510            |
| GERF                  | 6.00 %             | 221,013            | 7.00 %                | 101,189            | 8.00 %             | 2,623              |
| P&FF                  | 6.00 %             | 231,782            | 7.00 %                | 98,080             | 8.00 %             | (11,717)           |
| TRF                   | 6.00 %             | 986,976            | 7.00 %                | 560,445            | 8.00 %             | 209,400            |
| SPTRF                 | 6.00 %             | 229,054            | 7.00 %                | 162,986            | 8.00 %             | 108,359            |
| JRF                   | 6.00 %             | 196,045            | 7.00 %                | 151,937            | 8.00 %             | 114,030            |
| LRF <sup>(3)(4)</sup> | 2.97 %             | 109,332            | 3.97 % <sup>(2)</sup> | 100,461            | 4.97 %             | 92,801             |
| SPRF                  | 6.00 %             | 310,979            | 7.00 %                | 154,593            | 8.00 %             | 26,120             |

<sup>(1)</sup> Net Pension Liability (Asset).

<sup>(2)</sup> LRF: The municipal bond rate was used for all years.

<sup>(3)</sup> The discount rate changed from 3.86 percent for LRF.

<sup>(4)</sup> The discount rate for fiscal year 2026 will change to 5.20 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 \$195,470,000 for the fiscal year ended June 30, 2025.

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 Volunteer Firefighter Retirement Defined Contribution Fund (VFRDCF) is authorized by Minnesota Statutes 353G. The plan covers volunteer firefighters. Contributions to the plan include fire state aid and voluntary employer contributions. Members do not contribute to the plan. Plan benefits depend on the member's account balance and a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

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. 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 is expected to open for enrollment beginning January 1, 2026. The Secure Choice Trust Fund only has administrative activity in fiscal year 2025. 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 the participant's account balance withdrawals or by July 1, 2028, a lifetime income option.

**Primary Government  
Defined Contribution Plans Contributions  
As of June 30, 2025  
(In Thousands)**

| Description                      | HCSRF | UERF      | DCPF       | DCF      | VFRDCF | CURF      |
|----------------------------------|-------|-----------|------------|----------|--------|-----------|
| Member Contributions             | \$ 26 | \$ 10,473 | \$ 422,186 | \$ 2,483 | \$ —   | \$ 57,617 |
| Employer Contributions:          |       |           |            |          |        |           |
| Primary Government Contributions | \$ —  | \$ 10,104 | \$ 9,522   | \$ —     | \$ —   | \$ 63,332 |
| Other Employer Contributions     | 26    | 780       | —          | 2,577    | 213    | —         |
| Total Employer Contributions     | \$ 26 | \$ 10,884 | \$ 9,522   | \$ 2,577 | \$ 213 | \$ 63,332 |

### 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, 2024 or June 30, 2025, 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 | \$ 238                | \$ 2,793 | \$ 4,357 | \$ 3                     | \$ 54 | \$ 41 | \$ 7,486 |
| Deferred Outflows of Resources                   | 6,603                 | 64,913   | 117,337  | 83                       | 1,509 | 1,137 | 191,582  |
| Deferred Inflows of Resources                    | 8,813                 | 111,748  | 170,293  | 133                      | 2,014 | 1,518 | 294,519  |
| Net Pension Expense (Income)                     | (107)                 | (7,701)  | (13,537) | (51)                     | (25)  | (19)  | (21,440) |

**Major Component Units**  
**Summary of Pension Amounts**  
**Police and Fire Fund**  
**As of December 31, 2024 or June 30, 2025, as applicable**  
**(In Thousands)**

| Description                                      | MC        | U of M    | Total     |
|--------------------------------------------------|-----------|-----------|-----------|
| Proportionate Share of the Net Pension Liability | \$ 14,841 | \$ 10,475 | \$ 25,316 |
| Deferred Outflows of Resources                   | 24,787    | 19,732    | 44,519    |
| Deferred Inflows of Resources                    | 27,391    | 18,942    | 46,333    |
| Net Pension Expense                              | 2,593     | 2,425     | 5,018     |

**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 (Minn State) 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. Twenty-eight former faculty members and staff currently receive this benefit. The cost of the benefits was \$1,279,000 during the fiscal year ended June 30, 2025, with a remaining liability as of June 30, 2025, of \$1,340,000.

**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 five 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 2025 was \$45,722,000.

**Primary Government Single-Employer Plan  
Employee Statistics**

| Description                                                              | Employees |
|--------------------------------------------------------------------------|-----------|
| Inactive Employees (or their beneficiaries) Currently Receiving Benefits | 2,790     |
| Active Employees                                                         | 49,919    |

**Primary Government Single-Employer Plan  
Summary of OPEB Amounts  
As of June 30, 2025  
(In Thousands)**

| Description                    | Amount <sup>(1)</sup> |
|--------------------------------|-----------------------|
| Total OPEB Liability           | \$ 827,099            |
| Deferred Outflows of Resources | 157,593               |
| Deferred Inflows of Resources  | 88,207                |
| Total OPEB Expense             | 73,230                |

<sup>(1)</sup> 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 <sup>(1)</sup>                        | July 1, 2024                   |
| Measurement Date <sup>(1)</sup>                           | June 30, 2024                  |
| Discount Rate: 20-Year Municipal Bond Rate <sup>(2)</sup> | 3.93%                          |
| Healthcare Cost Trend Rate                                | 7.46% reduced to 3.68% by 2075 |
| Experience Study Dates                                    | 2018 - 2022                    |
| Inflation                                                 | 2.25%                          |
| Salary Increases                                          | 3.00%                          |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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, 2025  
(In Thousands)**

| Description                                           | Primary<br>Government's<br>Share <sup>(1)</sup> | Component<br>Unit's Share <sup>(1)</sup> | Plan<br>Total     |
|-------------------------------------------------------|-------------------------------------------------|------------------------------------------|-------------------|
| Total OPEB Liability:                                 |                                                 |                                          |                   |
| Service Cost                                          | \$ 45,718                                       | \$ 438                                   | \$ 46,156         |
| Interest                                              | 29,525                                          | 117                                      | 29,642            |
| Differences between Expected and<br>Actual Experience | 43,419                                          | 172                                      | 43,591            |
| Changes in Assumptions or Other Inputs                | (31,231)                                        | (124)                                    | (31,355)          |
| Benefit Payments                                      | (46,560)                                        | (185)                                    | (46,745)          |
| Net Changes in Total OPEB Liability                   | \$ 40,871                                       | \$ 418                                   | \$ 41,289         |
| Total OPEB Liability, Beginning                       | 786,228                                         | 2,868                                    | 789,096           |
| Total OPEB Liability, Ending                          | <u>\$ 827,099</u>                               | <u>\$ 3,286</u>                          | <u>\$ 830,385</u> |

<sup>(1)</sup> 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, 2025  
(In Thousands)**

| Description                                       | Deferred<br>Outflows of<br>Resources <sup>(1)</sup> | Deferred<br>Inflows of<br>Resources <sup>(1)</sup> |
|---------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Difference between Expected and Actual Experience | \$ 73,651                                           | \$ 26,050                                          |
| Changes of Assumption                             | 38,220                                              | 62,157                                             |
| Transactions Subsequent to the Measurement Date   | 45,722                                              | N/A                                                |
| Total                                             | <u>\$ 157,593</u>                                   | <u>\$ 88,207</u>                                   |

<sup>(1)</sup> 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, 2025**  
**(In Thousands)**

| Description                                                              | Amount <sup>(1)</sup> |
|--------------------------------------------------------------------------|-----------------------|
| 2026                                                                     | \$ 3,915              |
| 2027                                                                     | 5,974                 |
| 2028                                                                     | 3,798                 |
| 2029                                                                     | 4,421                 |
| 2030                                                                     | 5,558                 |
| Thereafter                                                               | (2)                   |
| Net OPEB Expense                                                         | \$ 23,664             |
| Deferred Outflow of Resources as a Reduction of the Total OPEB Liability | 45,722                |
| Net Deferred Outflows (Inflows) of Resources                             | <u>\$ 69,386</u>      |

<sup>(1)</sup> 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, 2025**  
**(In Thousands)**

| With a 1% Decrease |            | Current Discount Rate |            | With a 1% Increase |            |
|--------------------|------------|-----------------------|------------|--------------------|------------|
| Rate               | TOPEBL     | Rate <sup>(1)</sup>   | TOPEBL     | Rate               | TOPEBL     |
| 2.93%              | \$ 891,709 | 3.93%                 | \$ 827,099 | 4.93%              | \$ 767,054 |

<sup>(1)</sup> The discount rate changed from 3.65 percent.

**Sensitivity of the Total OPEB liability to Changes in the Healthcare Trend Rates**  
**As of June 30, 2025**  
**(In Thousands)**

| With a 1% Decrease |            | Current Healthcare Trend Rate |            | With a 1% Increase |            |
|--------------------|------------|-------------------------------|------------|--------------------|------------|
| Rate               | TOPEBL     | Rate                          | TOPEBL     | Rate               | TOPEBL     |
| 2.68%              | \$ 748,555 | 3.68%                         | \$ 827,099 | 4.68%              | \$ 918,540 |

## 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 \$373 million as of December 31, 2024 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, 2025 (In Thousands)

| Description                              | Major<br>Component Unit | Nonmajor<br>Component Unit | Total    |
|------------------------------------------|-------------------------|----------------------------|----------|
|                                          | HFA                     | OHE                        |          |
| Proportionate Share Total OPEB Liability | \$ 2,530                | \$ 756                     | \$ 3,286 |
| Deferred Outflows of Resources           | 461                     | 138                        | 599      |
| Deferred Inflows of Resources            | 227                     | 68                         | 295      |
| Total OPEB Expense                       | 241                     | 93                         | 334      |

### Major Component Units Summary of OPEB Amounts Other Plans As of December 31, 2024 or June 30, 2025, as applicable (In Thousands)

| Description                              | Major Component Units |           | Total      |
|------------------------------------------|-----------------------|-----------|------------|
|                                          | MC                    | U of M    |            |
| Proportionate Share Total OPEB Liability | \$ 259,580            | \$ 61,567 | \$ 321,147 |
| Deferred Outflows of Resources           | 15,764                | 17,503    | 33,267     |
| Deferred Inflows of Resources            | 77,382                | 7,991     | 85,373     |
| Total OPEB Expense                       | 3,957                 | 6,983     | 10,940     |

## 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, 2025, were as follows:

| <b>Primary Government<br/>Encumbrances<br/>As of June 30, 2025<br/>(In Thousands)</b> |                     |
|---------------------------------------------------------------------------------------|---------------------|
| Description                                                                           | Amount              |
| General Fund                                                                          | \$ 1,957,356        |
| Nonmajor Governmental Funds                                                           | 3,332,989           |
| Total Encumbrances                                                                    | <u>\$ 5,290,345</u> |

#### Enterprise Fund - State Colleges and Universities

The State Colleges and Universities (enterprise fund) had commitments of \$216,957,000 for the construction and renovation of college and university facilities and the replacement of the legacy ERP system as of June 30, 2025.

### Component Units

As of June 30, 2025, the Housing Finance Agency had committed approximately \$1,070,924,000 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, 2024, unpaid commitments for Metro Transit Bus services were approximately \$340,952,000. Future commitments for Metro Transit Light Rail were approximately \$354,628,000, while future commitments for Metro Transit Commuter Rail were approximately \$5,774,000. Future commitments for Regional Transit and Environmental Services were approximately \$50,861,000 and \$116,583,000, respectively. Finally, amounts authorized and initiated in the calendar year 2024 budget but not completely expended in calendar year 2024 were \$4,270,000.

The University of Minnesota had construction projects in progress with an estimated completion cost of \$220,732,000 as of June 30, 2025. These costs will be funded from plant account assets and state appropriations.

As of June 30, 2025, the Public Facilities Authority (PFA) had committed approximately \$319,000,000 for the origination or disbursement of future loans under the Clean Water, Drinking Water, and Transportation Revolving Loan programs. PFA also committed \$238,000,000 for grants.

## Note 11 – Long-Term Liabilities - Primary Government

### Primary Government Long-Term Liabilities Year Ended June 30, 2025 (In Thousands)

| Liability Type                          | Beginning Balances   | Increases           | Decreases           | Ending Balances     | Amounts Due Within One Year |
|-----------------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------------|
| <b>Governmental Activities:</b>         |                      |                     |                     |                     |                             |
| General Obligation Bonds                | \$ 6,997,312         | \$ 1,769,904        | \$ 1,070,425        | \$ 7,696,791        | \$ 607,113                  |
| Revenue Bonds                           | 64,101               | 53,486              | 3,120               | 114,467             | 4,535                       |
| State Appropriation Bonds               | 428,269              | —                   | 49,617              | 378,652             | 48,910                      |
| Loans                                   | 113,379              | 51,829              | 28,885              | 136,323             | 29,478                      |
| Due to Component Units                  | 1,634                | —                   | 312                 | 1,322               | 320                         |
| Leases <sup>(1)</sup>                   | 265,019              | 29,394              | 78,949              | 215,464             | 58,693                      |
| IT Subscription Payables <sup>(2)</sup> | 64,730               | 45,394              | 43,156              | 66,968              | 26,798                      |
| Certificates of Participation           | 545,441              | —                   | 18,060              | 527,381             | 17,170                      |
| Claims                                  | 937,129              | 1,455,787           | 1,406,633           | 986,283             | 221,181                     |
| Compensated Absences <sup>(3)</sup>     | 792,869              | 77,506              | —                   | 870,375             | 467,717                     |
| Net Pension Liability                   | 2,594,996            | 272,378             | 1,254,893           | 1,612,481           | —                           |
| Other Postemployment Benefits           | 672,276              | 90,358              | 39,454              | 723,180             | 41,214                      |
| <b>Total</b>                            | <b>\$ 13,477,155</b> | <b>\$ 3,846,036</b> | <b>\$ 3,993,504</b> | <b>\$13,329,687</b> | <b>\$ 1,523,129</b>         |
| <b>Business-type Activities:</b>        |                      |                     |                     |                     |                             |
| General Obligation Bonds                | \$ 150,805           | \$ 23,967           | \$ 21,304           | \$ 153,468          | \$ 17,627                   |
| Revenue Bonds                           | 173,053              | —                   | 18,064              | 154,989             | 18,920                      |
| Loans                                   | 21,729               | —                   | 1,453               | 20,276              | 1,119                       |
| Leases <sup>(1)</sup>                   | 42,603               | 36,116              | 24,651              | 54,068              | 11,388                      |
| IT Subscription Payables <sup>(2)</sup> | 30,207               | 5,646               | 12,372              | 23,481              | 9,547                       |
| Claims                                  | 25,408               | 234,909             | 238,312             | 22,005              | 20,841                      |
| Compensated Absences <sup>(3)</sup>     | 254,012              | 26,229              | —                   | 280,241             | 47,352                      |
| Net Pension Liability                   | 371,323              | —                   | 157,430             | 213,893             | —                           |
| Other Postemployment Benefits           | 113,952              | 13,023              | 23,056              | 103,919             | 6,745                       |
| <b>Total</b>                            | <b>\$ 1,183,092</b>  | <b>\$ 339,890</b>   | <b>\$ 496,642</b>   | <b>\$ 1,026,340</b> | <b>\$ 133,539</b>           |

<sup>(1)</sup> The increase and decrease columns for leases include remeasurement activity. For fiscal year 2025, increases in remeasurements for governmental activities totaled \$12,188, which includes internal service funds remeasurements of \$538. For fiscal year 2025, decreases in remeasurements for governmental activities totaled \$10,058.

<sup>(2)</sup> The increase and decrease columns for IT Subscription Payables include remeasurement activity. For fiscal year 2025, increases in remeasurements for governmental activities totaled \$8,675. For fiscal year 2025, decreases in remeasurements for governmental activities totaled \$152.

<sup>(3)</sup> The beginning balances for Compensated Absences were restated for both the governmental activities and business-type activities by \$326,857 and \$81,011 as a result of implementation GASB 101 "Compensated Absences" in fiscal year 2025. For further information, see Note 20 – Change in Accounting Principle, Change in Accounting Estimate, Error Correction, and Change in Reporting Entity. The compensated absences changes are reported as a net increase or net decrease.

**Primary Government**  
**Resources for Repayment of Long-Term Liabilities**  
**Year Ended June 30, 2025**  
**(In Thousands)**

| Liability Type                | Governmental Activities |                       |                        |                          | Total                |
|-------------------------------|-------------------------|-----------------------|------------------------|--------------------------|----------------------|
|                               | General Fund            | Special Revenue Funds | Internal Service Funds | Business-type Activities |                      |
| General Obligation Bonds      | \$ 5,228,536            | \$ 2,468,255          | \$ —                   | \$ 153,468               | \$ 7,850,259         |
| Revenue Bonds                 | 94,140                  | 20,327                | —                      | 154,989                  | 269,456              |
| State Appropriation Bonds     | 378,652                 | —                     | —                      | —                        | 378,652              |
| Loans                         | 45,644                  | 1,233                 | 89,446                 | 20,276                   | 156,599              |
| Due to Component Units        | —                       | 1,322                 | —                      | —                        | 1,322                |
| Leases                        | 118,235                 | 82,713                | 14,516                 | 54,068                   | 269,532              |
| IT Subscription Payables      | 50,999                  | 2,236                 | 13,733                 | 23,481                   | 90,449               |
| Certificates of Participation | 527,381                 | —                     | —                      | —                        | 527,381              |
| Claims                        | 206,909                 | 653,962               | 125,412                | 22,005                   | 1,008,288            |
| Compensated Absences          | 509,369                 | 328,248               | 32,758                 | 280,241                  | 1,150,616            |
| Net Pension Liability         | 1,611,529               | —                     | 952                    | 213,893                  | 1,826,374            |
| Other Postemployment Benefits | 713,802                 | —                     | 9,378                  | 103,919                  | 827,099              |
| Total                         | <u>\$ 9,485,196</u>     | <u>\$ 3,558,296</u>   | <u>\$ 286,195</u>      | <u>\$ 1,026,340</u>      | <u>\$ 14,356,027</u> |

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, net pension liability, or other postemployment benefits.

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

| Year Ended<br>June 30 | Governmental Activities |                     | Business-type Activities |                  | Total               |                     |
|-----------------------|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
|                       | Principal               | Interest            | Principal                | Interest         | Principal           | Interest            |
| 2026                  | \$ 607,113              | \$ 284,241          | \$ 17,627                | \$ 6,583         | \$ 624,740          | \$ 290,824          |
| 2027                  | 572,672                 | 257,925             | 15,783                   | 5,326            | 588,455             | 263,251             |
| 2028                  | 564,098                 | 232,165             | 14,332                   | 4,641            | 578,430             | 236,806             |
| 2029                  | 547,085                 | 207,588             | 12,310                   | 4,032            | 559,395             | 211,620             |
| 2030                  | 544,408                 | 184,258             | 11,047                   | 3,550            | 555,455             | 187,808             |
| 2031-2035             | 2,089,381               | 614,827             | 41,644                   | 11,488           | 2,131,025           | 626,315             |
| 2036-2040             | 1,259,175               | 247,800             | 20,785                   | 4,128            | 1,279,960           | 251,928             |
| 2041-2045             | 564,739                 | 50,647              | 7,831                    | 833              | 572,570             | 51,480              |
| Total                 | \$ 6,748,671            | \$ 2,079,451        | \$ 141,359               | \$ 40,581        | \$ 6,890,030        | \$ 2,120,032        |
| Bond Premium          | 948,120                 | —                   | 12,109                   | —                | 960,229             | —                   |
| Total                 | <u>\$ 7,696,791</u>     | <u>\$ 2,079,451</u> | <u>\$ 153,468</u>        | <u>\$ 40,581</u> | <u>\$ 7,850,259</u> | <u>\$ 2,120,032</u> |

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

| Year Ended<br>June 30 | Governmental Activities |                  | Business-type Activities |                  | Total             |                  |
|-----------------------|-------------------------|------------------|--------------------------|------------------|-------------------|------------------|
|                       | Principal               | Interest         | Principal                | Interest         | Principal         | Interest         |
| 2026                  | \$ 4,535                | \$ 4,908         | \$ 18,920                | \$ 5,416         | \$ 23,455         | \$ 10,324        |
| 2027                  | 4,795                   | 4,711            | 19,180                   | 4,565            | 23,975            | 9,276            |
| 2028                  | 4,995                   | 4,508            | 17,395                   | 3,757            | 22,390            | 8,265            |
| 2029                  | 5,205                   | 4,284            | 18,200                   | 2,989            | 23,405            | 7,273            |
| 2030                  | 5,445                   | 4,039            | 15,685                   | 2,273            | 21,130            | 6,312            |
| 2031-2035             | 28,530                  | 16,098           | 47,845                   | 4,137            | 76,375            | 20,235           |
| 2036-2040             | 23,830                  | 9,944            | 4,855                    | 155              | 28,685            | 10,099           |
| 2041-2045             | 27,395                  | 3,266            | —                        | —                | 27,395            | 3,266            |
| Total                 | \$ 104,730              | \$ 51,758        | \$ 142,080               | \$ 23,292        | \$ 246,810        | \$ 75,050        |
| Bond Premium          | 9,737                   | —                | 12,909                   | —                | 22,646            | —                |
| Total                 | <u>\$ 114,467</u>       | <u>\$ 51,758</u> | <u>\$ 154,989</u>        | <u>\$ 23,292</u> | <u>\$ 269,456</u> | <u>\$ 75,050</u> |

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

| Year Ended June 30 | Governmental Activities |                  |
|--------------------|-------------------------|------------------|
|                    | Principal               | Interest         |
| 2026               | \$ 48,910               | \$ 15,560        |
| 2027               | 52,415                  | 13,269           |
| 2028               | 55,360                  | 10,806           |
| 2029               | 58,490                  | 8,210            |
| 2030               | 50,990                  | 5,459            |
| 2031-2035          | 42,595                  | 12,838           |
| 2036-2040          | 40,925                  | 6,318            |
| 2041-2045          | 13,275                  | 503              |
| Total              | \$ 362,960              | \$ 72,963        |
| Bond Premium       | 15,692                  | —                |
| Total              | <u>\$ 378,652</u>       | <u>\$ 72,963</u> |

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

| Year Ended<br>June 30 | Governmental Activities |                  | Business-type Activities |                 | Total             |                  |
|-----------------------|-------------------------|------------------|--------------------------|-----------------|-------------------|------------------|
|                       | Principal               | Interest         | Principal                | Interest        | Principal         | Interest         |
| 2026                  | \$ 29,798               | \$ 4,065         | \$ 1,119                 | \$ 438          | \$ 30,917         | \$ 4,503         |
| 2027                  | 25,968                  | 2,993            | 1,201                    | 412             | 27,169            | 3,405            |
| 2028                  | 21,044                  | 2,041            | 1,287                    | 384             | 22,331            | 2,425            |
| 2029                  | 14,341                  | 1,301            | 1,377                    | 355             | 15,718            | 1,656            |
| 2030                  | 3,966                   | 891              | 1,448                    | 323             | 5,414             | 1,214            |
| 2031-2035             | 7,054                   | 3,726            | 7,675                    | 1,123           | 14,729            | 4,849            |
| 2036-2040             | 7,229                   | 2,947            | 5,647                    | 367             | 12,876            | 3,314            |
| 2041-2045             | 6,941                   | 2,283            | 522                      | 5               | 7,463             | 2,288            |
| 2046-2050             | 7,603                   | 1,616            | —                        | —               | 7,603             | 1,616            |
| 2051-2055             | 8,329                   | 884              | —                        | —               | 8,329             | 884              |
| 2056-2060             | 5,372                   | 153              | —                        | —               | 5,372             | 153              |
| Total                 | <u>\$ 137,645</u>       | <u>\$ 22,900</u> | <u>\$ 20,276</u>         | <u>\$ 3,407</u> | <u>\$ 157,921</u> | <u>\$ 26,307</u> |

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

| Year Ended<br>June 30 | Governmental Activities |                  | Business-type Activities |                  | Total             |                  |
|-----------------------|-------------------------|------------------|--------------------------|------------------|-------------------|------------------|
|                       | Principal               | Interest         | Principal                | Interest         | Principal         | Interest         |
| 2026                  | \$ 58,693               | \$ 5,978         | \$ 11,388                | \$ 1,626         | \$ 70,081         | \$ 7,604         |
| 2027                  | 42,606                  | 4,595            | 8,518                    | 1,662            | 51,124            | 6,257            |
| 2028                  | 35,349                  | 3,473            | 5,868                    | 1,185            | 41,217            | 4,658            |
| 2029                  | 22,905                  | 2,551            | 4,596                    | 965              | 27,501            | 3,516            |
| 2030                  | 16,342                  | 1,754            | 3,886                    | 878              | 20,228            | 2,632            |
| 2031-2035             | 37,296                  | 2,341            | 14,106                   | 2,920            | 51,402            | 5,261            |
| 2036-2040             | 1,887                   | 26               | 3,136                    | 1,802            | 5,023             | 1,828            |
| 2041-2045             | 386                     | 1                | 2,354                    | 1,991            | 2,740             | 1,992            |
| 2046-2050             | —                       | —                | 119                      | 183              | 119               | 183              |
| 2051-2055             | —                       | —                | 97                       | 191              | 97                | 191              |
| Total                 | <u>\$ 215,464</u>       | <u>\$ 20,719</u> | <u>\$ 54,068</u>         | <u>\$ 13,403</u> | <u>\$ 269,532</u> | <u>\$ 34,122</u> |

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

| Year Ended<br>June 30 | Governmental Activities |                 | Business-type Activities |                 | Total            |                 |
|-----------------------|-------------------------|-----------------|--------------------------|-----------------|------------------|-----------------|
|                       | Principal               | Interest        | Principal                | Interest        | Principal        | Interest        |
| 2026                  | \$ 26,798               | \$ 1,815        | \$ 9,547                 | \$ 897          | \$ 36,345        | \$ 2,712        |
| 2027                  | 20,980                  | 1,381           | 6,456                    | 813             | 27,436           | 2,194           |
| 2028                  | 11,235                  | 642             | 3,359                    | 563             | 14,594           | 1,205           |
| 2029                  | 6,879                   | 225             | 2,481                    | 400             | 9,360            | 625             |
| 2030                  | 526                     | 37              | 1,638                    | 355             | 2,164            | 392             |
| 2031-2035             | 550                     | 13              | —                        | —               | 550              | 13              |
| Total                 | <u>\$ 66,968</u>        | <u>\$ 4,113</u> | <u>\$ 23,481</u>         | <u>\$ 3,028</u> | <u>\$ 90,449</u> | <u>\$ 7,141</u> |

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

| Year Ended June 30                          | Governmental Activities |                   |
|---------------------------------------------|-------------------------|-------------------|
|                                             | Principal               | Interest          |
| 2026                                        | \$ 17,170               | \$ 24,542         |
| 2027                                        | 18,045                  | 23,665            |
| 2028                                        | 18,970                  | 22,743            |
| 2029                                        | 19,935                  | 21,774            |
| 2030                                        | 20,955                  | 20,757            |
| 2031-2035                                   | 121,955                 | 86,594            |
| 2036-2040                                   | 150,655                 | 52,107            |
| 2041-2045                                   | 130,250                 | 13,432            |
| Total                                       | <u>\$ 497,935</u>       | <u>\$ 265,614</u> |
| Premium on Certificates<br>of Participation | 29,446                  | —                 |
| Total                                       | <u>\$ 527,381</u>       | <u>\$ 265,614</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 2025, 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, 2025  
(In Thousands)**

| Fund Type                                     | Amount            |
|-----------------------------------------------|-------------------|
| General Fund                                  | \$ 637,842        |
| Special Revenue Funds:                        |                   |
| Trunk Highway Fund                            | \$ 248,817        |
| Miscellaneous Special Revenue Fund            | 1,176             |
| Total Special Revenue Funds                   | \$ 249,993        |
| Capital Project Fund – Building Fund          | \$ 32             |
| Internal Service Fund – Plant Management Fund | \$ 5,767          |
| Total Transfers to Debt Service Fund          | <u>\$ 893,634</u> |

## General Obligation Bond Issues

In August 2024, the state issued \$1,593,755,000 general obligation bonds, Series 2024A through Series 2024E:

- Series 2024A for \$879,630,000 in state various purpose bonds were issued at a true interest rate of 3.28 percent.
- Series 2024B for \$352,750,000 in state trunk highway bonds were issued at a true interest rate of 3.23 percent.
- Series 2024C for \$29,965,000 in taxable state various purpose bonds were issued at a true interest rate of 4.08 percent.
- Series 2024D for \$190,245,000 in state various purpose refunding bonds were issued at a true interest rate of 2.64 percent. The aggregate debt service payments decreased by \$24,542,000 and the economic gain (the present value of the debt service savings) for the state was \$24,977,000.
- Series 2024E for \$141,165,000 in state trunk highway refunding bonds were issued at a true interest rate of 2.65 percent. The aggregate debt service payments increased by \$11,982,000 and the economic gain (the present value of the debt service savings) for the state was \$6,032,000.

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, 2025**  
**(In Thousands)**

| Refunding Date | Original Refunding Amount | Refunded Amount | Outstanding Amount | Refunded Bond Call/Maturity Date |
|----------------|---------------------------|-----------------|--------------------|----------------------------------|
| 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          | \$ —                      | \$ 85           | \$ 85              |                                  |

The following table is a schedule of general obligation bonds authorized, but unissued, and bonds outstanding as of June 30, 2025. 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, 2025**  
**(In Thousands)**

| Purpose                         | Authorized But Unissued | Amount Outstanding  | Interest Rates for Outstanding |
|---------------------------------|-------------------------|---------------------|--------------------------------|
| Maximum Effort School Loan      | \$ —                    | \$ 8,414            | 5.00%                          |
| Rural Finance Authority         | 22,775                  | 111,655             | 1.35-5.00%                     |
| State Transportation            | 278,713                 | 418,326             | 4.00-5.00%                     |
| Trunk Highway                   | 1,231,112               | 1,848,315           | 1.50-5.00%                     |
| Trunk Highway Refunding Bonds   | —                       | 619,940             | 0.55-5.00%                     |
| Various Purpose                 | 1,622,725               | 2,736,765           | 1.35-5.00%                     |
| Various Purpose Refunding Bonds | —                       | 1,146,615           | 0.63-5.00%                     |
| Total                           | <u>\$ 3,155,325</u>     | <u>\$ 6,890,030</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, 2025.

**Primary Government**  
**State Appropriation Bonds Authorized, but Unissued, and Bonds Outstanding**  
**As of June 30, 2025**  
**(In Thousands)**

| Purpose                                                  | Amount<br>Outstanding <sup>(1)</sup> | Interest Rates |
|----------------------------------------------------------|--------------------------------------|----------------|
| Refund Tobacco Securitization Authority                  | \$ 224,445                           | 5.00%          |
| Lewis and Clark Regional Water System <sup>(2)</sup>     | 11,845                               | 2.30-3.30%     |
| Duluth Regional Exchange District<br>Appropriation Bonds | 88,830                               | 1.55-7.00%     |
| Electric Vehicle Infrastructure                          | 1,370                                | 3.00%          |
| Public Television Equipment                              | 10,265                               | 3.00%          |
| Environmental Response PCA Superfund                     | 26,205                               | 2.10-3.00%     |
| Total                                                    | <u>\$ 362,960</u>                    |                |

<sup>(1)</sup> There were no state appropriation bonds authorized but unissued as of June 30, 2025.

<sup>(2)</sup> 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, 2025, the state has an unused line of credit of \$40,107,178 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 capital asset. Similarly, under GASB Statement No. 96, a subscription liability (identified as IT subscription payables below) and an intangible right-to-use subscription capital 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 16 years. Two building lease agreements contained bargain purchase options. They are the Elmer L. Andersen and Orville L. Freeman Office buildings (Andersen and Freeman). The final lease payment was made in fiscal year 2025 for the Andersen and Freeman buildings, and the titles have been transferred to the state.

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 five years.

The business-type activities buildings, structures, and improvement lease terms are fixed payments ranging from one to 30 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 four years for governmental activities and one to five 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 Capital 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.

In December 2024, Iron Range Resources and Rehabilitation issued \$43,435,000 Series 2024A revenue bonds at a true interest rate of 3.72 percent and \$4,575,000 Series 2024B taxable revenue bonds at a true interest rate of 4.61 percent. The bonds were issued pursuant to Minnesota Session Laws 2024, Chapter 127, Article 69, Section 15 (the “Authorizing Statute”), Minnesota Statutes, Sections 298.22 through 298.297 as amended. The bonds will be used to make grants to certain entities for capital improvements located within the taconite tax relief area as defined in Minnesota Statutes Section 273.134 and to pay for improvements to Iron Range Resources and Rehabilitation’s facilities. The interest rate for the 2024A bonds is 5.0 percent over a 20-year term and the interest rate for the 2024B taxable bonds ranges from 4.2 to 5.0 percent over a 3-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 \$10,704,000 for fiscal year 2025, 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 2025, principal and interest paid by Iron Range Resources and Rehabilitation on the bonds was \$6,027,000. The total principal and interest remaining to be paid as of June 30, 2025, is \$156,488,000 payable through October 2044.

Minnesota State Colleges and Universities (Minn State) (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 residence hall, parking ramps, student union, wellness centers, and food service purposes at state universities. Revenue bonds currently outstanding have interest rates of 2.8 percent to 5.0 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 \$165,372,000. Principal and interest paid for the current year and total customer net revenues were \$21,605,000 and \$113,951,000, 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. Principal and interest paid during fiscal year 2025 was \$509,000. These revenue bonds were paid off during fiscal year 2025. 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 \$465,321,000 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 \$166,230,000; approximately 36 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, 2025 were \$212,562,000. Of this total, \$144,302,000 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 2025, the Petroleum Tank Cleanup Fund has approved \$499,600,000 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 \$71,888,000 and \$3,233,000, respectively, are based on claims filed for injuries to state employees occurring prior to June 30, 2025 and is an undiscounted estimate of future payments. The liability will be liquidated using future resources at unspecified times.

Claims of \$16,900,000 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 \$94,200,000 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 \$15,585,000 in the Risk Management Fund (internal service fund), \$109,827,000 in the Employee Insurance Fund (internal service fund), and \$18,772,000 in the Public Employees Insurance Fund (enterprise fund).

### **Compensated Absences**

The compensated absences liability for governmental activities and business-type activities of \$870,375,000 and \$280,241,000, respectively, are calculated primarily from vacation and sick leave more likely than not to be used or paid out as severance using a first-in, first-out assumption. Both amounts are paid in cash only when an employee uses the leave or terminates state employment.

### **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 2025, 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 2025, principal and interest paid by the State Employees Retirement Fund (SERF), Teachers Retirement Fund (TRF), and General Employees Retirement Fund (GERF) was \$1,040,000. The revenue bonds were paid off in fiscal year 2025.

### **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 Teachers Retirement Association (TRA) has an IT subscription payable for IT cloud based infrastructure. The remaining payments on the subscription payable end in fiscal year 2027. The total lease/IT subscription payable for fiduciary funds as of June 30, 2025 is \$738,000. 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) issues general obligation bonds for parks, wastewater, and transit projects, backed by the full faith and credit and taxing powers of MC. MC had \$997,049,000 in general obligation bonds and \$455,858,000 outstanding notes from general obligation direct borrowings outstanding on December 31, 2024, including unamortized discounts/premiums. During the year, \$59,640,000 of general obligation revenue wastewater bonds were issued.

MC's outstanding notes from direct borrowings of \$455,858,000 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, 2025, the principal amount of general obligation bonds and revenue bonds outstanding, including unamortized discounts/premiums, was \$1,387,909,000 and \$211,282,000, respectively. No new general obligation bonds or revenue bonds were issued during fiscal year 2025.

| <b>Component Units</b><br><b>General Obligation Bonds</b><br><b>Major Component Units</b><br><b>(In Thousands)</b> |                     |                         |                                                              |                     |                   |
|--------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|--------------------------------------------------------------|---------------------|-------------------|
| Year Ended<br>December 31                                                                                          | MC                  |                         | Year Ended<br>June 30                                        | U of M              |                   |
|                                                                                                                    | Principal           | Interest <sup>(1)</sup> |                                                              | Principal           | Interest          |
| 2025                                                                                                               | \$ 148,110          | \$ 39,642               | 2026                                                         | \$ 46,310           | \$ 54,754         |
| 2026                                                                                                               | 134,243             | 34,286                  | 2027                                                         | 48,445              | 52,693            |
| 2027                                                                                                               | 123,863             | 29,953                  | 2028                                                         | 50,520              | 50,512            |
| 2028                                                                                                               | 113,959             | 26,158                  | 2029                                                         | 52,745              | 48,214            |
| 2029                                                                                                               | 104,441             | 22,915                  | 2030                                                         | 48,525              | 45,927            |
| 2030-2034                                                                                                          | 405,914             | 74,408                  | 2031-2035                                                    | 226,425             | 197,935           |
| 2035-2039                                                                                                          | 226,685             | 27,790                  | 2036-2040                                                    | 187,065             | 151,760           |
| 2040-2044                                                                                                          | 73,788              | 5,371                   | 2041-2045                                                    | 115,650             | 114,387           |
| 2045-2049                                                                                                          | —                   | —                       | 2046-2050                                                    | 6,485               | 101,316           |
| 2050-2054                                                                                                          | —                   | —                       | 2051-2055                                                    | 500,000             | 40,480            |
| Total                                                                                                              | \$ 1,331,003        | \$ 260,523              | Total                                                        | \$ 1,282,170        | \$ 857,978        |
| Unamortized<br>Discounts /<br>Premiums and<br>Issuance Costs                                                       | 121,904             | —                       | Unamortized<br>Discounts /<br>Premiums and<br>Issuance Costs | 105,739             | —                 |
| Total                                                                                                              | <u>\$ 1,452,907</u> | <u>\$ 260,523</u>       | Total                                                        | <u>\$ 1,387,909</u> | <u>\$ 857,978</u> |

<sup>(1)</sup> 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 \$9,000,000,000, according to Minnesota Statutes 462A.22. The principal

amount of revenue bonds outstanding on June 30, 2025 was \$5,956,080,000, 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, 2025 to exercise the mandatory pass-through and optional redemption was \$55,566,000, and is considered part of current bonds and notes payable.

| <b>Component Units<br/>Revenue Bonds<br/>Major Component Units<br/>(In Thousands)</b> |                     |                     |                   |                         |
|---------------------------------------------------------------------------------------|---------------------|---------------------|-------------------|-------------------------|
| Year Ended<br>June 30                                                                 | HFA                 |                     | U of M            |                         |
|                                                                                       | Principal           | Interest            | Principal         | Interest <sup>(1)</sup> |
| 2026                                                                                  | \$ 157,260          | \$ 241,004          | \$ 15,050         | \$ 6,233                |
| 2027                                                                                  | 149,725             | 242,547             | 15,750            | 5,541                   |
| 2028                                                                                  | 118,060             | 237,290             | 31,475            | 4,812                   |
| 2029                                                                                  | 98,920              | 233,396             | 17,235            | 4,043                   |
| 2030                                                                                  | 106,520             | 229,615             | 12,400            | 3,285                   |
| 2031-2035                                                                             | 639,525             | 1,078,750           | 62,940            | 9,619                   |
| 2036-2040                                                                             | 777,135             | 934,711             | 19,710            | 853                     |
| 2041-2045                                                                             | 982,652             | 749,729             | 10,500            | —                       |
| 2046-2050                                                                             | 1,547,979           | 485,247             | —                 | —                       |
| 2051-2055                                                                             | 1,275,491           | 149,982             | —                 | —                       |
| 2056-2060                                                                             | 25,715              | 3,442               | —                 | —                       |
| 2061-2065                                                                             | 5,485               | 1,297               | —                 | —                       |
| 2066-2070                                                                             | 2,285               | 138                 | —                 | —                       |
| Total                                                                                 | \$ 5,886,752        | \$ 4,587,148        | \$ 185,060        | \$ 34,386               |
| Unamortized Discount /<br>Premiums and Issuance Costs                                 | 69,328              | —                   | 26,222            | —                       |
| Total                                                                                 | <u>\$ 5,956,080</u> | <u>\$ 4,587,148</u> | <u>\$ 211,282</u> | <u>\$ 34,386</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, 2025, the outstanding principal of revenue bonds was \$352,647,000, 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, 2025 was \$632,276,000, including unamortized discounts/premiums.

| <b>Component Units<br/>Revenue Bonds<br/>Nonmajor Component Units<br/>(In Thousands)</b> |                   |                   |                   |                   |
|------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Year Ended<br>June 30                                                                    | OHE               |                   | PFA               |                   |
|                                                                                          | Principal         | Interest          | Principal         | Interest          |
| 2026                                                                                     | \$ 5,540          | \$ 11,947         | \$ 61,020         | \$ 28,463         |
| 2027                                                                                     | 5,305             | 11,670            | 64,140            | 25,598            |
| 2028                                                                                     | 8,195             | 11,352            | 59,075            | 22,391            |
| 2029                                                                                     | 9,725             | 10,978            | 55,835            | 19,438            |
| 2030                                                                                     | 6,000             | 10,603            | 55,085            | 16,646            |
| 2031-2035                                                                                | 38,610            | 48,505            | 235,420           | 45,134            |
| 2036-2040                                                                                | 23,765            | 42,120            | 42,410            | 2,121             |
| 2041-2045                                                                                | 42,930            | 38,556            | —                 | —                 |
| 2046-2050                                                                                | 166,700           | 19,857            | —                 | —                 |
| 2051-2055                                                                                | —                 | 9,075             | —                 | —                 |
| 2056-2060                                                                                | —                 | 9,074             | —                 | —                 |
| 2061-2065                                                                                | 45,600            | 9,074             | —                 | —                 |
| Total                                                                                    | \$ 352,370        | \$ 232,811        | \$ 572,985        | \$ 159,791        |
| Unamortized Discount /<br>Premiums and Issuance Costs                                    | 277               | —                 | 59,291            | —                 |
| Total                                                                                    | <u>\$ 352,647</u> | <u>\$ 232,811</u> | <u>\$ 632,276</u> | <u>\$ 159,791</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, 2025, \$483,841,000 in bonds were outstanding.

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

| Year Ended<br>June 30 | HFA               |                   |
|-----------------------|-------------------|-------------------|
|                       | Principal         | Interest          |
| 2026                  | \$ 19,220         | \$ 19,066         |
| 2027                  | 20,120            | 18,186            |
| 2028                  | 21,025            | 17,268            |
| 2029                  | 21,960            | 16,338            |
| 2030                  | 22,940            | 15,357            |
| 2031-2035             | 123,965           | 60,356            |
| 2036-2040             | 126,185           | 31,654            |
| 2041-2045             | 88,270            | 7,783             |
| Total                 | \$ 443,685        | \$ 186,008        |
| Bond Premium          | 40,156            | —                 |
| Total                 | <u>\$ 483,841</u> | <u>\$ 186,008</u> |

### Loans and Notes Payable

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, 2024. 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 \$356,215,000 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 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, 2024, the total outstanding general obligation grant anticipation notes was \$227,150,000.

The University of Minnesota (U of M) issued taxable commercial paper notes of \$13,400,000 and tax-exempt commercial notes of \$123,600,000 in 2025. On June 30, 2025, the outstanding taxable commercial paper notes were \$97,731,000 and tax-exempt commercial notes were \$189,523,000. 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 paid off in January 2025.

On June 30, 2025, HFA had in place revolving lines of credit with the Federal Home Loan Bank of Des Moines, and Royal Bank of Canada with outstanding balances of zero. Draws against the line of credit are required to be collateralized with mortgage-backed securities.

On June 30, 2025, HFA's total outstanding Federal Financing Bank (FFB) loans payable was \$92,943,000. FFB loans have interest rates that fluctuate based on the daily Treasury rate. HFA settles with FFB one month after closing the loan with the borrower, and the term will match the maturity date of the note. The FFB notes are secured by a first mortgage and HUD Risk Share insurance. FFB receives a pass-through monthly principal and interest payments

FFB purchases 100% undivided participation interests in payments of principal and a portion of the interest on certain mortgage loans made by HFA. All underlying loans are secured by a mortgage and insured by FHA Risk Share mortgage insurance. FFB sets the pass-through interest rate offered to HFA based on the amortization schedule, first payment date, and maturity date of the underlying loan. The table below provides a summary of FFB payment requirements for the next five years and in five year increments thereafter.

| <b>Component Units</b><br><b>Loans and Notes Payable</b><br><b>Major Component Units</b><br><b>(In Thousands)</b> |                   |                  |                       |                  |                  |
|-------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------------|------------------|------------------|
| Year Ended<br>December 31                                                                                         | MC                |                  | Year Ended<br>June 30 | HFA              |                  |
|                                                                                                                   | Principal         | Interest         |                       | Principal        | Interest         |
| 2025                                                                                                              | \$ 45,740         | \$ 11,358        | 2026                  | \$ 1,681         | \$ 4,167         |
| 2026                                                                                                              | 42,090            | 9,070            | 2027                  | 1,758            | 4,090            |
| 2027                                                                                                              | 44,195            | 6,966            | 2028                  | 1,838            | 4,010            |
| 2028                                                                                                              | 46,400            | 4,756            | 2029                  | 1,922            | 3,926            |
| 2029                                                                                                              | 48,725            | 2,436            | 2030                  | 2,010            | 3,838            |
| 2030-2034                                                                                                         | —                 | —                | 2031-2035             | 11,516           | 17,723           |
| 2035-2039                                                                                                         | —                 | —                | 2036-2040             | 14,203           | 14,850           |
| 2040-2044                                                                                                         | —                 | —                | 2041-2045             | 17,097           | 11,318           |
| 2045-2049                                                                                                         | —                 | —                | 2046-2050             | 16,533           | 7,329            |
| 2050-2054                                                                                                         | —                 | —                | 2051-2055             | 13,064           | 3,853            |
| 2055-2059                                                                                                         | —                 | —                | 2056-2060             | 8,098            | 1,601            |
| 2060-2064                                                                                                         | —                 | —                | 2061-2065             | 3,223            | 335              |
|                                                                                                                   | <u>\$ 227,150</u> | <u>\$ 34,586</u> | Total                 | <u>\$ 92,943</u> | <u>\$ 77,040</u> |

### 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 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 Units  
Lease Payables  
(In Thousands)**

| Component Unit                             | Year Ended December 31 |                 | Year Ended June 30 |                   |
|--------------------------------------------|------------------------|-----------------|--------------------|-------------------|
|                                            | Current                | Noncurrent      | Current            | Noncurrent        |
| Housing Finance Authority                  | \$ —                   | \$ —            | \$ 1,550           | \$ 1,940          |
| Metropolitan Council                       | 878                    | 9,835           | —                  | —                 |
| University of Minnesota                    | —                      | —               | 16,451             | 113,260           |
| Minnesota Comprehensive Health Association | 6                      | —               | —                  | —                 |
| Minnesota Sports Facility Authority        | —                      | —               | 197                | 4,914             |
| Public Facilities Authority                | —                      | —               | —                  | 70                |
| Total Liability                            | <u>\$ 884</u>          | <u>\$ 9,835</u> | <u>\$ 18,198</u>   | <u>\$ 120,184</u> |

**Component Units  
IT Subscription Payables  
(In Thousands)**

| Component Unit                      | Year Ended December 31 |               | Year Ended June 30 |                  |
|-------------------------------------|------------------------|---------------|--------------------|------------------|
|                                     | Current                | Noncurrent    | Current            | Noncurrent       |
| Housing Finance Authority           | \$ —                   | \$ —          | \$ 415             | \$ 1,084         |
| Metropolitan Council                | 261                    | 489           | —                  | —                |
| University of Minnesota             | —                      | —             | 10,778             | 16,956           |
| Minnesota Sports Facility Authority | —                      | —             | 46                 | —                |
| Total Liability                     | <u>\$ 261</u>          | <u>\$ 489</u> | <u>\$ 11,239</u>   | <u>\$ 18,040</u> |

## Variable Rate Debt

### Housing Finance Agency

As of June 30, 2025, 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." HFA entered into interest rate swap agreements in connection with its issuance of variance rate mortgage revenue bonds. Using variance rate debt hedged with interest rate swaps reduced HFA's cost of capital at the time of issuance compared to using long-term fixed rate bonds, which allowed HFA to reduce mortgage rates offered to low and moderate income, first time home buyers. The fair value was reported as an asset and a liability called "interest rate swap agreements." The inception-to-date change in fair value as of June 30, 2025, 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 2017C bonds are variable. The rate is based on Securities Industry and Financial Markets Association (SIMFA) Swap Index plus a set margin and the rate changes monthly. The 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. There were no defeased bonds during fiscal year 2025. Bonds issued in 2013 were defeased in September 2021. The amount defeased was \$28,430,000 as of June 30, 2025. 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, 2025.

## **Certificates of Participation**

### **Metropolitan Council**

On December 1, 2004, the Metropolitan Council (MC) entered into an annual appropriation purchase agreement for land and facilities. MC complied with the terms of this agreement through its maturity. On May 31, 2024, the Council completed service of the note and became the sole owner of the 390 Robert Street administrative building.

## Note 13 – Segment Information

**Primary Government  
Segment Information Financial Data  
Year Ended June 30, 2025  
(In Thousands)**

| Description                                                                       | State Colleges<br>and Universities |
|-----------------------------------------------------------------------------------|------------------------------------|
| Revenue Fund                                                                      |                                    |
| <b>Condensed Statement of Net Position</b>                                        |                                    |
| Assets:                                                                           |                                    |
| Current Assets                                                                    | \$ 137,703                         |
| Noncurrent Assets:                                                                |                                    |
| Restricted Assets                                                                 | 49,022                             |
| Capital Assets                                                                    | 289,159                            |
| Total Assets                                                                      | \$ 475,884                         |
| Deferred Outflows of Resources                                                    | \$ 3,201                           |
| Liabilities:                                                                      |                                    |
| Current Liabilities                                                               | \$ 41,939                          |
| Noncurrent Liabilities                                                            | 146,454                            |
| Total Liabilities                                                                 | \$ 188,393                         |
| Deferred Inflows of Resources                                                     | \$ 4,372                           |
| Net Position:                                                                     |                                    |
| Net Investment in Capital Assets                                                  | \$ 153,116                         |
| Restricted                                                                        | 133,204                            |
| Total Net Position                                                                | \$ 286,320                         |
| <b>Condensed Statement of Revenues,<br/>Expenses, and Changes in Net Position</b> |                                    |
| Operating Revenues - Customer Charges                                             | \$ 113,951                         |
| Depreciation Expense                                                              | (24,224)                           |
| Other Operating Expenses                                                          | (82,615)                           |
| Operating Income (Loss)                                                           | \$ 7,112                           |
| Nonoperating Revenues (Expenses):                                                 |                                    |
| Private Grants                                                                    | \$ 307                             |
| Interest Income                                                                   | 8,088                              |
| Capital Contributions                                                             | 670                                |
| Interest Expense                                                                  | (4,167)                            |
| Gain (Loss) on Disposal of Capital Assets                                         | (2,985)                            |
| Change in Net Position                                                            | \$ 9,025                           |
| Beginning Net Position                                                            | \$ 277,295                         |
| Ending Net Position                                                               | \$ 286,320                         |
| <b>Condensed Statement of Cash Flows</b>                                          |                                    |
| Net Cash Provided (Used) by:                                                      |                                    |
| Operating Activities                                                              | \$ 27,557                          |
| Noncapital Financing Activities                                                   | 307                                |
| Capital and Related Financing Activities                                          | (19,491)                           |
| Investing Activities                                                              | 7,997                              |
| Net Increase (Decrease)                                                           | \$ 16,370                          |
| Beginning Cash and Cash Equivalents                                               | \$ 159,382                         |
| Ending Cash and Cash Equivalents                                                  | \$ 175,752                         |

The types of goods or services provided by the segment is as follows:

- State Colleges and Universities Revenue Fund constructs, maintains, and operates college buildings for residence hall, student union, food services, parking, and wellness purposes.

This segment has a revenue stream pledged to secure revenue bonds and provisions in the bond documents which require the separate reporting of the 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 October 2025, there was \$32,870,000 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 October 2025, \$97,110,000 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 October 2025, there was \$12,480,000 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. In fiscal year 2025, the Minnesota Legislature appropriated from the General Fund beginning in fiscal year 2028 through 2049 an amount sufficient to pay debt service on bonds. As of October 2025, \$461,895,000 was outstanding on these bonds, which includes \$50,000,000 of state-secured appropriation bonds issued by HFA in October 2025. 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 30, 2025, were \$11.0 million, and the outstanding guarantees expire in Fiscal Year 2035. For fiscal year 2025, the state made guarantee payments of \$52 thousand for the program, and as of June 30, 2025, 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, 2025.

## **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, 2025, was \$19.6 billion. For fiscal year 2025, the state did not make any debt service payments for the School District Credit Enhancement Program, and as of June 30, 2025, 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, 2025, the total amount of principal and interest guaranteed by the state through 2054, was \$1.2 billion. For fiscal year 2025, the state did not make any debt service payments for the City and County Credit Enhancement Program, and as of June 30, 2025, 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:

| <b>Primary Government<br/>Restricted Net Position Balances<br/>As of June 30, 2025<br/>(In Thousands)</b> |                               |                                          |                        |                      |
|-----------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------|------------------------|----------------------|
| Purpose of Restriction                                                                                    | Restricted by<br>Constitution | Restricted by<br>Enabling<br>Legislation | Restricted by<br>Other | Total                |
| Improve Agricultural,<br>Environmental, and Energy<br>Resources                                           | \$ 2,975,190                  | \$ 437,374                               | \$ 587,584             | \$ 4,000,148         |
| Enhance Arts and Culture                                                                                  | 36,152                        | —                                        | —                      | 36,152               |
| Acquire, Maintain, and Improve<br>Land and Buildings                                                      | —                             | —                                        | 657                    | 657                  |
| Retire Indebtedness                                                                                       | 494,000                       | —                                        | 170,274                | 664,274              |
| Develop Economy and Workforce                                                                             | —                             | 529,442                                  | 8,226                  | 537,668              |
| Enhance E-12 Education                                                                                    | —                             | 13,909                                   | 9,683                  | 23,592               |
| Enhance State Government                                                                                  | —                             | 50,800                                   | 14,145                 | 64,945               |
| Enhance Health and Human<br>Services                                                                      | —                             | 230,887                                  | 59,998                 | 290,885              |
| Enhance Higher Education                                                                                  | —                             | 630                                      | 22,268                 | 22,898               |
| Enhance 911 Services and Increase<br>Safety                                                               | —                             | 16,255                                   | 150,389                | 166,644              |
| School Aid - Expendable                                                                                   | 15,551                        | —                                        | —                      | 15,551               |
| School Aid - Nonexpendable                                                                                | 2,329,113                     | —                                        | 1,000                  | 2,330,113            |
| Construct Highways and Improve<br>Infrastructure                                                          | 2,481,766                     | 125,589                                  | 1,627                  | 2,608,982            |
| Unemployment Benefits                                                                                     | —                             | —                                        | 1,173,149              | 1,173,149            |
| Other Purposes                                                                                            | —                             | —                                        | 119,448                | 119,448              |
| Total Restricted Net Position                                                                             | <u>\$ 8,331,772</u>           | <u>\$ 1,404,886</u>                      | <u>\$ 2,318,448</u>    | <u>\$ 12,055,106</u> |

## 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:

| <b>Governmental Funds</b><br><b>Fund Balances</b><br><b>As of June 30, 2025</b><br><b>(In Thousands)</b> |              |                               |                                   |              |
|----------------------------------------------------------------------------------------------------------|--------------|-------------------------------|-----------------------------------|--------------|
|                                                                                                          |              | Major Special<br>Revenue Fund |                                   |              |
| Fund Balances                                                                                            | General Fund | Federal Fund                  | Nonmajor<br>Governmental<br>Funds | Total        |
| Nonspendable:                                                                                            |              |                               |                                   |              |
| Inventory                                                                                                | \$ —         | \$ —                          | \$ 64,738                         | \$ 64,738    |
| Trust or Permanent Fund Principal                                                                        | 2,085,671    | —                             | 2,330,113                         | 4,415,784    |
| Total Nonspendable Fund Balances                                                                         | \$ 2,085,671 | \$ —                          | \$ 2,394,851                      | \$ 4,480,522 |
| Purpose of Restriction:                                                                                  |              |                               |                                   |              |
| Improve Agricultural, Environmental,<br>and Energy Resources                                             | \$ —         | \$ —                          | \$ 1,925,323                      | \$ 1,925,323 |
| Enhance Arts and Culture                                                                                 | —            | —                             | 36,152                            | 36,152       |
| Acquire, Maintain, and Improve Land<br>and Buildings                                                     | —            | —                             | 533,939                           | 533,939      |
| Retire Indebtedness                                                                                      | —            | —                             | 1,083,541                         | 1,083,541    |
| Develop Economy and Workforce                                                                            | 198,319      | —                             | 452,068                           | 650,387      |
| Enhance E-12 Education                                                                                   | 1,389        | 148                           | 36,930                            | 38,467       |
| Enhance State Government                                                                                 | —            | 6,695                         | 56,072                            | 62,767       |
| Enhance Health and Human Services                                                                        | —            | 31                            | 138,763                           | 138,794      |
| Enhance Higher Education                                                                                 | —            | —                             | 612                               | 612          |
| Enhance 911 Services and Increase<br>Safety                                                              | —            | —                             | 16,075                            | 16,075       |
| Construct Highways and Improve<br>Infrastructure                                                         | —            | —                             | 2,607,892                         | 2,607,892    |
| Total Restricted Fund Balances                                                                           | \$ 199,708   | \$ 6,874                      | \$ 6,887,367                      | \$ 7,093,949 |

CONTINUED



**Governmental Funds**  
**Fund Balances (continued)**  
**As of June 30, 2025**  
**(In Thousands)**

|                                                              |               | Major Special<br>Revenue Fund |    | Nonmajor<br>Governmental<br>Funds |               |
|--------------------------------------------------------------|---------------|-------------------------------|----|-----------------------------------|---------------|
| Fund Balances                                                | General Fund  | Federal Fund                  |    |                                   | Total         |
| Purpose of Commitment:                                       |               |                               |    |                                   |               |
| Improve Agricultural, Environmental<br>and Energy Resources  | \$ —          | \$ —                          | \$ | 227,882                           | \$ 227,882    |
| Develop Economy and Workforce                                | —             | —                             |    | 426,017                           | 426,017       |
| Enhance E-12 Education                                       | —             | —                             |    | 15,477                            | 15,477        |
| Enhance State Government                                     | —             | —                             |    | 107,640                           | 107,640       |
| Enhance Health and Human Services                            | 3,846         | —                             |    | 60,236                            | 64,082        |
| Enhance Higher Education                                     | —             | —                             |    | 2,298                             | 2,298         |
| Enhance 911 Services and Increase<br>Safety                  | —             | —                             |    | 303,891                           | 303,891       |
| Construct Highways and Improve<br>Infrastructure             | 127,862       | —                             |    | 83,316                            | 211,178       |
| Total Committed Fund Balances                                | \$ 131,708    | \$ —                          | \$ | 1,226,757                         | \$ 1,358,465  |
| Purpose of Assignment:                                       |               |                               |    |                                   |               |
| Improve Agricultural, Environmental,<br>and Energy Resources | \$ 1,275,678  | \$ —                          | \$ | —                                 | \$ 1,275,678  |
| Acquire, Maintain, and Improve Land<br>and Buildings         | —             | —                             |    | 811,876                           | 811,876       |
| Develop Economy and Workforce                                | 1,046,154     | —                             |    | —                                 | 1,046,154     |
| Enhance E-12 Education                                       | 320,963       | —                             |    | —                                 | 320,963       |
| Enhance State Government                                     | 151,462       | —                             |    | —                                 | 151,462       |
| Enhance Health and Human Services                            | 1,549,528     | —                             |    | —                                 | 1,549,528     |
| Enhance Higher Education                                     | 58,425        | —                             |    | —                                 | 58,425        |
| Enhance 911 Services and Increase<br>Safety                  | 339,977       | —                             |    | —                                 | 339,977       |
| Construct Highways and Improve<br>Infrastructure             | 106,498       | —                             |    | —                                 | 106,498       |
| Total Assigned Fund Balances                                 | \$ 4,848,685  | \$ —                          | \$ | 811,876                           | \$ 5,660,561  |
| Unassigned                                                   | \$ 8,418,651  | \$ —                          | \$ | —                                 | \$ 8,418,651  |
| Total Fund Balances                                          | \$ 15,684,423 | \$ 6,874                      | \$ | 11,320,851                        | \$ 27,012,148 |

## Fund Balance or Net Position Deficits

The following funds have fund balance or net position deficits for the fiscal year ended June 30, 2025:

| <b>Fund Balance or Net Position Deficits</b> |                                         |
|----------------------------------------------|-----------------------------------------|
| <b>As of June 30, 2025</b>                   |                                         |
| <b>(In Thousands)</b>                        |                                         |
| <b>Fund Type</b>                             | <b>Fund Balance or<br/>Net Position</b> |
| Nonmajor Enterprise Funds:                   |                                         |
| State Lottery                                | \$ 1,758                                |

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 2025 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 \$104,615 less than coverage during the fiscal year ended June 30, 2025.

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, 2025 was 16,849 members and their dependents. The members of the pool include 73 school districts, 125 cities/townships, 12 counties, and 69 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 6/30/2024     | \$ 15,171                  | \$ 6,248                            | \$ 6,125          | \$ 15,294               |
| Fiscal Year Ended 6/30/2025     | \$ 15,294                  | \$ 6,437                            | \$ 6,146          | \$ 15,585               |
| Tort Claims:                    |                            |                                     |                   |                         |
| Fiscal Year Ended 6/30/2024     | \$ —                       | \$ 1,376                            | \$ 1,376          | \$ —                    |
| Fiscal Year Ended 6/30/2025     | \$ —                       | \$ 1,496                            | \$ 1,496          | \$ —                    |
| Workers' Compensation:          |                            |                                     |                   |                         |
| Fiscal Year Ended 6/30/2024     | \$ 86,598                  | \$ 21,598                           | \$ 25,828         | \$ 82,368               |
| Fiscal Year Ended 6/30/2025     | \$ 82,368                  | \$ 18,055                           | \$ 25,302         | \$ 75,121               |
| State Employee Group Insurance: |                            |                                     |                   |                         |
| Fiscal Year Ended 6/30/2024     | \$ 86,151                  | \$ 1,136,059                        | \$ 1,126,299      | \$ 95,911               |
| Fiscal Year Ended 6/30/2025     | \$ 95,911                  | \$ 1,312,071                        | \$ 1,298,155      | \$ 109,827              |

**Primary Government  
Public Employees Insurance Program  
Medical Claims  
(In Thousands)**

| Description                                                                          | Year Ended June 30 |            |
|--------------------------------------------------------------------------------------|--------------------|------------|
|                                                                                      | 2025               | 2024       |
| Unpaid Claims and Claim Adjustment Expenses, Beginning                               | \$ 21,264          | \$ 19,448  |
| Incurred Claims and Claim Adjustment Expenses:                                       |                    |            |
| Provision for Insured Events of Current Year                                         | \$ 231,206         | \$ 223,628 |
| Increases (Decreases) in Provision for Insured Events of Prior Years                 | 2,160              | 9,627      |
| Total Incurred Claims and Claim Adjustment Expenses                                  | \$ 233,366         | \$ 233,255 |
| Payments:                                                                            |                    |            |
| Claims and Claims Adjustment Expenses Attributable to Insured Events of Current Year | \$ 212,937         | \$ 203,277 |
| Claims and Claims Adjustment Expenses Attributable to Insured Events of Prior Years  | 22,921             | 28,162     |
| Total Payments                                                                       | \$ 235,858         | \$ 231,439 |
| Total Unpaid Claims and Claim Adjustment Expenses, Ending                            | \$ 18,772          | \$ 21,264  |

## 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 primary government's 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 \$500,000 per single loss. For claims above the retention limit, the Workers' Compensation Reinsurance Association reimburses MC.

MC claims include workers' compensation claims and \$10,539,000 internal service fund claims.

### University of Minnesota

The University of Minnesota (U of M) is insured for professional, general, non-profit organization, data security, 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 3.85 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 two independent administrators for the health coverage, and one independent administrator for the dental coverage. 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.

| Description                                      | Component Units<br>Claims Liability<br>(In Thousands) |                                     |                   |                         |  |
|--------------------------------------------------|-------------------------------------------------------|-------------------------------------|-------------------|-------------------------|--|
|                                                  | Beginning Claims Liability                            | Net Additions and Changes in Claims | Payment of Claims | Ending Claims Liability |  |
| Metropolitan Council - Workers' Compensation:    |                                                       |                                     |                   |                         |  |
| Fiscal Year Ended 12/31/2023                     | \$ 21,428                                             | \$ 11,217                           | \$ 8,242          | \$ 24,403               |  |
| Fiscal Year Ended 12/31/2024                     | \$ 24,403                                             | \$ 9,720                            | \$ 10,115         | \$ 24,008               |  |
| University of Minnesota - RUMINCO, Ltd:          |                                                       |                                     |                   |                         |  |
| Fiscal Year Ended 6/30/2024                      | \$ 11,836                                             | \$ 5,580                            | \$ 5,681          | \$ 11,735               |  |
| Fiscal Year Ended 6/30/2025                      | \$ 11,735                                             | \$ 7,431                            | \$ 8,631          | \$ 10,535               |  |
| University of Minnesota - Workers' Compensation: |                                                       |                                     |                   |                         |  |
| Fiscal Year Ended 6/30/2024                      | \$ 9,287                                              | \$ 4,321                            | \$ 4,686          | \$ 8,922                |  |
| Fiscal Year Ended 6/30/2025                      | \$ 8,922                                              | \$ 3,747                            | \$ 3,921          | \$ 8,748                |  |
| University of Minnesota - Medical/Dental:        |                                                       |                                     |                   |                         |  |
| Fiscal Year Ended 6/30/2024                      | \$ 38,579                                             | \$ 410,362                          | \$ 408,276        | \$ 40,665               |  |
| Fiscal Year Ended 6/30/2025                      | \$ 40,665                                             | \$ 458,692                          | \$ 447,861        | \$ 51,496               |  |

## 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, 2025  
(In Thousands)**

| Description                            | Amount                     |
|----------------------------------------|----------------------------|
| GAAP Basis Fund Balance                | \$ 15,684,423              |
| Less: Encumbrances <sup>(1)</sup>      | 1,197,450                  |
| Unassigned Fund Balance                | <u>\$ 14,486,973</u>       |
| Basis of Accounting Differences:       |                            |
| Revenue Accruals/Adjustments:          |                            |
| Taxes Receivable                       | \$ (1,299,341)             |
| Tax Refunds Payable                    | 881,879                    |
| Human Services Receivable              | (218,926)                  |
| Unearned Revenue                       | 139,756                    |
| Escheat Asset                          | (35,366)                   |
| Other Receivables                      | (46,387)                   |
| Permanent School Fund Reimbursement    | (1,600)                    |
| Investments at Market                  | (286,704)                  |
| Expenditure Accruals/Adjustments:      |                            |
| Medical Care Programs                  | 1,179,202                  |
| Human Services Grants Payable          | 73,288                     |
| Education Aids                         | 1,193,428                  |
| Police and Fire Aid                    | 178,275                    |
| Other Payables                         | 53,150                     |
| Other Financial Sources (Uses):        |                            |
| Transfers-In                           | (552)                      |
| Perspective Differences:               |                            |
| Account with no Legally Adopted Budget | (5,326,651)                |
| Appropriation Carryover                | (1,885,594)                |
| Long-Term Receivables                  | (14,769)                   |
| Budgetary Reserve                      | <u>(3,535,932)</u>         |
| Budgetary Basis:                       |                            |
| Unassigned Fund Balance                | <u><u>\$ 5,534,129</u></u> |

<sup>(1)</sup> 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, 2025 and 2026 are \$161,000. The maximum liability for tort claims arising out of a single occurrence in Minnesota is \$1,000,000 for claims arising on or after January 1, 2000, and before January 1, 2008; \$1,200,000 for claims arising on or after January 1, 2008, and before July 1, 2009; and \$1,500,000 for claims arising on or after July 1, 2009. The maximum liability for any one claim is \$300,000 for claims arising before August 1, 2007; \$400,000 for claims arising on or after August 1, 2007, and before July 1, 2009; and \$500,000 for claims arising on or after July 1, 2009.

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).
- AMRTC Appeal of Medicare Overpayments (Office of Medicare Hearings and Appeals). The Centers for Medicare and Medicaid issued claim denial notices to the Department of Direct Care and Treatment (DCT) related to a number of Medicare claims for patients at Anoka Metro Regional Treatment Center. DCT appealed these denials to the Office of Medicare Hearings and Appeals, and the appeal remains pending. An adverse decision in DCT's appeal could have a broad impact on other DCT Medicare claims, which could result in the state having to repay some amount that is estimated to be less than \$55 million.
- Abdikar Mohamed and Fowsiya Hassan v. Tim Walz, Minnesota Department of Human Services (DHS), et al. (U.S. District Court, District of Minnesota). The Plaintiffs were owners of childcare centers receiving Child Care Assistance Program (CCAP) funds from DHS (now Department of Children, Youth, and Families). After the Bureau of Criminal Apprehension (BCA) executed search warrants on Plaintiffs' childcare centers, DHS temporarily suspended CCAP payments to Plaintiffs, pending the outcome of the fraud investigation. The plaintiffs' businesses previously sued in state court, alleging due process violations for the CCAP payments suspension, and Defendants prevailed on a Motion to Dismiss, which was affirmed on appeal. The Plaintiffs sued in federal court in July 2025, with some of the same claims, as well as additional claims that include an Equal Protection Clause violation on the basis that DHS and a BCA employee disproportionately targeted Somalis for licensing and fraud investigations. The Defendants have filed a motion to dismiss the entire complaint, which is set for hearing December 2025. Allegations include damages for loss of the plaintiffs' businesses, pain and suffering, and compensatory and special damages, totaling at least \$63.8 million.

- 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 held that DHS did not comply with Minnesota law when it denied the 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. On August 29, 2025, the Supreme Court dismissed the appeal, holding that the petition for review was improvidently granted. The matter will return to the district court to determine the scope of injunctive relief. The injunctive relief Plaintiffs originally sought could put at risk the federal government's share of the state's Medical Assistance program.
- 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, the Defendants successfully reached a \$109 million settlement agreement with the class representatives, which the Legislature funded in May of 2024. The court gave final approval to the settlement in December 2024. The parties are now implementing the settlement, subject to court oversight.
- 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.
- The state receives federal funding for numerous programs and services provided or administered by the state, and shifting policies and priorities at the federal level regularly affect the state's operations. Changes in federal policy this year have led to an increase in litigation between the state and the federal government, and the outcomes of that litigation may result in additional state expenditures exceeding \$15,000,000 for affected programs and services.

## Note 19 – Tax Abatements

The state of Minnesota provides tax abatement agreements through five programs operated by the Department of Employment and Economic Development, Department of Administration, Department of Revenue, and Department of Explore Minnesota: 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, the Historic Structure Rehabilitation Credit, and the Film Production Tax 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, 2025**  
**(In Thousands)**

| Description                                          | Amount           |
|------------------------------------------------------|------------------|
| Border City Enterprise Zones:                        |                  |
| Corporate Taxes                                      | \$ 157           |
| Income Taxes                                         | 236              |
| Total Border City Enterprise Zones                   | \$ 393           |
| Angel Tax Credit: Income Taxes                       | \$ 4,252         |
| Historic Structure Rehabilitation Credit: Income Tax | \$ 63,396        |
| Film Production Tax Credit                           | \$ 1,404         |
| Total Tax Abatements                                 | <u>\$ 69,445</u> |

## **Note 20 – Change in Accounting Principle, Change in Accounting Estimate, Error Correction, and Change in Reporting Entity**

### **Primary Government**

#### **Change in Accounting Principle**

During the year ended June 30, 2025, the State of Minnesota adopted new accounting guidance by implementing the provisions of GASB Statement No. 101, "Compensated Absences." This has resulted in decreases in beginning net position for governmental activities and business-type activities of \$326,857,000 and \$81,011,000, respectively, in the Government-wide Statement of Activities, for the enterprise and internal service funds of \$81,011,000, and \$11,922,000, respectively, in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position, and for the pension trust funds of \$1,136,000 in the Fiduciary Funds Statement of Changes in Net Position for the current year. The most significant effects of implementing this statement are the recognition of a new compensated absences liability for accumulated sick leave that meets the criteria for recognition, which was not previously recognized in the financial statements, and eliminating the cap on vacations from the amount that would be paid out as severance to recognizing a compensated absences liability for the amount that will be more likely than not to be used or paid out as severance. The impact of this new guidance is detailed in the table below.

#### **Change in Accounting Estimate**

A new measurement methodology was used to estimate the individual income, corporate income, and sales taxes refunds payable. This change in estimate is more accurate as it considers the ratio of refunds to tax revenue for each of these tax types, resulting in more reliability. This change in estimate also increases the comparability across the different tax types. In the Government-wide Statement of Net Position - governmental activities and the Governmental Funds Balance Sheet, the accounts payable was impacted. In the Statement of Activities - governmental activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, individual income, corporate income, and sales taxes were impacted by the change in estimate.

The measurement methodology used to estimate a portion of the individual income, corporate income, and sales taxes receivable, including related allowances for uncollectible amounts, was changed. The change includes additional historical data to create a more accurate estimate, resulting in more reliability. In the Government-wide Statement of Net Position - governmental activities, the accounts receivable was impacted and in the Statement of Activities - governmental activities, the individual income, corporate income, and sales taxes were impacted. In the Governmental Funds Balance Sheet, the accounts receivable and deferred revenue were impacted.

#### **Error Correction**

The calculation of the deferred inflows of resources and deferred outflows of resources related to debt refunding were calculated accurately; however, the amounts were posted in the wrong account since the implementation of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." The deferred inflows of resources were posted as a debit in the deferred outflows of resources and the deferred outflows of resources were posted as a credit in the deferred inflows of resources. This has resulted in a decrease of beginning net position in the Statement of Activities - governmental activities of \$339,088,000 for the current year.

During fiscal year 2025, the Department of Human Services discovered the expenditures for tribal residential facilities were incorrectly charged to a federal program in the Federal Fund and should have been charged to the Institution for Mental Diseases (IMDs) program in the General Fund since fiscal year 2015. This resulted in a decrease of beginning net position in the Statement of Activities - governmental activities, and the beginning fund balance of the Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances - General Fund of \$121,924,000 for the current year. Since the expenditures charged to the Federal Fund were also reimbursed by the federal government and recognized as federal revenue, the impact was an overstatement of both expenditures and federal revenue with no impact on beginning fund balance.

### Change in Reporting Entity

Minnesota Statutes 424A, allows volunteer firefighter relief associations to be covered by the Supplemental Retirement Fund (investment trust fund). Minnesota Statutes 353G, allows volunteer firefighters to be covered by the Volunteer Firefighter Retirement Fund and Volunteer Firefighter Retirement Defined Contribution Fund (pension trust funds) managed by the Public Employees Retirement Association. During fiscal year 2025, nineteen firefighter groups transferred from the Supplemental Retirement Fund to the pension trust funds. The transfer was reported as a change in reporting entity of \$17,971,000 between the Supplemental Retirement Fund and the pension trust funds.

**Primary Government  
Beginning Balance Reconciliation  
Year Ended June 30, 2025  
(In Thousands)**

|                                 | Net Position/<br>Fund Balance,<br>Beginning, as<br>Reported | Change in<br>Accounting<br>Principle | Change in<br>Reporting<br>Entity | Error<br>Correction | Net Position/<br>Fund<br>Balance,<br>Beginning, as<br>Restated |
|---------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------|---------------------|----------------------------------------------------------------|
| <b>Government-wide:</b>         |                                                             |                                      |                                  |                     |                                                                |
| Governmental Activities         | \$ 39,963,338                                               | \$ (326,857)                         | \$ —                             | \$ (461,012)        | \$ 39,175,469                                                  |
| Business-type Activities        | 4,601,367                                                   | (81,011)                             | —                                | —                   | 4,520,356                                                      |
| Total Government-wide           | <u>\$ 44,564,705</u>                                        | <u>\$ (407,868)</u>                  | <u>\$ —</u>                      | <u>\$ (461,012)</u> | <u>\$ 43,695,825</u>                                           |
| <b>Governmental Funds:</b>      |                                                             |                                      |                                  |                     |                                                                |
| General                         | \$ 16,856,480                                               | \$ —                                 | \$ —                             | \$ (121,924)        | \$ 16,734,556                                                  |
| Federal                         | 7,142                                                       | —                                    | —                                | —                   | 7,142                                                          |
| Nonmajor Funds                  | 10,719,702                                                  | —                                    | —                                | —                   | 10,719,702                                                     |
| Total Governmental Funds        | <u>\$ 27,583,324</u>                                        | <u>\$ —</u>                          | <u>\$ —</u>                      | <u>\$ (121,924)</u> | <u>\$ 27,461,400</u>                                           |
| <b>Proprietary Funds:</b>       |                                                             |                                      |                                  |                     |                                                                |
| Family and Medical Benefit      | \$ 695,938                                                  | \$ (70)                              | \$ —                             | \$ —                | \$ 695,868                                                     |
| State Colleges and Universities | 2,102,520                                                   | (71,311)                             | —                                | —                   | 2,031,209                                                      |
| Unemployment Insurance          | 1,349,082                                                   | —                                    | —                                | —                   | 1,349,082                                                      |
| Nonmajor Enterprise Funds       | 453,827                                                     | (9,630)                              | —                                | —                   | 444,197                                                        |
| Total Enterprise Funds          | <u>\$ 4,601,367</u>                                         | <u>\$ (81,011)</u>                   | <u>\$ —</u>                      | <u>\$ —</u>         | <u>\$ 4,520,356</u>                                            |
| Internal Service Funds          | <u>\$ 500,955</u>                                           | <u>\$ (11,922)</u>                   | <u>\$ —</u>                      | <u>\$ —</u>         | <u>\$ 489,033</u>                                              |
| <b>Fiduciary Funds:</b>         |                                                             |                                      |                                  |                     |                                                                |
| Pension Trust                   | <u>\$109,908,842</u>                                        | <u>\$ (1,136)</u>                    | <u>\$ 17,971</u>                 | <u>\$ —</u>         | <u>\$109,925,677</u>                                           |
| Investment Trust                | <u>\$ 1,504,772</u>                                         | <u>\$ —</u>                          | <u>\$ (17,971)</u>               | <u>\$ —</u>         | <u>\$ 1,486,801</u>                                            |
| Custodial                       | <u>\$ 48,135</u>                                            | <u>\$ —</u>                          | <u>\$ —</u>                      | <u>\$ —</u>         | <u>\$ 48,135</u>                                               |

## Component Units

### Change in Accounting Principle

During the year ended June 30, 2025, Minnesota Housing Finance Agency and Agricultural and Economic Development Board (nonmajor component unit) adopted new accounting guidance by implementing the provisions for GASB Statement No. 101, "Compensated Absences." This has resulted in a decrease of beginning net position for component units of \$2,498,000 for the current year. The impact of this new guidance is detailed in the table below.

**Component Units**  
**Beginning Balance Reconciliation**  
**Year Ended December 31, 2024 or June 30, 2025, applicable**  
**(In Thousands)**

|                          | Net Position,<br>Beginning, as<br>Reported | Change in<br>Accounting<br>Principle | Net Position,<br>Beginning, as<br>Restated |
|--------------------------|--------------------------------------------|--------------------------------------|--------------------------------------------|
| Component Units:         |                                            |                                      |                                            |
| Housing Finance Agency   | \$ 1,391,896                               | \$ (2,494)                           | \$ 1,389,402                               |
| Metropolitan Council     | 6,416,163                                  | —                                    | 6,416,163                                  |
| University of Minnesota  | 9,915,289                                  | —                                    | 9,915,289                                  |
| Nonmajor Component Units | 3,381,977                                  | (4)                                  | 3,381,973                                  |
| Total Component Units    | <u>\$ 21,105,325</u>                       | <u>\$ (2,498)</u>                    | <u>\$ 21,102,827</u>                       |

## Note 21 – Subsequent Events

### Primary Government

In September 2025, the state issued the following general obligation bonds. These bonds are backed by the full faith and credit and taxing powers of the state.

- \$542.3 million of general obligation state various purpose bonds Series 2025A at a true interest rate of 3.62 percent.
- \$294.9 million of general obligation state trunk highway bonds Series 2025B at a true interest rate of 3.57 percent.
- \$25.5 million of general obligation taxable state various purpose bonds Series 2025C at a true interest rate of 3.88 percent.
- \$234.7 million of general obligation state various purpose refunding bonds Series 2025D at a true interest rate of 2.57 percent.
- \$158.7 million of general obligation state trunk highway refunding bonds Series 2025E at a true interest rate of 2.62 percent.

In November 2025, the state issued the following revenue bonds. These bonds are backed by pledged revenues from the taconite assistance area.

- \$25.3 million tax exempt revenue bonds Series 2025A at a true interest rate of 3.86 percent.
- \$2.3 million taxable revenue bonds Series 2025B at a true interest rate of 3.99 percent.
- \$16.9 million refunding bonds Series 2025C at a true interest rate of 2.75 percent.

In October 2025, the state issued \$50.1 million of refunding certificates of participation Series 2025 at a true interest rate of 2.90 percent.

### Component Units

#### Housing Finance Agency

In October 2025, the Housing Finance Agency (HFA) issued \$7.1 million state appropriation bonds (Housing Infrastructure) Series 2025A, and \$42.9 million Series 2025B. 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, 2025 as follows. In July 2025, HFA issued \$85.0 million Series 2025IJ. In October 2025, HFA issued \$175.0 million Series 2025KLMN.

HFA made, or committed to make, draws from index bank notes subsequent to June 30, 2025 totaling \$36.1 million.



## Metropolitan Council

In April 2025, Metropolitan Council (MC) agreed to a \$32.0 million loan Series 2025A from the Public Facilities Authority (component unit) for financing eligible capital expenditures.

In May 2025, MC issued \$77.7 million general obligation transit bonds, Series 2025B, \$74.5 million general obligation wastewater revenue bonds, Series 2025C, and \$9.7 million general obligation parks bonds, Series 2025D.





State of Minnesota

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## Required Supplementary Information

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2025  
Annual  
Comprehensive  
Financial Report

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## 2025 Annual Comprehensive Financial Report Required Supplementary Information

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### 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                        | 2024 | 2023 | 2022 |
|------------------------------------|------|------|------|
| Principal Arterial Average PQI     | 3.6  | 3.6  | 3.6  |
| Non-Principal Arterial Average PQI | 3.4  | 3.4  | 3.4  |

## 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                      | 2024  | 2023  | 2022  |
|----------------------------------|-------|-------|-------|
| Principal Arterial: Fair to Good | 94.1% | 93.7% | 93.8% |
| All Other Systems: Fair to Good  | 92.5% | 93.0% | 93.1% |

### 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<br>Construction<br>Program |
|--------|------|-------------------------|------------|----------------|-----------------------|------------|----------------|----------------------------------|
|        |      | Bridges                 | Pavement   | Total<br>Costs | Bridges               | Pavement   | Total<br>Costs |                                  |
| Budget | 2025 | \$ 68,199               | \$ 482,422 | \$ 550,621     | \$ 125,856            | \$ 896,726 | \$1,022,582    | \$ 1,573,203                     |
|        | 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                        |
| Actual | 2025 | \$ 69,144               | \$ 447,512 | \$ 516,656     | \$ 130,841            | \$ 902,629 | \$1,033,470    | \$ 1,550,126                     |
|        | 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                        |

## 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. 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)
- St. Paul Teachers' Retirement Fund (SPTRF)
- 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**

|                                                                           | 2016              | 2017              | 2018              | 2019 <sup>(2)</sup> |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|
| Statutorily Required Contribution as an:                                  |                   |                   |                   |                     |
| Employer <sup>(1)</sup>                                                   | \$ 110,804        | \$ 116,552        | \$ 121,322        | \$ 136,157          |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | —                 | —                 | —                 | —                   |
| Total Statutorily Required Contribution                                   | <u>\$ 110,804</u> | <u>\$ 116,552</u> | <u>\$ 121,322</u> | <u>\$ 136,157</u>   |
| Covered-Member Payroll                                                    | \$ 2,066,651      | \$ 2,179,626      | \$ 2,256,825      | \$ 2,374,710        |
| Required Employer Contributions as a Percentage of Covered-Member Payroll | 5.4%              | 5.3%              | 5.4%              | 5.7%                |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2019: The required contribution rate for employers increased from 5.5 percent to 5.875 percent.

<sup>(3)</sup> 2020: The required contribution rate for employers increased to 6.25 percent.

<sup>(4)</sup> 2024: Non-Employer contributions include a one-time state aid contribution of \$76.440 million.

**Correctional Employees Retirement Fund**

|                                                                           | 2016             | 2017             | 2018             | 2019 <sup>(2)</sup> |
|---------------------------------------------------------------------------|------------------|------------------|------------------|---------------------|
| Statutorily Required Contribution as an:                                  |                  |                  |                  |                     |
| Employer <sup>(1)</sup>                                                   | \$ 30,624        | \$ 31,663        | \$ 32,840        | \$ 38,141           |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | —                | —                | —                | —                   |
| Total Statutorily Required Contribution                                   | <u>\$ 30,624</u> | <u>\$ 31,663</u> | <u>\$ 32,840</u> | <u>\$ 38,141</u>    |
| Covered-Member Payroll                                                    | \$ 241,020       | \$ 248,653       | \$ 257,055       | \$ 267,212          |
| Required Employer Contributions as a Percentage of Covered-Member Payroll | 12.7%            | 12.7%            | 12.8%            | 14.3%               |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2019: The required contribution rate for employers increased from 12.9 percent to 14.4 percent.

<sup>(3)</sup> 2020: The required contribution rate for employers increased to 15.85 percent.

<sup>(4)</sup> 2021: The required contribution rate for employers increased to 17.35 percent.

<sup>(5)</sup> 2022: The required contribution rate for employers increased to 18.85 percent.

<sup>(6)</sup> 2024: Non-Employer contributions include a one-time state aid contribution of \$10.446 million.

**General Employees Retirement Fund**

|                                                                           | 2016            | 2017            | 2018             | 2019             |
|---------------------------------------------------------------------------|-----------------|-----------------|------------------|------------------|
| Statutorily Required Contribution as an:                                  |                 |                 |                  |                  |
| Employer <sup>(1)</sup>                                                   | \$ 2,540        | \$ 3,155        | \$ 2,283         | \$ 2,138         |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | 6,000           | 6,000           | 16,000           | 16,000           |
| Total Statutorily Required Contribution                                   | <u>\$ 8,540</u> | <u>\$ 9,155</u> | <u>\$ 18,283</u> | <u>\$ 18,138</u> |
| Covered-Member Payroll                                                    | \$ 41,328       | \$ 31,105       | \$ 28,849        | \$ 26,936        |
| Required Employer Contributions as a Percentage of Covered-Member Payroll | 6.1%            | 10.1%           | 7.9%             | 7.9%             |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2024: Non-Employer contributions include a one-time state aid contribution of \$170.093 million.



| 2020 <sup>(3)</sup> | 2021              | 2022              | 2023              | 2024 <sup>(4)</sup> | 2025              |
|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| \$ 152,523          | \$ 156,738        | \$ 161,340        | \$ 172,451        | \$ 193,263          | \$ 217,197        |
| —                   | —                 | —                 | —                 | 76,440              | —                 |
| <u>\$ 152,523</u>   | <u>\$ 156,738</u> | <u>\$ 161,340</u> | <u>\$ 172,451</u> | <u>\$ 269,703</u>   | <u>\$ 217,197</u> |
| \$ 2,480,800        | \$ 2,545,750      | \$ 2,622,904      | \$ 2,787,717      | \$ 3,123,124        | \$ 3,457,609      |
| 6.1%                | 6.2%              | 6.2%              | 6.2%              | 6.2%                | 6.3%              |

| 2020 <sup>(3)</sup> | 2021 <sup>(4)</sup> | 2022 <sup>(5)</sup> | 2023             | 2024 <sup>(6)</sup> | 2025             |
|---------------------|---------------------|---------------------|------------------|---------------------|------------------|
| \$ 43,594           | \$ 48,662           | \$ 54,939           | \$ 58,356        | \$ 62,100           | \$ 69,431        |
| —                   | —                   | —                   | —                | 10,446              | —                |
| <u>\$ 43,594</u>    | <u>\$ 48,662</u>    | <u>\$ 54,939</u>    | <u>\$ 58,356</u> | <u>\$ 72,546</u>    | <u>\$ 69,431</u> |
| \$ 278,340          | \$ 282,542          | \$ 294,329          | \$ 310,576       | \$ 330,712          | \$ 367,494       |
| 15.7%               | 17.2%               | 18.7%               | 18.8%            | 18.8%               | 18.9%            |

| 2020             | 2021             | 2022             | 2023             | 2024 <sup>(2)</sup> | 2025             |
|------------------|------------------|------------------|------------------|---------------------|------------------|
| \$ 1,949         | \$ 1,720         | \$ 1,582         | \$ 1,439         | \$ 1,379            | \$ 1,298         |
| 16,000           | 16,000           | 16,000           | 16,000           | 186,093             | 16,000           |
| <u>\$ 17,949</u> | <u>\$ 17,720</u> | <u>\$ 17,582</u> | <u>\$ 17,439</u> | <u>\$ 187,472</u>   | <u>\$ 17,298</u> |
| \$ 24,638        | \$ 21,880        | \$ 20,120        | \$ 18,930        | \$ 17,360           | \$ 17,361        |
| 7.9%             | 7.9%             | 7.9%             | 7.6%             | 7.9%                | 7.5%             |

**Required Supplementary Information**  
**Primary Government Administered Multiple-Employer Cost Sharing Plans**  
**Schedule of Contributions (Continued)**  
**(In Thousands)**

|                                                                           | <b>Police and Fire Fund<sup>(2)</sup></b> |            |            |                 |
|---------------------------------------------------------------------------|-------------------------------------------|------------|------------|-----------------|
|                                                                           | 2016                                      | 2017       | 2018       | 2019            |
| Statutorily Required Contribution as an:                                  |                                           |            |            |                 |
| Employer <sup>(1)</sup>                                                   | N/A                                       | N/A        | N/A        | \$ —            |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | N/A                                       | N/A        | N/A        | 4,500           |
| <b>Total Statutorily Required Contribution</b>                            | <b>N/A</b>                                | <b>N/A</b> | <b>N/A</b> | <b>\$ 4,500</b> |
| 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             |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> Reporting data for P&FF begins with fiscal year 2019, due to a change in the statutorily required contribution.

<sup>(3)</sup> 2020: The required contribution rate for employers increased from 16.95 percent to 17.7 percent.

<sup>(4)</sup> 2024: Non-Employer contributions include a one-time state aid contribution of \$19.397 million.

|                                                                           | <b>Teachers Retirement Fund</b> |                  |                  |                     |
|---------------------------------------------------------------------------|---------------------------------|------------------|------------------|---------------------|
|                                                                           | 2016                            | 2017             | 2018             | 2019 <sup>(2)</sup> |
| Statutorily Required Contribution as an:                                  |                                 |                  |                  |                     |
| Employer <sup>(1)</sup>                                                   | \$ 14,514                       | \$ 14,885        | \$ 14,678        | \$ 15,447           |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | 31,088                          | 31,087           | 30,886           | 31,087              |
| <b>Total Statutorily Required Contribution</b>                            | <b>\$ 45,602</b>                | <b>\$ 45,972</b> | <b>\$ 45,564</b> | <b>\$ 46,534</b>    |
| Covered-Member Payroll                                                    | \$ 168,264                      | \$ 174,018       | \$ 170,196       | \$ 177,753          |
| Required Employer Contributions as a Percentage of Covered-Member Payroll | 8.6%                            | 8.6%             | 8.6%             | 8.7%                |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2019: The required contribution rate for employers increased from 7.5-11.5 percent to 7.71-11.71 percent.

<sup>(3)</sup> 2020: The required contribution rate for employers increased to 7.92-11.92 percent.

<sup>(4)</sup> 2021: The required contribution rate for employers increased to 8.13-12.13 percent.

<sup>(5)</sup> 2022: The required contribution rate for employers increased to 8.34-12.34 percent.

<sup>(6)</sup> 2023: The required contribution rate for employers increased to 8.55-12.55 percent.

<sup>(7)</sup> 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.

<sup>(8)</sup> 2025: Non-Employer contributions include a one-time state aid contribution of \$28.462 million.

| 2020 <sup>(3)</sup> | 2021            | 2022            | 2023            | 2024 <sup>(4)</sup> | 2025            |
|---------------------|-----------------|-----------------|-----------------|---------------------|-----------------|
| \$ 543              | \$ 586          | \$ 586          | \$ 584          | \$ 571              | \$ 587          |
| 4,500               | 9,000           | 9,000           | 9,000           | 28,397              | 9,000           |
| <u>\$ 5,043</u>     | <u>\$ 9,586</u> | <u>\$ 9,586</u> | <u>\$ 9,584</u> | <u>\$ 28,968</u>    | <u>\$ 9,587</u> |
| \$ 2,949            | \$ 3,052        | \$ 3,088        | \$ 3,167        | \$ 3,027            | \$ 3,297        |
| 18.4%               | 19.2%           | 19.0%           | 18.4%           | 18.9%               | 17.8%           |

| 2020 <sup>(3)</sup> | 2021 <sup>(4)</sup> | 2022 <sup>(5)</sup> | 2023 <sup>(6)</sup> | 2024 <sup>(7)</sup> | 2025 <sup>(8)</sup> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 16,115           | \$ 16,609           | \$ 17,139           | \$ 18,489           | \$ 19,813           | \$ 21,669           |
| 31,087              | 31,087              | 31,087              | 31,087              | 207,254             | 59,549              |
| <u>\$ 47,202</u>    | <u>\$ 47,696</u>    | <u>\$ 48,226</u>    | <u>\$ 49,576</u>    | <u>\$ 227,067</u>   | <u>\$ 81,218</u>    |
| \$ 179,645          | \$ 183,607          | \$ 185,816          | \$ 203,848          | \$ 210,708          | \$ 222,001          |
| 9.0%                | 9.0%                | 9.2%                | 9.1%                | 9.4%                | 9.8%                |

**Required Supplementary Information**  
**Non-Primary Government Administered Multiple-Employer Cost Sharing Plans**  
**Schedule of Contributions**  
**(In Thousands)**

| <b>St. Paul Teachers' Retirement Fund</b>                                 |                  |                     |                     |                     |
|---------------------------------------------------------------------------|------------------|---------------------|---------------------|---------------------|
|                                                                           | 2016             | 2017 <sup>(2)</sup> | 2018 <sup>(3)</sup> | 2019 <sup>(4)</sup> |
| Statutorily Required Contribution as an:                                  |                  |                     |                     |                     |
| Employer <sup>(1)</sup>                                                   | \$ 64            | \$ 66               | \$ 41               | \$ 47               |
| Non-Employer Contributing Entity <sup>(1)</sup>                           | 10,665           | 10,665              | 10,665              | 15,666              |
| <b>Total Statutorily Required Contribution</b>                            | <b>\$ 10,729</b> | <b>\$ 10,731</b>    | <b>\$ 10,706</b>    | <b>\$ 15,713</b>    |
| Covered-Member Payroll                                                    | \$ 443           | \$ 465              | \$ 274              | \$ 271              |
| Required Employer Contributions as a Percentage of Covered-Member Payroll | 14.4%            | 14.2%               | 15.0%               | 17.3%               |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2017: The required contribution rate for employers increased from 6.00-9.50 percent to 6.25-9.75 percent.

<sup>(3)</sup> 2018: The required contribution rate for employers increased to 6.50-10.00 percent.

<sup>(4)</sup> 2019: The required contribution rate for employers increased to 7.335-10.835 percent.

<sup>(5)</sup> 2020: The required contribution rate for employers increased to 8.17-11.67 percent.

<sup>(6)</sup> 2021: The required contribution rate for employers increased to 8.38-11.88 percent.

<sup>(7)</sup> 2022: The required contribution rate for employers increased to 8.59-12.09 percent.

<sup>(8)</sup> 2023: The required contribution rate for employers increased to 8.80-12.30 percent.

<sup>(9)</sup> 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.

<sup>(10)</sup> 2025: Non-Employer contributions include a one-time state aid contribution of \$1.538 million.

| <u>2020 <sup>(5)</sup></u> | <u>2021 <sup>(6)</sup></u> | <u>2022 <sup>(7)</sup></u> | <u>2023 <sup>(8)</sup></u> | <u>2024 <sup>(9)</sup></u> | <u>2025 <sup>(10)</sup></u> |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| \$ 38                      | \$ 27                      | \$ 19                      | \$ 20                      | \$ 15                      | \$ 20                       |
| 15,663                     | 15,664                     | 15,665                     | 15,663                     | 31,411                     | 17,203                      |
| <u>\$ 15,701</u>           | <u>\$ 15,691</u>           | <u>\$ 15,684</u>           | <u>\$ 15,683</u>           | <u>\$ 31,426</u>           | <u>\$ 17,223</u>            |
| \$ 211                     | \$ 148                     | \$ 106                     | \$ 110                     | \$ 83                      | \$ 61                       |
| 18.0%                      | 18.2%                      | 17.9%                      | 18.2%                      | 18.1%                      | 32.8%                       |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**(In Thousands)**

|                                                                                                                                | <b>State Employees Retirement Fund</b> |                            |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------|----------------------------|----------------------------|
|                                                                                                                                | <u>2016</u>                            | <u>2017 <sup>(1)</sup></u> | <u>2018 <sup>(2)</sup></u> | <u>2019 <sup>(3)</sup></u> |
| Primary Government's Proportion of the Net Pension Liability as an Employer                                                    | 73.93%                                 | 73.88%                     | 74.15%                     | 74.45%                     |
| Primary Government's Proportionate Share of the Net Pension Liability as an Employer                                           | \$ 1,138,125                           | \$ 9,160,172               | \$ 5,500,428               | \$ 1,031,909               |
| Primary Government's Covered-Member Payroll – Measurement Period                                                               | \$ 2,006,862                           | \$ 2,066,651               | \$ 2,179,626               | \$ 2,256,825               |
| Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll | 56.7%                                  | 443.2%                     | 252.4%                     | 45.7%                      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                                     | 88.3%                                  | 47.5%                      | 62.7%                      | 90.6%                      |

<sup>(1)</sup> 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.

<sup>(2)</sup> 2018: The discount rate changed to 5.42 percent.

<sup>(3)</sup> 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.

<sup>(4)</sup> 2022: The discount rate changed to 6.5 percent.

<sup>(5)</sup> 2023: The discount rate changed to 6.75 percent.

<sup>(6)</sup> 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.

<sup>(7)</sup> 2025: Benefit increase was changed to 1.5 percent through December 31, 2025, and 1.75 percent thereafter.

| 2020         | 2021         | 2022 <sup>(4)</sup> | 2023 <sup>(5)</sup> | 2024 <sup>(6)</sup> | 2025 <sup>(7)</sup> |
|--------------|--------------|---------------------|---------------------|---------------------|---------------------|
| 74.94%       | 75.21%       | 76.55%              | 76.37%              | 76.41%              | 76.87%              |
| \$ 1,054,276 | \$ 998,968   | \$ 62,413           | \$ 1,255,049        | \$ 734,188          | \$ 25,569           |
| \$ 2,374,710 | \$ 2,480,800 | \$ 2,545,750        | \$ 2,622,904        | \$ 2,787,717        | \$ 3,123,124        |
| 44.4%        | 40.3%        | 2.5%                | 47.8%               | 26.3%               | 0.8%                |
| 90.7%        | 91.3%        | 99.5%               | 90.6%               | 94.5%               | 99.8%               |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability (Continued)**  
**(In Thousands)**

| <b>Correctional Employees Retirement Fund</b>                                                                                  |             |                            |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------|----------------------------|----------------------------|
|                                                                                                                                | <u>2016</u> | <u>2017 <sup>(1)</sup></u> | <u>2018 <sup>(2)</sup></u> | <u>2019 <sup>(3)</sup></u> |
| Primary Government's Proportion of the Net Pension Liability as an Employer                                                    | 99.86%      | 99.91%                     | 99.91%                     | 99.89%                     |
| Primary Government's Proportionate Share of the Net Pension Liability as an Employer                                           | \$ 653,352  | \$ 1,331,563               | \$ 1,127,087               | \$ 375,232                 |
| Primary Government's Covered-Member Payroll – Measurement Period                                                               | \$ 231,126  | \$ 241,020                 | \$ 248,653                 | \$ 257,055                 |
| Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll | 282.7%      | 552.5%                     | 453.3%                     | 146.0%                     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                                     | 58.1%       | 40.3%                      | 47.6%                      | 74.8%                      |

<sup>(1)</sup> 2017: The discount rate changed from 6.25 percent to 4.24 percent.

<sup>(2)</sup> 2018: The discount rate changed to 5.02 percent.

<sup>(3)</sup> 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.

<sup>(4)</sup> 2022: The discount rate changed to 6.5 percent.

<sup>(5)</sup> 2023: The discount rate changed to 6.75 percent.

<sup>(6)</sup> 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.



| 2020       | 2021       | 2022 <sup>(4)</sup> | 2023 <sup>(5)</sup> | 2024 <sup>(6)</sup> | 2025       |
|------------|------------|---------------------|---------------------|---------------------|------------|
| 99.87%     | 99.95%     | 99.96%              | 99.95%              | 99.91%              | 99.91%     |
| \$ 394,861 | \$ 447,093 | \$ 441,892          | \$ 599,385          | \$ 537,961          | \$ 471,114 |
| \$ 267,212 | \$ 278,340 | \$ 282,542          | \$ 294,329          | \$ 310,576          | \$ 330,712 |
| 147.8%     | 160.6%     | 156.4%              | 203.6%              | 173.2%              | 142.5%     |
| 75.0%      | 73.2%      | 78.2%               | 71.1%               | 74.8%               | 79.2%      |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability (Continued)**  
**(In Thousands)**

| <b>General Employees Retirement Fund</b>                                                                                       |                   |                            |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------|----------------------------|----------------------------|
|                                                                                                                                | <u>2016</u>       | <u>2017 <sup>(1)</sup></u> | <u>2018 <sup>(2)</sup></u> | <u>2019 <sup>(3)</sup></u> |
| Primary Government's Proportion of the Net Pension Liability as an:                                                            |                   |                            |                            |                            |
| Employer                                                                                                                       | 0.62%             | 0.72%                      | 0.51%                      | 0.46%                      |
| Non-Employer Contributing Entity                                                                                               | 3.56%             | 1.29%                      | 1.24%                      | 3.18%                      |
| Total Primary Government's Proportion of the Net Pension Liability                                                             | <u>4.18%</u>      | <u>2.01%</u>               | <u>1.75%</u>               | <u>3.64%</u>               |
| Primary Government's Proportionate Share of the Net Pension Liability as an:                                                   |                   |                            |                            |                            |
| Employer                                                                                                                       | \$ 32,022         | \$ 58,119                  | \$ 32,252                  | \$ 25,408                  |
| Non-Employer Contributing Entity                                                                                               | 184,478           | 104,677                    | 79,275                     | 176,191                    |
| Total Primary Government's Proportionate Share of the Net Pension Liability                                                    | <u>\$ 216,500</u> | <u>\$ 162,796</u>          | <u>\$ 111,527</u>          | <u>\$ 201,599</u>          |
| Primary Government's Covered-Member Payroll – Measurement Period                                                               | \$ 34,289         | \$ 41,328                  | \$ 31,105                  | \$ 28,849                  |
| Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll | 93.4%             | 140.6%                     | 103.7%                     | 88.1%                      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                                     | 78.2%             | 68.9%                      | 75.9%                      | 79.5%                      |

<sup>(1)</sup> 2017: Benefit increase of 2.5 percent was projected to start in 2036 changed to 1.0 percent for all future years. The discount rate changed from 7.9 percent to 7.5 percent.

<sup>(2)</sup> 2018: Benefit increase changed to 1.0 percent through 2044 and 2.5 percent thereafter.

<sup>(3)</sup> 2019: Benefit increase changed to 1.25 percent for all future years.

<sup>(4)</sup> 2022: The discount rate changed to 6.5 percent.

<sup>(5)</sup> 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.

| 2020              | 2021              | 2022 <sup>(4)</sup> | 2023              | 2024 <sup>(5)</sup> | 2025              |
|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| 0.41%             | 0.37%             | 0.32%               | 0.28%             | 0.25%               | 0.22%             |
| 3.02%             | 2.99%             | 2.97%               | 2.85%             | 2.69%               | 2.52%             |
| <u>3.43%</u>      | <u>3.36%</u>      | <u>3.29%</u>        | <u>3.13%</u>      | <u>2.94%</u>        | <u>2.74%</u>      |
| \$ 22,829         | \$ 22,051         | \$ 13,819           | \$ 22,628         | \$ 14,125           | \$ 8,004          |
| <u>166,659</u>    | <u>179,348</u>    | <u>126,546</u>      | <u>225,578</u>    | <u>150,014</u>      | <u>93,185</u>     |
| <u>\$ 189,488</u> | <u>\$ 201,399</u> | <u>\$ 140,365</u>   | <u>\$ 248,206</u> | <u>\$ 164,139</u>   | <u>\$ 101,189</u> |
| \$ 26,936         | \$ 24,638         | \$ 21,880           | \$ 20,120         | \$ 18,930           | \$ 17,360         |
| 84.8%             | 89.5%             | 63.2%               | 112.5%            | 74.6%               | 46.1%             |
| 80.2%             | 79.1%             | 87.0%               | 76.7%             | 83.1%               | 89.1%             |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability (Continued)**  
**(In Thousands)**

|                                                                                                                                | <b>Police and Fire Fund<sup>(1)</sup></b> |             |             |                  |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------|-------------|------------------|
|                                                                                                                                | <u>2016</u>                               | <u>2017</u> | <u>2018</u> | <u>2019</u>      |
| Primary Government's Proportion of the Net Pension Liability as an:                                                            |                                           |             |             |                  |
| Employer                                                                                                                       | N/A                                       | N/A         | N/A         | —%               |
| Non-Employer Contributing Entity                                                                                               | N/A                                       | N/A         | N/A         | 5.27%            |
| Total Primary Government's Proportion of the Net Pension Liability                                                             | <u>N/A</u>                                | <u>N/A</u>  | <u>N/A</u>  | <u>5.27%</u>     |
| Primary Government's Proportionate Share of the Net Pension Liability as an:                                                   |                                           |             |             |                  |
| Employer                                                                                                                       | N/A                                       | N/A         | N/A         | \$ —             |
| Non-Employer Contributing Entity                                                                                               | N/A                                       | N/A         | N/A         | 56,187           |
| Total Primary Government's Proportionate Share of the Net Pension Liability                                                    | <u>N/A</u>                                | <u>N/A</u>  | <u>N/A</u>  | <u>\$ 56,187</u> |
| 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         | 88.8%            |

<sup>(1)</sup> Reporting data for P&FF begins with fiscal year 2019, due to a change in the statutorily required contribution.

<sup>(2)</sup> 2022: The discount rate changed from 7.5 percent to 6.5 percent.

<sup>(3)</sup> 2023: The discount rate changed to 5.4 percent.

<sup>(4)</sup> 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.

| 2020             | 2021             | 2022 <sup>(2)</sup> | 2023 <sup>(3)</sup> | 2024 <sup>(4)</sup> | 2025             |
|------------------|------------------|---------------------|---------------------|---------------------|------------------|
| 0.25%            | 0.28%            | 0.28%               | 0.27%               | 0.26%               | 0.24%            |
| 5.15%            | 4.60%            | 4.30%               | 4.19%               | 3.87%               | 7.22%            |
| <u>5.40%</u>     | <u>4.88%</u>     | <u>4.58%</u>        | <u>4.46%</u>        | <u>4.13%</u>        | <u>7.46%</u>     |
| \$ 2,687         | \$ 3,635         | \$ 2,149            | \$ 11,919           | \$ 4,467            | \$ 3,072         |
| <u>54,801</u>    | <u>60,676</u>    | <u>33,209</u>       | <u>182,147</u>      | <u>66,866</u>       | <u>95,008</u>    |
| <u>\$ 57,488</u> | <u>\$ 64,311</u> | <u>\$ 35,358</u>    | <u>\$ 194,066</u>   | <u>\$ 71,333</u>    | <u>\$ 98,080</u> |
| \$ 2,553         | \$ 2,949         | \$ 3,052            | \$ 3,088            | \$ 3,167            | \$ 3,027         |
| 105.2%           | 123.3%           | 70.4%               | 386.0%              | 141.0%              | 101.5%           |
| 89.3%            | 87.2%            | 93.7%               | 70.5%               | 86.5%               | 90.2%            |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability (Continued)**  
**(In Thousands)**

|                                                                                                                                | <b>Teachers Retirement Fund</b> |                            |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|
|                                                                                                                                | <u>2016</u>                     | <u>2017 <sup>(1)</sup></u> | <u>2018 <sup>(2)</sup></u> | <u>2019 <sup>(3)</sup></u> |
| Primary Government's Proportion of the Net Pension Liability as an:                                                            |                                 |                            |                            |                            |
| Employer                                                                                                                       | 3.88%                           | 3.72%                      | 3.71%                      | 3.52%                      |
| Non-Employer Contributing Entity                                                                                               | 9.74%                           | 7.97%                      | 7.70%                      | 7.50%                      |
| Total Primary Government's Proportion of the Net Pension Liability                                                             | <u>13.62%</u>                   | <u>11.69%</u>              | <u>11.41%</u>              | <u>11.02%</u>              |
| Primary Government's Proportionate Share of the Net Pension Liability as an:                                                   |                                 |                            |                            |                            |
| Employer                                                                                                                       | \$ 239,701                      | \$ 888,788                 | \$ 740,843                 | \$ 221,190                 |
| Non-Employer Contributing Entity                                                                                               | 602,738                         | 1,900,653                  | 1,537,059                  | 471,220                    |
| Total Primary Government's Proportionate Share of the Net Pension Liability                                                    | <u>\$ 842,439</u>               | <u>\$ 2,789,441</u>        | <u>\$ 2,277,902</u>        | <u>\$ 692,410</u>          |
| Primary Government's Covered-Member Payroll – Measurement Period                                                               | \$ 166,870                      | \$ 168,264                 | \$ 174,018                 | \$ 170,196                 |
| Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll | 143.6%                          | 528.2%                     | 425.7%                     | 130.0%                     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                                     | 76.8%                           | 44.9%                      | 51.6%                      | 78.1%                      |

<sup>(1)</sup> 2017: A benefit increase was not projected to be attained instead of 2.5 percent in 2037. The discount rate changed from 8.00 percent to 4.66 percent.

<sup>(2)</sup> 2018: Benefit increase of 2.5 percent was projected to start in 2045. The discount rate changed to 5.12 percent.

<sup>(3)</sup> 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.

<sup>(4)</sup> 2022: The discount rate changed to 7.0 percent.

<sup>(5)</sup> 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.

| 2020              | 2021              | 2022 <sup>(4)</sup> | 2023              | 2024 <sup>(5)</sup> | 2025              |
|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| 3.55%             | 3.48%             | 3.45%               | 3.33%             | 3.55%               | 3.46%             |
| 7.10%             | 6.75%             | 6.39%               | 6.03%             | 5.72%               | 5.36%             |
| <u>10.65%</u>     | <u>10.23%</u>     | <u>9.84%</u>        | <u>9.36%</u>      | <u>9.27%</u>        | <u>8.82%</u>      |
| \$ 226,558        | \$ 256,907        | \$ 150,864          | \$ 266,953        | \$ 293,451          | \$ 219,682        |
| <u>452,696</u>    | <u>499,032</u>    | <u>279,641</u>      | <u>482,875</u>    | <u>472,132</u>      | <u>340,763</u>    |
| <u>\$ 679,254</u> | <u>\$ 755,939</u> | <u>\$ 430,505</u>   | <u>\$ 749,828</u> | <u>\$ 765,583</u>   | <u>\$ 560,445</u> |
| \$ 177,753        | \$ 179,645        | \$ 183,607          | \$ 185,816        | \$ 203,848          | \$ 210,708        |
| 127.5%            | 143.0%            | 82.2%               | 143.7%            | 144.0%              | 104.3%            |
| 78.2%             | 75.5%             | 86.6%               | 76.2%             | 76.4%               | 82.1%             |

**Required Supplementary Information**  
**Multiple-Employer Cost Sharing Plans**  
**Schedule of the Proportionate Share of the Net Pension Liability (Continued)**  
**(In Thousands)**

| <b>St. Paul Teachers' Retirement Fund</b>                                                                                      |                   |                            |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------|----------------------------|----------------------------|
|                                                                                                                                | <u>2016</u>       | <u>2017 <sup>(1)</sup></u> | <u>2018 <sup>(2)</sup></u> | <u>2019 <sup>(3)</sup></u> |
| Primary Government's Proportion of the Net Pension Liability as an:                                                            |                   |                            |                            |                            |
| Employer                                                                                                                       | 0.24%             | 0.17%                      | 0.18%                      | 0.10%                      |
| Non-Employer Contributing Entity                                                                                               | 29.52%            | 28.79%                     | 27.97%                     | 27.48%                     |
| Total Primary Government's Proportion of the Net Pension Liability                                                             | <u>29.76%</u>     | <u>28.96%</u>              | <u>28.15%</u>              | <u>27.58%</u>              |
| Primary Government's Proportionate Share of the Net Pension Liability as an:                                                   |                   |                            |                            |                            |
| Employer                                                                                                                       | \$ 1,385          | \$ 1,082                   | \$ 1,019                   | \$ 630                     |
| Non-Employer Contributing Entity                                                                                               | 171,776           | 182,226                    | 161,970                    | 166,431                    |
| Total Primary Government's Proportionate Share of the Net Pension Liability                                                    | <u>\$ 173,161</u> | <u>\$ 183,308</u>          | <u>\$ 162,989</u>          | <u>\$ 167,061</u>          |
| Primary Government's Covered-Member Payroll – Measurement Period                                                               | \$ 628            | \$ 443                     | \$ 465                     | \$ 274                     |
| Primary Government's Employers' Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Member Payroll | 220.5%            | 244.2%                     | 219.1%                     | 229.9%                     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                                     | 63.6%             | 60.3%                      | 64.1%                      | 63.9%                      |

<sup>(1)</sup> 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.

<sup>(2)</sup> 2018: Benefit increase of 2.0 percent was projected to start in 2042 and 2.5 percent in 2052.

<sup>(3)</sup> 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.

<sup>(4)</sup> 2023: The discount rate changed to 7.0 percent.

<sup>(5)</sup> 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.



| 2020              | 2021              | 2022              | 2023 <sup>(4)</sup> | 2024 <sup>(5)</sup> | 2025              |
|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| 0.10%             | 0.08%             | 0.05%             | 0.04%               | 0.04%               | 0.02%             |
| 33.67%            | 31.67%            | 30.90%            | 28.84%              | 29.02%              | 27.23%            |
| <u>33.77%</u>     | <u>31.75%</u>     | <u>30.95%</u>     | <u>28.88%</u>       | <u>29.06%</u>       | <u>27.25%</u>     |
| \$ 617            | \$ 503            | \$ 230            | \$ 243              | \$ 250              | \$ 155            |
| 205,790           | 207,016           | 134,248           | 200,407             | 195,832             | 162,831           |
| <u>\$ 206,407</u> | <u>\$ 207,519</u> | <u>\$ 134,478</u> | <u>\$ 200,650</u>   | <u>\$ 196,082</u>   | <u>\$ 162,986</u> |
| \$ 271            | \$ 211            | \$ 148            | \$ 106              | \$ 110              | \$ 83             |
| 227.7%            | 238.4%            | 155.4%            | 229.2%              | 227.3%              | 186.7%            |
| 63.9%             | 61.4%             | 74.9%             | 62.4%               | 64.3%               | 69.1%             |

**Required Supplementary Information**  
**Primary Government Administered Single-Employer Plans**  
**Schedule of Contributions**  
**(In Thousands)**

**Judges Retirement Fund**

|                                                         | 2016      | 2017 <sup>(2)</sup> | 2018 <sup>(3)</sup> | 2019      |
|---------------------------------------------------------|-----------|---------------------|---------------------|-----------|
| Statutorily Required Contribution <sup>(1)</sup>        | \$ 10,219 | \$ 13,758           | \$ 17,027           | \$ 17,287 |
| Covered-Member Payroll                                  | \$ 45,418 | \$ 47,813           | \$ 49,009           | \$ 50,164 |
| Contributions as a Percentage of Covered-Member Payroll | 22.5%     | 28.8%               | 34.7%               | 34.5%     |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2017: The required employer contribution rate included an additional \$3 million over the percentage of covered payroll.

<sup>(3)</sup> 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.

<sup>(4)</sup> 2024: Employer contributions include a one-time state aid contribution of \$293 thousand.

<sup>(5)</sup> 2025: The additional \$6 million required employer contribution changed to continue until the plan is 110 percent funded for three consecutive years.

**Legislators Retirement Fund<sup>(2)</sup>**

|                                                         | 2016     | 2017     | 2018     | 2019     |
|---------------------------------------------------------|----------|----------|----------|----------|
| Statutorily Required Contribution <sup>(1)</sup>        | \$ 5,087 | \$ 8,716 | \$ 8,856 | \$ 8,798 |
| Covered-Member Payroll                                  | \$ 989   | \$ 889   | \$ 1,033 | \$ 1,011 |
| Contributions as a Percentage of Covered-Member Payroll | 514.4%   | 980.4%   | 857.3%   | 870.2%   |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> LRF employer contributions are on a pay-as-you-go basis.

<sup>(3)</sup> 2024: Employer contributions include a one-time state aid contribution of \$91 thousand.

**State Patrol Retirement Fund**

|                                                         | 2016      | 2017 <sup>(2)</sup> | 2018      | 2019 <sup>(3)</sup> |
|---------------------------------------------------------|-----------|---------------------|-----------|---------------------|
| Statutorily Required Contribution <sup>(1)</sup>        | \$ 13,938 | \$ 15,783           | \$ 15,952 | \$ 19,479           |
| Covered-Member Payroll                                  | \$ 69,343 | \$ 73,056           | \$ 74,007 | \$ 80,792           |
| Contributions as a Percentage of Covered-Member Payroll | 20.1%     | 21.6%               | 21.6%     | 24.1%               |

<sup>(1)</sup> Statutorily required contributions equal actual required contributions.

<sup>(2)</sup> 2017: The required employer contribution rate changed from 20.1 percent to 21.6 percent.

<sup>(3)</sup> 2019: The required employer contribution rate changed to 22.35 percent, plus an additional supplemental employer contribution of 1.75 percent.

<sup>(4)</sup> 2020: The required employer contribution rate changed to 23.1 percent, plus an additional supplemental employer contribution of 3.0 percent.

<sup>(5)</sup> 2021: The additional supplemental employer contribution rate changed to 5.0 percent.

<sup>(6)</sup> 2022: The additional supplemental employer contribution rate changed to 7.0 percent.

<sup>(7)</sup> 2024: Employer contributions include a one-time state aid contribution of \$11.971 million.

| 2020      | 2021      | 2022      | 2023      | 2024 <sup>(4)</sup> | 2025 <sup>(5)</sup> |
|-----------|-----------|-----------|-----------|---------------------|---------------------|
| \$ 17,766 | \$ 17,915 | \$ 18,248 | \$ 18,245 | \$ 19,534           | \$ 19,857           |
| \$ 52,298 | \$ 52,960 | \$ 54,436 | \$ 54,422 | \$ 58,849           | \$ 60,629           |
| 34.0%     | 33.8%     | 33.5%     | 33.5%     | 33.2%               | 32.8%               |

| 2020     | 2021     | 2022     | 2023     | 2024 <sup>(3)</sup> | 2025     |
|----------|----------|----------|----------|---------------------|----------|
| \$ 8,764 | \$ 8,639 | \$ 8,682 | \$ 8,699 | \$ 8,813            | \$ 8,364 |
| \$ 967   | \$ 856   | \$ 689   | \$ 544   | \$ 422              | \$ 401   |
| 906.3%   | 1009.2%  | 1260.1%  | 1599.1%  | 2088.4%             | 2085.8%  |

| 2020 <sup>(4)</sup> | 2021 <sup>(5)</sup> | 2022 <sup>(6)</sup> | 2023       | 2024 <sup>(7)</sup> | 2025       |
|---------------------|---------------------|---------------------|------------|---------------------|------------|
| \$ 21,975           | \$ 24,809           | \$ 32,258           | \$ 31,537  | \$ 46,035           | \$ 38,365  |
| \$ 84,530           | \$ 88,351           | \$ 107,240          | \$ 106,714 | \$ 113,331          | \$ 126,050 |
| 26.0%               | 28.1%               | 30.1%               | 29.6%      | 40.6%               | 30.4%      |

**Required Supplementary Information**  
**Primary Government Administered Single-Employer Plans**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**(In Thousands)**

|                                                                                  | <b>Judges Retirement Fund</b> |                     |                     |                     |
|----------------------------------------------------------------------------------|-------------------------------|---------------------|---------------------|---------------------|
|                                                                                  | 2016                          | 2017 <sup>(1)</sup> | 2018 <sup>(2)</sup> | 2019 <sup>(3)</sup> |
| <b>Total Pension Liability</b>                                                   |                               |                     |                     |                     |
| Service Cost                                                                     | \$ 12,251                     | \$ 13,711           | \$ 9,483            | \$ 9,857            |
| Interest on the Total Pension Liability                                          | 21,773                        | 21,349              | 25,366              | 26,747              |
| Benefit Changes                                                                  | —                             | —                   | —                   | —                   |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (4,366)                       | 7,135               | (4,958)             | 1,424               |
| Changes in Assumptions                                                           | 21,696                        | (85,756)            | 11,652              | —                   |
| Benefit Payments, Including Refunds of Member Contributions                      | (21,893)                      | (22,378)            | (23,094)            | (23,585)            |
| Net Change in Total Pension Liability                                            | \$ 29,461                     | \$ (65,939)         | \$ 18,449           | \$ 14,443           |
| Total Pension Liability, Beginning                                               | \$ 381,511                    | \$ 410,972          | \$ 345,033          | \$ 363,482          |
| Total Pension Liability, Ending                                                  | <u>\$ 410,972</u>             | <u>\$ 345,033</u>   | <u>\$ 363,482</u>   | <u>\$ 377,925</u>   |
| <b>Fiduciary Net Position</b>                                                    |                               |                     |                     |                     |
| Contributions – Employer                                                         | \$ 9,776                      | \$ 10,219           | \$ 13,758           | \$ 17,027           |
| Contributions – Member                                                           | 3,629                         | 3,763               | 3,932               | 3,973               |
| Net Investment Income                                                            | 7,572                         | (186)               | 24,729              | 19,265              |
| Benefit Payments, Including Refunds of Member Contributions                      | (21,893)                      | (22,378)            | (23,094)            | (23,585)            |
| Pension Plan Administrative Expenses                                             | (60)                          | (94)                | (89)                | (65)                |
| Net Change in Plan Fiduciary Net Position                                        | \$ (976)                      | \$ (8,676)          | \$ 19,236           | \$ 16,615           |
| Plan Fiduciary Net Position, Beginning                                           | \$ 175,556                    | \$ 174,580          | \$ 165,904          | \$ 185,140          |
| Plan Fiduciary Net Position, Ending                                              | <u>\$ 174,580</u>             | <u>\$ 165,904</u>   | <u>\$ 185,140</u>   | <u>\$ 201,755</u>   |
| <b>Net Pension Liability</b>                                                     | <u>\$ 236,392</u>             | <u>\$ 179,129</u>   | <u>\$ 178,342</u>   | <u>\$ 176,170</u>   |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability       | 42.5%                         | 48.1%               | 50.9%               | 53.4%               |
| Covered-Member Payroll – Measurement Period                                      | \$ 43,449                     | \$ 45,418           | \$ 47,813           | \$ 49,009           |
| Net Pension Liability as a Percentage of Covered-Member Payroll                  | 544.1%                        | 394.4%              | 373.0%              | 359.5%              |

- <sup>(1)</sup> 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 from 5.25 percent to 7.50 percent.
- <sup>(2)</sup> 2018: Benefit increase rate changed to 1.75 percent through 2038, 2.0 percent for 2039-2053, and 2.5 percent thereafter.
- <sup>(3)</sup> 2019: Benefit increase rate changed to 1.75 percent through 2037, 2.0 percent for 2038-2051, and 2.5 percent thereafter.
- <sup>(4)</sup> 2020: Benefit increase rate changed to 1.75 percent through 2039, 2.0 percent for 2040-2056, and 2.5 percent thereafter.
- <sup>(5)</sup> 2021: Benefit increase rate changed to 1.75 percent through 2041, 2.0 percent for 2042-2058, and 2.5 percent thereafter.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> 2023: The discount rate changed to 6.75 percent.
- <sup>(8)</sup> 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.

| 2020 <sup>(4)</sup> | 2021 <sup>(5)</sup> | 2022 <sup>(6)</sup> | 2023 <sup>(7)</sup> | 2024 <sup>(8)</sup> | 2025       |
|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| \$ 9,881            | \$ 9,897            | \$ 10,204           | \$ 11,707           | \$ 11,063           | \$ 10,043  |
| 27,769              | 28,721              | 29,568              | 27,360              | 28,538              | 29,416     |
| —                   | —                   | (9,525)             | —                   | 295                 | —          |
| 804                 | (802)               | (1,481)             | 2,040               | (2,002)             | 7,281      |
| —                   | —                   | 24,695              | (10,257)            | (9,979)             | —          |
| (25,233)            | (26,302)            | (27,038)            | (28,035)            | (29,287)            | (30,626)   |
| \$ 13,221           | \$ 11,514           | \$ 26,423           | \$ 2,815            | \$ (1,372)          | \$ 16,114  |
| \$ 377,925          | \$ 391,146          | \$ 402,660          | \$ 429,083          | \$ 431,898          | \$ 430,526 |
| \$ 391,146          | \$ 402,660          | \$ 429,083          | \$ 431,898          | \$ 430,526          | \$ 446,640 |
| \$ 17,287           | \$ 17,766           | \$ 17,915           | \$ 18,248           | \$ 18,245           | \$ 19,534  |
| 4,049               | 4,168               | 4,166               | 4,214               | 4,121               | 4,420      |
| 14,491              | 8,955               | 64,934              | (17,022)            | 22,013              | 32,493     |
| (25,233)            | (26,302)            | (27,038)            | (28,035)            | (29,287)            | (30,626)   |
| (87)                | (112)               | (76)                | (72)                | (76)                | (105)      |
| \$ 10,507           | \$ 4,475            | \$ 59,901           | \$ (22,667)         | \$ 15,016           | \$ 25,716  |
| \$ 201,755          | \$ 212,262          | \$ 216,737          | \$ 276,638          | \$ 253,971          | \$ 268,987 |
| \$ 212,262          | \$ 216,737          | \$ 276,638          | \$ 253,971          | \$ 268,987          | \$ 294,703 |
| \$ 178,884          | \$ 185,923          | \$ 152,445          | \$ 177,927          | \$ 161,539          | \$ 151,937 |
| 54.3%               | 53.8%               | 64.5%               | 58.8%               | 62.5%               | 66.0%      |
| \$ 50,164           | \$ 52,298           | \$ 52,960           | \$ 54,436           | \$ 54,422           | \$ 58,849  |
| 356.6%              | 355.5%              | 287.8%              | 326.9%              | 296.8%              | 258.2%     |

**Required Supplementary Information**  
**Primary Government Administered Single-Employer Plans**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**(In Thousands)**

|                                                                                  | <b>Legislators Retirement Fund</b> |                     |                     |                     |
|----------------------------------------------------------------------------------|------------------------------------|---------------------|---------------------|---------------------|
|                                                                                  | 2016                               | 2017 <sup>(1)</sup> | 2018 <sup>(2)</sup> | 2019 <sup>(3)</sup> |
| <b>Total Pension Liability</b>                                                   |                                    |                     |                     |                     |
| Service Cost                                                                     | \$ 428                             | \$ 495              | \$ 546              | \$ 437              |
| Interest on the Total Pension Liability                                          | 6,113                              | 5,332               | 4,293               | 5,094               |
| Benefit Changes                                                                  | —                                  | —                   | —                   | (9,839)             |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (7,303)                            | (1,597)             | 1,518               | 6,119               |
| Changes in Assumptions                                                           | 7,057                              | 14,653              | (5,017)             | (856)               |
| Benefit Payments, Including Refunds of Member Contributions                      | (8,441)                            | (8,536)             | (8,716)             | (8,912)             |
| Net Change in Total Pension Liability                                            | \$ (2,146)                         | \$ 10,347           | \$ (7,376)          | \$ (7,957)          |
| Total Pension Liability, Beginning                                               | \$ 146,499                         | \$ 144,353          | \$ 154,700          | \$ 147,324          |
| Total Pension Liability, Ending                                                  | <u>\$ 144,353</u>                  | <u>\$ 154,700</u>   | <u>\$ 147,324</u>   | <u>\$ 139,367</u>   |
| <b>Fiduciary Net Position</b>                                                    |                                    |                     |                     |                     |
| Contributions – Employer                                                         | \$ 3,216                           | \$ 5,087            | \$ 8,716            | \$ 8,856            |
| Contributions – Member                                                           | 153                                | 89                  | 80                  | 93                  |
| Net Investment Income                                                            | 281                                | (69)                | —                   | —                   |
| Benefit Payments, Including Refunds of Member Contributions                      | (8,441)                            | (8,536)             | (8,716)             | (8,912)             |
| Pension Plan Administrative Expenses                                             | (37)                               | (42)                | (39)                | (37)                |
| Other Changes                                                                    | —                                  | 41                  | (41)                | —                   |
| Net Change in Plan Fiduciary Net Position                                        | \$ (4,828)                         | \$ (3,430)          | \$ —                | \$ —                |
| Plan Fiduciary Net Position, Beginning                                           | \$ 8,258                           | \$ 3,430            | \$ —                | \$ —                |
| Plan Fiduciary Net Position, Ending                                              | \$ 3,430                           | \$ —                | \$ —                | \$ —                |
| <b>Net Pension Liability</b>                                                     | <u>\$ 140,923</u>                  | <u>\$ 154,700</u>   | <u>\$ 147,324</u>   | <u>\$ 139,367</u>   |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability       | 2.4%                               | —%                  | —%                  | —%                  |
| Covered-Member Payroll – Measurement Period                                      | \$ 1,700                           | \$ 989              | \$ 889              | \$ 1,033            |
| Net Pension Liability as a Percentage of Covered-Member Payroll                  | 8,289.6%                           | 15,642.1%           | 16,571.9%           | 13,491.5%           |

(1) 2017: Benefit increase of 2.5 percent was projected to start in 2044 changed to 2.0 percent for all future years. The discount rate changed from 3.80 percent to 2.85 percent.

(2) 2018: The discount rate changed to 3.56 percent.

(3) 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.

(4) 2020: The discount rate changed to 3.13 percent.

(5) 2021: The discount rate changed to 2.45 percent.

(6) 2022: The discount rate changed to 1.92 percent.

(7) 2023: The discount rate changed to 3.69 percent.

(8) 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.

(9) 2025: The discount rate changed to 3.97 percent.

| 2020 <sup>(4)</sup> | 2021 <sup>(5)</sup> | 2022 <sup>(6)</sup> | 2023 <sup>(7)</sup> | 2024 <sup>(8)</sup> | 2025 <sup>(9)</sup> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 496              | \$ 527              | \$ 657              | \$ 532              | \$ 340              | \$ 199              |
| 4,894               | 4,258               | 3,498               | 2,625               | 4,052               | 4,018               |
| —                   | —                   | —                   | —                   | 87                  | —                   |
| (2,441)             | 645                 | (527)               | (415)               | 230                 | (558)               |
| 6,722               | 9,986               | (942)               | (20,826)            | (1,607)             | (2,784)             |
| (8,853)             | (8,812)             | (8,679)             | (8,705)             | (8,712)             | (8,811)             |
| \$ 818              | \$ 6,604            | \$ (5,993)          | \$ (26,789)         | \$ (5,610)          | \$ (7,936)          |
| \$ 139,367          | \$ 140,185          | \$ 146,789          | \$ 140,796          | \$ 114,007          | \$ 108,397          |
| \$ 140,185          | \$ 146,789          | \$ 140,796          | \$ 114,007          | \$ 108,397          | \$ 100,461          |
| \$ 8,798            | \$ 8,764            | \$ 8,639            | \$ 8,682            | \$ 8,699            | \$ 8,813            |
| 91                  | 87                  | 77                  | 62                  | 49                  | 38                  |
| —                   | —                   | —                   | —                   | —                   | —                   |
| (8,853)             | (8,812)             | (8,679)             | (8,705)             | (8,712)             | (8,811)             |
| (36)                | (39)                | (37)                | (39)                | (36)                | (40)                |
| —                   | —                   | —                   | —                   | —                   | —                   |
| \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                |
| \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                |
| \$ —                | \$ —                | \$ —                | \$ —                | \$ —                | \$ —                |
| \$ 140,185          | \$ 146,789          | \$ 140,796          | \$ 114,007          | \$ 108,397          | \$ 100,461          |
| —%                  | —%                  | —%                  | —%                  | —%                  | —%                  |
| \$ 1,011            | \$ 967              | \$ 856              | \$ 689              | \$ 544              | \$ 422              |
| 13,866.0%           | 15,179.8%           | 16,448.1%           | 16,546.7%           | 19,925.9%           | 23,805.9%           |

**Required Supplementary Information**  
**Primary Government Administered Single-Employer Plans**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**(In Thousands)**

|                                                                                  | <b>State Patrol Retirement Fund</b> |                     |                     |                     |
|----------------------------------------------------------------------------------|-------------------------------------|---------------------|---------------------|---------------------|
|                                                                                  | 2016                                | 2017 <sup>(1)</sup> | 2018 <sup>(2)</sup> | 2019 <sup>(3)</sup> |
| <b>Total Pension Liability</b>                                                   |                                     |                     |                     |                     |
| Service Cost                                                                     | \$ 16,144                           | \$ 16,555           | \$ 29,758           | \$ 24,935           |
| Interest on the Total Pension Liability                                          | 63,753                              | 64,592              | 58,865              | 65,110              |
| Benefit Changes                                                                  | —                                   | —                   | —                   | (2,604)             |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (12,855)                            | (22,222)            | (2,418)             | (8,369)             |
| Changes in Assumptions                                                           | —                                   | 283,584             | (112,694)           | (126,888)           |
| Benefit Payments, Including Refunds of Member Contributions                      | (55,480)                            | (57,774)            | (58,565)            | (59,692)            |
| Net Change in Total Pension Liability                                            | \$ 11,562                           | \$ 284,735          | \$ (85,054)         | \$ (107,508)        |
| Total Pension Liability, Beginning                                               | \$ 826,673                          | \$ 838,235          | \$ 1,122,970        | \$ 1,037,916        |
| Total Pension Liability, Ending                                                  | <u>\$ 838,235</u>                   | <u>\$ 1,122,970</u> | <u>\$ 1,037,916</u> | <u>\$ 930,408</u>   |
| <b>Fiduciary Net Position</b>                                                    |                                     |                     |                     |                     |
| Contributions – Employer                                                         | \$ 14,763                           | \$ 14,938           | \$ 16,783           | \$ 16,952           |
| Contributions – Member                                                           | 9,174                               | 9,292               | 10,520              | 10,657              |
| Net Investment Income                                                            | 28,903                              | (774)               | 93,077              | 70,474              |
| Benefit Payments, Including Refunds of Member Contributions                      | (55,480)                            | (57,774)            | (58,565)            | (59,692)            |
| Pension Plan Administrative Expenses                                             | (170)                               | (220)               | (208)               | (184)               |
| Other Changes                                                                    | —                                   | —                   | —                   | (7)                 |
| Net Change in Plan Fiduciary Net Position                                        | \$ (2,810)                          | \$ (34,538)         | \$ 61,607           | \$ 38,200           |
| Plan Fiduciary Net Position, Beginning                                           | \$ 667,340                          | \$ 664,530          | \$ 629,992          | \$ 691,599          |
| Plan Fiduciary Net Position, Ending                                              | <u>\$ 664,530</u>                   | <u>\$ 629,992</u>   | <u>\$ 691,599</u>   | <u>\$ 729,799</u>   |
| <b>Net Pension Liability</b>                                                     | <u>\$ 173,705</u>                   | <u>\$ 492,978</u>   | <u>\$ 346,317</u>   | <u>\$ 200,609</u>   |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability       | 79.3%                               | 56.1%               | 66.6%               | 78.4%               |
| Covered-Member Payroll – Measurement Period                                      | \$ 68,463                           | \$ 69,343           | \$ 73,056           | \$ 74,007           |
| Net Pension Liability as a Percentage of Covered-Member Payroll                  | 253.7%                              | 710.9%              | 474.0%              | 271.1%              |

<sup>(1)</sup> 2017: Benefit increase of 1.0 percent was projected to start in 2031, 1.5 percent through 2052, and 2.5 percent thereafter changed to 1.0 percent for all future years. The discount rate changed from 7.9 percent to 5.31 percent.

<sup>(2)</sup> 2018: Benefit increase changed to 1.0 percent through 2064, and 1.5 percent thereafter. The discount rate changed to 6.38 percent.

<sup>(3)</sup> 2019: Benefit increase changed to 1.0 percent for all future years. The discount rate changed to 7.5 percent.

<sup>(4)</sup> 2022: The discount rate changed to 6.5 percent.

<sup>(5)</sup> 2023: The discount rate changed to 6.75 percent.

<sup>(6)</sup> 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.

<sup>(7)</sup> 2025: Benefit increase changed to 1.0 percent through December 31, 2025, and 1.25 percent thereafter.



| 2020       | 2021       | 2022 <sup>(4)</sup> | 2023 <sup>(5)</sup> | 2024 <sup>(6)</sup> | 2025 <sup>(7)</sup> |
|------------|------------|---------------------|---------------------|---------------------|---------------------|
| \$ 19,375  | \$ 21,122  | \$ 21,795           | \$ 26,648           | \$ 29,951           | \$ 29,442           |
| 68,227     | 70,465     | 72,625              | 71,049              | 77,346              | 80,498              |
| —          | —          | —                   | —                   | 2,002               | —                   |
| 2,757      | (535)      | 1,596               | 54,474              | (1,787)             | (2,687)             |
| —          | —          | 90,144              | (35,484)            | (34,912)            | —                   |
| (60,803)   | (61,971)   | (63,210)            | (64,506)            | (66,580)            | (69,890)            |
| \$ 29,556  | \$ 29,081  | \$ 122,950          | \$ 52,181           | \$ 6,020            | \$ 37,363           |
| \$ 930,408 | \$ 959,964 | \$ 989,045          | \$ 1,111,995        | \$ 1,164,176        | \$ 1,170,196        |
| \$ 959,964 | \$ 989,045 | \$ 1,111,995        | \$ 1,164,176        | \$ 1,170,196        | \$ 1,207,559        |
| \$ 20,479  | \$ 22,975  | \$ 25,809           | \$ 33,258           | \$ 32,537           | \$ 47,035           |
| 12,038     | 12,595     | 13,606              | 16,515              | 16,434              | 17,453              |
| 51,823     | 31,073     | 224,273             | (59,360)            | 77,364              | 115,542             |
| (60,803)   | (61,971)   | (63,210)            | (64,506)            | (66,580)            | (69,890)            |
| (191)      | (224)      | (204)               | (190)               | (235)               | (272)               |
| (1)        | (2)        | —                   | —                   | (2)                 | (1)                 |
| \$ 23,345  | \$ 4,446   | \$ 200,274          | \$ (74,283)         | \$ 59,518           | \$ 109,867          |
| \$ 729,799 | \$ 753,144 | \$ 757,590          | \$ 957,864          | \$ 883,581          | \$ 943,099          |
| \$ 753,144 | \$ 757,590 | \$ 957,864          | \$ 883,581          | \$ 943,099          | \$ 1,052,966        |
| \$ 206,820 | \$ 231,455 | \$ 154,131          | \$ 280,595          | \$ 227,097          | \$ 154,593          |
| 78.5%      | 76.6%      | 86.1%               | 75.9%               | 80.6%               | 87.2%               |
| \$ 80,792  | \$ 84,530  | \$ 88,351           | \$ 107,240          | \$ 106,714          | \$ 113,331          |
| 256.0%     | 273.8%     | 174.5%              | 261.7%              | 212.8%              | 136.4%              |

## 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 <sup>(2)</sup> | 2020 <sup>(3)</sup> | 2021 <sup>(4)</sup> |
|------------------------------------------------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability<sup>(1)</sup></b>                        |                   |                     |                     |                     |
| 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                              | \$ 5,123          | \$ (8,061)          | \$ 18,116           | \$ 56,679           |
| Total OPEB Liability, Beginning                                  | \$ 617,856        | \$ 622,979          | \$ 614,918          | \$ 633,034          |
| Total OPEB Liability, Ending                                     | <u>\$ 622,979</u> | <u>\$ 614,918</u>   | <u>\$ 633,034</u>   | <u>\$ 689,713</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.

(8) 2025: The discount rate changed to 3.93 percent.

| <u>2022 <sup>(5)</sup></u> | <u>2023 <sup>(6)</sup></u> | <u>2024 <sup>(7)</sup></u> | <u>2025 <sup>(8)</sup></u> |
|----------------------------|----------------------------|----------------------------|----------------------------|
| \$ 48,014                  | \$ 49,853                  | \$ 43,625                  | \$ 46,156                  |
| 15,947                     | 16,278                     | 26,792                     | 29,642                     |
| —                          | 48,361                     | 9,752                      | 43,591                     |
| 2,571                      | (63,846)                   | 17,163                     | (31,355)                   |
| (32,518)                   | (40,105)                   | (42,504)                   | (46,745)                   |
| <u>\$ 34,014</u>           | <u>\$ 10,541</u>           | <u>\$ 54,828</u>           | <u>\$ 41,289</u>           |
| <u>\$ 689,713</u>          | <u>\$ 723,727</u>          | <u>\$ 734,268</u>          | <u>\$ 789,096</u>          |
| <u>\$ 723,727</u>          | <u>\$ 734,268</u>          | <u>\$ 789,096</u>          | <u>\$ 830,385</u>          |
| <u>\$ 3,949,086</u>        | <u>\$ 3,997,574</u>        | <u>\$ 4,225,121</u>        | <u>\$ 4,770,232</u>        |
| 18.3%                      | 18.4%                      | 18.7%                      | 17.4%                      |

## 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).

|                                                                                               | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022       | 2023      | 2024      | 2025      |
|-----------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| 1. Required Contribution and Investment Revenue:                                              |           |           |           |           |           |           |            |           |           |           |
| Earned                                                                                        | \$109,484 | \$120,780 | \$169,172 | \$208,391 | \$268,602 | \$331,570 | \$333,233  | \$293,294 | \$260,706 | \$251,805 |
| 2. Unallocated Expenses:                                                                      |           |           |           |           |           |           |            |           |           |           |
|                                                                                               | \$ 7,846  | \$ 8,518  | \$ 10,891 | \$ 13,213 | \$ 15,822 | \$ 19,737 | \$ 18,830  | \$ 16,223 | \$ 14,478 | \$ 14,098 |
| 3. Estimated Claims and Expenses End of Policy Year:                                          |           |           |           |           |           |           |            |           |           |           |
| Incurred                                                                                      | \$ 97,089 | \$ 99,399 | \$148,773 | \$196,311 | \$247,273 | \$314,643 | \$318,330  | \$263,209 | \$223,628 | \$231,206 |
| 4. Net Paid (Cumulative) as of:                                                               |           |           |           |           |           |           |            |           |           |           |
| End of Policy Year                                                                            | \$ 87,378 | \$ 90,091 | \$135,199 | \$180,716 | \$223,215 | \$284,132 | \$288,708  | \$244,684 | \$203,277 | \$212,937 |
| One Year Later                                                                                | 96,681    | 98,880    | 147,318   | 195,547   | 246,968   | 322,890   | 315,565    | 272,095   | 226,093   |           |
| Two Years Later                                                                               | 96,506    | 98,873    | 148,026   | 195,573   | 247,971   | 323,832   | 316,338    | 272,128   |           |           |
| Three Years Later                                                                             | 96,506    | 99,131    | 147,987   | 195,572   | 247,866   | 323,810   | 316,410    |           |           |           |
| Four Years Later                                                                              | 96,602    | 99,131    | 147,987   | 195,572   | 247,866   | 323,810   |            |           |           |           |
| Five Years Later                                                                              | 96,602    | 99,131    | 147,987   | 195,572   | 247,866   |           |            |           |           |           |
| Six Years Later                                                                               | 96,602    | 99,131    | 147,987   | 195,572   |           |           |            |           |           |           |
| Seven Years Later                                                                             | 96,602    | 99,131    | 147,987   |           |           |           |            |           |           |           |
| Eight Years Later                                                                             | 96,602    | 99,131    |           |           |           |           |            |           |           |           |
| Nine Years Later                                                                              | 96,602    |           |           |           |           |           |            |           |           |           |
| 5. Reestimated Net Incurred Claims and Expenses:                                              |           |           |           |           |           |           |            |           |           |           |
| End of Policy Year                                                                            | \$ 97,089 | \$ 99,399 | \$148,773 | \$196,311 | \$247,273 | \$314,643 | \$318,330  | \$263,209 | \$223,628 | \$231,206 |
| One Year Later                                                                                | 97,415    | 99,323    | 148,678   | 196,227   | 247,611   | 323,974   | 316,487    | 273,007   | 226,595   |           |
| Two Years Later                                                                               | 96,506    | 99,443    | 148,167   | 195,573   | 247,971   | 323,832   | 316,338    | 272,128   |           |           |
| Three Years Later                                                                             | 96,601    | 99,131    | 147,987   | 195,572   | 247,866   | 323,810   | 316,410    |           |           |           |
| Four Years Later                                                                              | 96,602    | 99,131    | 147,987   | 195,572   | 247,866   | 323,810   |            |           |           |           |
| Five Years Later                                                                              | 96,602    | 99,131    | 147,987   | 195,572   | 247,866   |           |            |           |           |           |
| Six Years Later                                                                               | 96,602    | 99,131    | 147,987   | 195,572   |           |           |            |           |           |           |
| Seven Years Later                                                                             | 96,602    | 99,131    | 147,987   |           |           |           |            |           |           |           |
| Eight Years Later                                                                             | 96,602    | 99,131    |           |           |           |           |            |           |           |           |
| Nine Years Later                                                                              | 96,602    |           |           |           |           |           |            |           |           |           |
| 6. Increase (Decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year: |           |           |           |           |           |           |            |           |           |           |
|                                                                                               | \$ (487)  | \$ (268)  | \$ (786)  | \$ (739)  | \$ 593    | \$ 9,167  | \$ (1,920) | \$ 8,919  | \$ 2,967  | \$ —      |

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.



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# Combining and Individual Fund Statements – Nonmajor Funds

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2025  
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# Nonmajor Special Revenue, Debt Service, Permanent and Capital Projects Funds

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## **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.

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**STATE OF MINNESOTA**

**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**

**COMBINING BALANCE SHEET**

**JUNE 30, 2025**

**(IN THOUSANDS)**

|                                                                              | SPECIAL<br>REVENUE  | DEBT SERVICE        | PERMANENT<br>PERMANENT<br>SCHOOL | CAPITAL<br>PROJECTS | TOTAL                |
|------------------------------------------------------------------------------|---------------------|---------------------|----------------------------------|---------------------|----------------------|
| <b>ASSETS</b>                                                                |                     |                     |                                  |                     |                      |
| Cash and Cash Equivalents .....                                              | \$ 6,441,659        | \$ 852,310          | \$ 97,945                        | \$ 1,588,086        | \$ 8,980,000         |
| Investments .....                                                            | 487,731             | 132,219             | 2,230,926                        | —                   | 2,850,876            |
| Accounts Receivable .....                                                    | 463,466             | —                   | 2,204                            | 272                 | 465,942              |
| Interfund Receivables .....                                                  | 700,052             | 196                 | —                                | 3,547               | 703,795              |
| Due from Component Units .....                                               | —                   | 118,108             | —                                | —                   | 118,108              |
| Accrued Investment/Interest Earnings .....                                   | 3,318               | 955                 | 7,795                            | —                   | 12,068               |
| Federal Aid Receivable .....                                                 | 73,753              | —                   | —                                | —                   | 73,753               |
| Inventories .....                                                            | 64,738              | —                   | —                                | —                   | 64,738               |
| Loans and Notes Receivable .....                                             | 201,474             | —                   | —                                | —                   | 201,474              |
| Leases Receivable .....                                                      | 4,725               | —                   | —                                | —                   | 4,725                |
| Investment in Land .....                                                     | —                   | —                   | 15,943                           | —                   | 15,943               |
| Total Assets .....                                                           | <u>\$ 8,440,916</u> | <u>\$ 1,103,788</u> | <u>\$ 2,354,813</u>              | <u>\$ 1,591,905</u> | <u>\$ 13,491,422</u> |
| <b>LIABILITIES</b>                                                           |                     |                     |                                  |                     |                      |
| Accounts Payable .....                                                       | \$ 846,275          | \$ 5                | \$ 49                            | \$ 210,087          | \$ 1,056,416         |
| Interfund Payables .....                                                     | 760,773             | 20,242              | 10,100                           | 1,065               | 792,180              |
| Due to Component Units .....                                                 | 7,319               | —                   | —                                | 34,938              | 42,257               |
| Unearned Revenue .....                                                       | 50,168              | —                   | —                                | —                   | 50,168               |
| Total Liabilities .....                                                      | <u>\$ 1,664,535</u> | <u>\$ 20,247</u>    | <u>\$ 10,149</u>                 | <u>\$ 246,090</u>   | <u>\$ 1,941,021</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                     |                     |                                  |                     |                      |
| Deferred Leases .....                                                        | \$ 4,725            | \$ —                | \$ —                             | \$ —                | \$ 4,725             |
| Deferred Revenue .....                                                       | 224,686             | —                   | 139                              | —                   | 224,825              |
| Total Deferred Inflows of Resources .....                                    | <u>\$ 229,411</u>   | <u>\$ —</u>         | <u>\$ 139</u>                    | <u>\$ —</u>         | <u>\$ 229,550</u>    |
| <b>FUND BALANCES</b>                                                         |                     |                     |                                  |                     |                      |
| Nonspendable .....                                                           | \$ 65,738           | \$ —                | \$ 2,329,113                     | \$ —                | \$ 2,394,851         |
| Restricted .....                                                             | 5,254,475           | 1,083,541           | 15,412                           | 533,939             | 6,887,367            |
| Committed .....                                                              | 1,226,757           | —                   | —                                | —                   | 1,226,757            |
| Assigned .....                                                               | —                   | —                   | —                                | 811,876             | 811,876              |
| Total Fund Balances .....                                                    | <u>\$ 6,546,970</u> | <u>\$ 1,083,541</u> | <u>\$ 2,344,525</u>              | <u>\$ 1,345,815</u> | <u>\$ 11,320,851</u> |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances ..... | <u>\$ 8,440,916</u> | <u>\$ 1,103,788</u> | <u>\$ 2,354,813</u>              | <u>\$ 1,591,905</u> | <u>\$ 13,491,422</u> |

# STATE OF MINNESOTA

## NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)

|                                                        | SPECIAL<br>REVENUE | DEBT SERVICE | PERMANENT<br>PERMANENT<br>SCHOOL | CAPITAL<br>PROJECTS | TOTAL          |
|--------------------------------------------------------|--------------------|--------------|----------------------------------|---------------------|----------------|
| Net Revenues:                                          |                    |              |                                  |                     |                |
| Sales Taxes .....                                      | \$ 1,411,658       | \$ —         | \$ —                             | \$ —                | \$ 1,411,658   |
| Motor Vehicle Taxes .....                              | 1,702,032          | —            | —                                | —                   | 1,702,032      |
| Fuel Taxes .....                                       | 945,693            | —            | —                                | —                   | 945,693        |
| Other Taxes .....                                      | 289,790            | —            | —                                | —                   | 289,790        |
| Tobacco Settlement .....                               | 3,750              | —            | —                                | —                   | 3,750          |
| Federal Revenues .....                                 | 837,675            | —            | —                                | —                   | 837,675        |
| Licenses and Fees .....                                | 518,981            | —            | 171                              | —                   | 519,152        |
| Departmental Services .....                            | 213,910            | —            | 22,342                           | —                   | 236,252        |
| Investment/Interest Earnings .....                     | 277,790            | 86,864       | 230,429                          | —                   | 595,083        |
| Other Revenues .....                                   | 363,363            | —            | 609                              | 45                  | 364,017        |
| Net Revenues .....                                     | \$ 6,564,642       | \$ 86,864    | \$ 253,551                       | \$ 45               | \$ 6,905,102   |
| Expenditures:                                          |                    |              |                                  |                     |                |
| Agricultural, Environmental and Energy Resources ..... | \$ 1,007,433       | \$ —         | \$ 12,092                        | \$ 75,262           | \$ 1,094,787   |
| Economic and Workforce Development .....               | 286,011            | —            | —                                | 331,561             | 617,572        |
| General Education .....                                | 56,046             | —            | 57,927                           | 3,506               | 117,479        |
| General Government .....                               | 133,495            | 199          | —                                | 24,068              | 157,762        |
| Health and Human Services .....                        | 279,440            | —            | —                                | 12,725              | 292,165        |
| Higher Education .....                                 | 39,505             | —            | —                                | 70,259              | 109,764        |
| Intergovernmental Aid .....                            | 48,791             | —            | —                                | —                   | 48,791         |
| Public Safety and Corrections .....                    | 374,324            | —            | —                                | 13,788              | 388,112        |
| Transportation .....                                   | 3,300,579          | —            | —                                | 204,133             | 3,504,712      |
| Total Current Expenditures .....                       | \$ 5,525,624       | \$ 199       | \$ 70,019                        | \$ 735,302          | \$ 6,331,144   |
| Capital Outlay .....                                   | 531,070            | —            | —                                | 501,564             | 1,032,634      |
| Debt Service .....                                     | 22,945             | 984,881      | —                                | —                   | 1,007,826      |
| Total Expenditures .....                               | \$ 6,079,639       | \$ 985,080   | \$ 70,019                        | \$ 1,236,866        | \$ 8,371,604   |
| Excess of Revenues over (under) Expenditures .....     | \$ 485,003         | \$ (898,216) | \$ 183,532                       | \$ (1,236,821)      | \$ (1,466,502) |
| Other Financing Sources (Uses):                        |                    |              |                                  |                     |                |
| Bond Issuance .....                                    | \$ —               | \$ 21,588    | \$ —                             | \$ 1,219,809        | \$ 1,241,397   |
| Loan Issuance .....                                    | 574                | —            | —                                | —                   | 574            |
| Right-to-Use Issuance .....                            | 5,916              | —            | —                                | —                   | 5,916          |
| Issuance of Refunding Bonds .....                      | —                  | 331,410      | —                                | —                   | 331,410        |
| Payment to Refunded Bonds Escrow Agent .....           | —                  | (331,410)    | —                                | —                   | (331,410)      |
| Bond Issuance Premium .....                            | —                  | 73,494       | —                                | 123,603             | 197,097        |
| Transfers-In .....                                     | 274,548            | 893,634      | 264                              | 1,294               | 1,169,740      |
| Transfers-Out .....                                    | (489,333)          | (640)        | —                                | (57,100)            | (547,073)      |
| Net Other Financing Sources (Uses) .....               | \$ (208,295)       | \$ 988,076   | \$ 264                           | \$ 1,287,606        | \$ 2,067,651   |
| Net Change in Fund Balances .....                      | \$ 276,708         | \$ 89,860    | \$ 183,796                       | \$ 50,785           | \$ 601,149     |
| Fund Balances, Beginning, as Reported .....            | \$ 6,270,262       | \$ 993,681   | \$ 2,160,729                     | \$ 1,295,030        | \$ 10,719,702  |
| Fund Balances, Ending .....                            | \$ 6,546,970       | \$ 1,083,541 | \$ 2,344,525                     | \$ 1,345,815        | \$ 11,320,851  |

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## 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.

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# Nonmajor Special Revenue Funds – Continued

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**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, 2025**
**(IN THOUSANDS)**

|                                                                              | TRUNK<br>HIGHWAY    | HIGHWAY USER<br>TAX<br>DISTRIBUTION | STATE<br>AIRPORTS |
|------------------------------------------------------------------------------|---------------------|-------------------------------------|-------------------|
| <b>ASSETS</b>                                                                |                     |                                     |                   |
| Cash and Cash Equivalents .....                                              | \$ 877,481          | \$ 542,523                          | \$ 52,729         |
| Investments .....                                                            | —                   | —                                   | —                 |
| Accounts Receivable .....                                                    | 65,467              | 42,146                              | 1,972             |
| Interfund Receivables .....                                                  | 336,577             | —                                   | —                 |
| Accrued Investment/Interest Earnings .....                                   | —                   | —                                   | —                 |
| Federal Aid Receivable .....                                                 | 69,631              | —                                   | —                 |
| Inventories .....                                                            | 64,732              | —                                   | —                 |
| Loans and Notes Receivable .....                                             | —                   | —                                   | 2,926             |
| Leases Receivable .....                                                      | 1,393               | —                                   | —                 |
| Total Assets .....                                                           | <u>\$ 1,415,281</u> | <u>\$ 584,669</u>                   | <u>\$ 57,627</u>  |
| <b>LIABILITIES</b>                                                           |                     |                                     |                   |
| Accounts Payable .....                                                       | \$ 195,252          | \$ 2,968                            | \$ 2,492          |
| Interfund Payables .....                                                     | 1,238               | 581,701                             | —                 |
| Due to Component Units .....                                                 | 885                 | —                                   | —                 |
| Unearned Revenue .....                                                       | 49,895              | —                                   | —                 |
| Total Liabilities .....                                                      | <u>\$ 247,270</u>   | <u>\$ 584,669</u>                   | <u>\$ 2,492</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                     |                                     |                   |
| Deferred Leases .....                                                        | \$ 1,393            | \$ —                                | \$ —              |
| Deferred Revenue .....                                                       | 5,282               | —                                   | 46                |
| Total Deferred Inflows of Resources .....                                    | <u>\$ 6,675</u>     | <u>\$ —</u>                         | <u>\$ 46</u>      |
| <b>FUND BALANCES</b>                                                         |                     |                                     |                   |
| Nonspendable .....                                                           | \$ 64,732           | \$ —                                | \$ —              |
| Restricted .....                                                             | 1,096,604           | —                                   | 55,089            |
| Committed .....                                                              | —                   | —                                   | —                 |
| Total Fund Balances .....                                                    | <u>\$ 1,161,336</u> | <u>\$ —</u>                         | <u>\$ 55,089</u>  |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances ..... | <u>\$ 1,415,281</u> | <u>\$ 584,669</u>                   | <u>\$ 57,627</u>  |

| MUNICIPAL<br>STATE-AID<br>STREET | COUNTY<br>STATE-AID<br>HIGHWAY | PETROLEUM<br>TANK CLEANUP | NATURAL<br>RESOURCES | GAME<br>AND FISH  | ENVIRONMENTAL<br>AND<br>REMEDATION |
|----------------------------------|--------------------------------|---------------------------|----------------------|-------------------|------------------------------------|
| \$ 348,538                       | \$ 1,005,893                   | \$ 29,545                 | \$ 118,259           | \$ 104,388        | \$ 716,214                         |
| —                                | —                              | —                         | —                    | 61,139            | 216,374                            |
| 8,319                            | 34,210                         | 58                        | 1,000                | 139               | 13,671                             |
| 48,794                           | 192,957                        | —                         | 21,797               | 1,364             | 1,838                              |
| —                                | —                              | —                         | —                    | 137               | 2,591                              |
| 50                               | 120                            | —                         | —                    | 887               | —                                  |
| —                                | —                              | —                         | —                    | —                 | —                                  |
| —                                | —                              | —                         | —                    | —                 | 1,709                              |
| —                                | —                              | —                         | —                    | —                 | —                                  |
| <u>\$ 405,701</u>                | <u>\$ 1,233,180</u>            | <u>\$ 29,603</u>          | <u>\$ 141,056</u>    | <u>\$ 168,054</u> | <u>\$ 952,397</u>                  |
| \$ 53,267                        | \$ 195,100                     | \$ 1,362                  | \$ 10,141            | \$ 8,300          | \$ 44,526                          |
| —                                | —                              | 2,070                     | —                    | 241               | —                                  |
| 196                              | 631                            | —                         | —                    | 145               | 401                                |
| —                                | —                              | —                         | 273                  | —                 | —                                  |
| <u>\$ 53,463</u>                 | <u>\$ 195,731</u>              | <u>\$ 3,432</u>           | <u>\$ 10,414</u>     | <u>\$ 8,686</u>   | <u>\$ 44,927</u>                   |
| \$ —                             | \$ —                           | \$ —                      | \$ —                 | \$ —              | \$ —                               |
| 218                              | 830                            | 58                        | 86                   | 927               | 5,905                              |
| <u>\$ 218</u>                    | <u>\$ 830</u>                  | <u>\$ 58</u>              | <u>\$ 86</u>         | <u>\$ 927</u>     | <u>\$ 5,905</u>                    |
| \$ —                             | \$ —                           | \$ —                      | \$ —                 | \$ —              | \$ —                               |
| 352,020                          | 1,036,619                      | 26,113                    | —                    | 158,441           | 901,565                            |
| —                                | —                              | —                         | 130,556              | —                 | —                                  |
| <u>\$ 352,020</u>                | <u>\$ 1,036,619</u>            | <u>\$ 26,113</u>          | <u>\$ 130,556</u>    | <u>\$ 158,441</u> | <u>\$ 901,565</u>                  |
| <u>\$ 405,701</u>                | <u>\$ 1,233,180</u>            | <u>\$ 29,603</u>          | <u>\$ 141,056</u>    | <u>\$ 168,054</u> | <u>\$ 952,397</u>                  |

CONTINUED

**STATE OF MINNESOTA**

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

**COMBINING BALANCE SHEET**

**JUNE 30, 2025**

**(IN THOUSANDS)**

|                                                                              | D J JOHNSON<br>ECONOMIC<br>PROTECTION<br>TRUST | HERITAGE          | ENDOWMENT        |
|------------------------------------------------------------------------------|------------------------------------------------|-------------------|------------------|
| <b>ASSETS</b>                                                                |                                                |                   |                  |
| Cash and Cash Equivalents .....                                              | \$ 76,682                                      | \$ 771,618        | \$ 83,879        |
| Investments .....                                                            | 206,045                                        | —                 | 2,062            |
| Accounts Receivable .....                                                    | 3,533                                          | 23,569            | 89               |
| Interfund Receivables .....                                                  | —                                              | —                 | —                |
| Accrued Investment/Interest Earnings .....                                   | 576                                            | —                 | 5                |
| Federal Aid Receivable .....                                                 | —                                              | —                 | —                |
| Inventories .....                                                            | —                                              | —                 | —                |
| Loans and Notes Receivable .....                                             | 55,199                                         | —                 | —                |
| Leases Receivable .....                                                      | 689                                            | —                 | —                |
| Total Assets .....                                                           | <u>\$ 342,724</u>                              | <u>\$ 795,187</u> | <u>\$ 86,035</u> |
| <b>LIABILITIES</b>                                                           |                                                |                   |                  |
| Accounts Payable .....                                                       | \$ 2,827                                       | \$ 99,985         | \$ 2,068         |
| Interfund Payables .....                                                     | —                                              | 48                | 1,199            |
| Due to Component Units .....                                                 | —                                              | 1,820             | 1                |
| Unearned Revenue .....                                                       | —                                              | —                 | —                |
| Total Liabilities .....                                                      | <u>\$ 2,827</u>                                | <u>\$ 101,853</u> | <u>\$ 3,268</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                                                |                   |                  |
| Deferred Leases .....                                                        | \$ 689                                         | \$ —              | \$ —             |
| Deferred Revenue .....                                                       | 3,354                                          | —                 | —                |
| Total Deferred Inflows of Resources .....                                    | <u>\$ 4,043</u>                                | <u>\$ —</u>       | <u>\$ —</u>      |
| <b>FUND BALANCES</b>                                                         |                                                |                   |                  |
| Nonspendable .....                                                           | \$ —                                           | \$ —              | \$ 1,000         |
| Restricted .....                                                             | —                                              | 693,334           | 81,767           |
| Committed .....                                                              | 335,854                                        | —                 | —                |
| Total Fund Balances .....                                                    | <u>\$ 335,854</u>                              | <u>\$ 693,334</u> | <u>\$ 82,767</u> |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances ..... | <u>\$ 342,724</u>                              | <u>\$ 795,187</u> | <u>\$ 86,035</u> |



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| HOUSING<br>ASSISTANCE | SPECIAL<br>COMPENSATION | WORKFORCE<br>DEVELOPMENT | MISCELLANEOUS<br>SPECIAL<br>REVENUE | TOTAL               |
|-----------------------|-------------------------|--------------------------|-------------------------------------|---------------------|
| \$ 166,880            | \$ 68,044               | \$ 161,245               | \$ 1,317,741                        | \$ 6,441,659        |
| —                     | —                       | —                        | 2,111                               | 487,731             |
| 15,000                | 62,309                  | 27,544                   | 164,440                             | 463,466             |
| —                     | 925                     | 397                      | 95,403                              | 700,052             |
| —                     | —                       | —                        | 9                                   | 3,318               |
| —                     | —                       | —                        | 3,065                               | 73,753              |
| —                     | —                       | —                        | 6                                   | 64,738              |
| —                     | —                       | —                        | 141,640                             | 201,474             |
| —                     | —                       | —                        | 2,643                               | 4,725               |
| <u>\$ 181,880</u>     | <u>\$ 131,278</u>       | <u>\$ 189,186</u>        | <u>\$ 1,727,058</u>                 | <u>\$ 8,440,916</u> |
| \$ —                  | \$ 36,338               | \$ 13,337                | \$ 178,312                          | \$ 846,275          |
| —                     | 246                     | —                        | 174,030                             | 760,773             |
| —                     | —                       | —                        | 3,240                               | 7,319               |
| —                     | —                       | —                        | —                                   | 50,168              |
| <u>\$ —</u>           | <u>\$ 36,584</u>        | <u>\$ 13,337</u>         | <u>\$ 355,582</u>                   | <u>\$ 1,664,535</u> |
| \$ —                  | \$ —                    | \$ —                     | \$ 2,643                            | \$ 4,725            |
| —                     | 62,600                  | 4,863                    | 140,517                             | 224,686             |
| <u>\$ —</u>           | <u>\$ 62,600</u>        | <u>\$ 4,863</u>          | <u>\$ 143,160</u>                   | <u>\$ 229,411</u>   |
| \$ —                  | \$ —                    | \$ —                     | \$ 6                                | \$ 65,738           |
| 181,880               | 32,094                  | 170,986                  | 467,963                             | 5,254,475           |
| —                     | —                       | —                        | 760,347                             | 1,226,757           |
| <u>\$ 181,880</u>     | <u>\$ 32,094</u>        | <u>\$ 170,986</u>        | <u>\$ 1,228,316</u>                 | <u>\$ 6,546,970</u> |
| <u>\$ 181,880</u>     | <u>\$ 131,278</u>       | <u>\$ 189,186</u>        | <u>\$ 1,727,058</u>                 | <u>\$ 8,440,916</u> |

# STATE OF MINNESOTA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)

|                                                        | TRUNK<br>HIGHWAY | HIGHWAY USER<br>TAX<br>DISTRIBUTION | STATE<br>AIRPORTS |
|--------------------------------------------------------|------------------|-------------------------------------|-------------------|
| Net Revenues:                                          |                  |                                     |                   |
| Sales Taxes .....                                      | \$ 140,094       | \$ —                                | \$ 15,150         |
| Motor Vehicle Taxes .....                              | 1,004,259        | 498                                 | —                 |
| Fuel Taxes .....                                       | 537,903          | 2,361                               | 7,210             |
| Other Taxes .....                                      | —                | 22                                  | 10,435            |
| Tobacco Settlement .....                               | —                | —                                   | —                 |
| Federal Revenues .....                                 | 766,751          | —                                   | —                 |
| Licenses and Fees .....                                | 9,678            | 156                                 | 1,260             |
| Departmental Services .....                            | 8,015            | 789                                 | —                 |
| Investment/Interest Earnings .....                     | 48,890           | —                                   | 2,017             |
| Other Revenues .....                                   | 29,334           | —                                   | 557               |
| Net Revenues .....                                     | \$ 2,544,924     | \$ 3,826                            | \$ 36,629         |
| Expenditures:                                          |                  |                                     |                   |
| Agricultural, Environmental and Energy Resources ..... | \$ —             | \$ —                                | \$ —              |
| Economic and Workforce Development .....               | —                | —                                   | —                 |
| General Education .....                                | —                | —                                   | —                 |
| General Government .....                               | 260              | 2,153                               | —                 |
| Health and Human Services .....                        | —                | —                                   | —                 |
| Higher Education .....                                 | —                | —                                   | —                 |
| Intergovernmental Aid .....                            | —                | —                                   | —                 |
| Public Safety and Corrections .....                    | 180,574          | 1,348                               | —                 |
| Transportation .....                                   | 1,643,141        | 116                                 | 28,497            |
| Total Current Expenditures .....                       | \$ 1,823,975     | \$ 3,617                            | \$ 28,497         |
| Capital Outlay .....                                   | 450,461          | —                                   | 11                |
| Debt Service .....                                     | 4,390            | 209                                 | 137               |
| Total Expenditures .....                               | \$ 2,278,826     | \$ 3,826                            | \$ 28,645         |
| Excess of Revenues over (under) Expenditures .....     | \$ 266,098       | \$ —                                | \$ 7,984          |
| Other Financing Sources (Uses):                        |                  |                                     |                   |
| Loan Issuance .....                                    | \$ —             | \$ —                                | \$ —              |
| Right-to-Use Issuance .....                            | 1,304            | —                                   | —                 |
| Transfers-In .....                                     | 5,710            | —                                   | —                 |
| Transfers-Out .....                                    | (252,929)        | —                                   | —                 |
| Net Other Financing Sources (Uses) .....               | \$ (245,915)     | \$ —                                | \$ —              |
| Net Change in Fund Balances .....                      | \$ 20,183        | \$ —                                | \$ 7,984          |
| Fund Balances, Beginning, as Reported .....            | \$ 1,141,153     | \$ —                                | \$ 47,105         |
| Fund Balances, Ending .....                            | \$ 1,161,336     | \$ —                                | \$ 55,089         |

| MUNICIPAL<br>STATE-AID<br>STREET | COUNTY<br>STATE-AID<br>HIGHWAY | PETROLEUM<br>TANK CLEANUP | NATURAL<br>RESOURCES | GAME<br>AND FISH | ENVIRONMENTAL<br>AND<br>REMEDATION |
|----------------------------------|--------------------------------|---------------------------|----------------------|------------------|------------------------------------|
| \$ 20,336                        | \$ 109,893                     | \$ —                      | \$ —                 | \$ —             | \$ —                               |
| 145,779                          | 551,496                        | —                         | —                    | —                | —                                  |
| 78,083                           | 297,262                        | —                         | 21,859               | —                | —                                  |
| —                                | —                              | —                         | —                    | —                | 93,634                             |
| —                                | —                              | —                         | —                    | —                | —                                  |
| 405                              | 840                            | —                         | 12,047               | 46,379           | —                                  |
| 250                              | 953                            | 14,361                    | 38,418               | 68,602           | 38,861                             |
| —                                | —                              | —                         | 34,168               | 1,078            | 1,671                              |
| 15,808                           | 49,659                         | 1,603                     | 928                  | 11,261           | 59,459                             |
| —                                | —                              | 35                        | 4,198                | 254              | 608                                |
| \$ 260,661                       | \$ 1,010,103                   | \$ 15,999                 | \$ 111,618           | \$ 127,574       | \$ 194,233                         |
| \$ —                             | \$ —                           | \$ 6,198                  | \$ 121,733           | \$ 135,767       | \$ 272,224                         |
| —                                | —                              | 766                       | —                    | —                | 549                                |
| —                                | —                              | —                         | 255                  | —                | —                                  |
| —                                | —                              | —                         | —                    | —                | 331                                |
| —                                | —                              | —                         | —                    | —                | 2,190                              |
| —                                | —                              | —                         | —                    | —                | —                                  |
| —                                | —                              | —                         | —                    | —                | —                                  |
| —                                | —                              | —                         | 2                    | —                | 127                                |
| 191,783                          | 837,378                        | —                         | 10,850               | —                | —                                  |
| \$ 191,783                       | \$ 837,378                     | \$ 6,964                  | \$ 132,840           | \$ 135,767       | \$ 275,421                         |
| —                                | 523                            | —                         | 3,194                | 2,469            | 327                                |
| —                                | —                              | 21                        | 12                   | 6                | —                                  |
| \$ 191,783                       | \$ 837,901                     | \$ 6,985                  | \$ 136,046           | \$ 138,242       | \$ 275,748                         |
| \$ 68,878                        | \$ 172,202                     | \$ 9,014                  | \$ (24,428)          | \$ (10,668)      | \$ (81,515)                        |
| \$ —                             | \$ —                           | \$ —                      | \$ —                 | \$ —             | \$ —                               |
| —                                | —                              | —                         | —                    | —                | —                                  |
| —                                | 7,196                          | 559                       | 24,026               | 19,317           | 16,206                             |
| —                                | —                              | (13,620)                  | (3,106)              | (1,602)          | (576)                              |
| \$ —                             | \$ 7,196                       | \$ (13,061)               | \$ 20,920            | \$ 17,715        | \$ 15,630                          |
| \$ 68,878                        | \$ 179,398                     | \$ (4,047)                | \$ (3,508)           | \$ 7,047         | \$ (65,885)                        |
| \$ 283,142                       | \$ 857,221                     | \$ 30,160                 | \$ 134,064           | \$ 151,394       | \$ 967,450                         |
| \$ 352,020                       | \$ 1,036,619                   | \$ 26,113                 | \$ 130,556           | \$ 158,441       | \$ 901,565                         |

CONTINUED

**STATE OF MINNESOTA**

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2025**  
**(IN THOUSANDS)**

|                                                        | D J JOHNSON<br>ECONOMIC<br>PROTECTION<br>TRUST | HERITAGE     | ENDOWMENT |
|--------------------------------------------------------|------------------------------------------------|--------------|-----------|
| Net Revenues:                                          |                                                |              |           |
| Sales Taxes .....                                      | \$ —                                           | \$ 389,717   | \$ —      |
| Motor Vehicle Taxes .....                              | —                                              | —            | —         |
| Fuel Taxes .....                                       | —                                              | —            | —         |
| Other Taxes .....                                      | 5,011                                          | —            | —         |
| Tobacco Settlement .....                               | —                                              | —            | —         |
| Federal Revenues .....                                 | —                                              | —            | —         |
| Licenses and Fees .....                                | —                                              | —            | 2         |
| Departmental Services .....                            | 94                                             | —            | —         |
| Investment/Interest Earnings .....                     | 28,089                                         | 35,762       | 4,075     |
| Other Revenues .....                                   | 2                                              | 66           | 22,543    |
| Net Revenues .....                                     | \$ 33,196                                      | \$ 425,545   | \$ 26,620 |
| Expenditures:                                          |                                                |              |           |
| Agricultural, Environmental and Energy Resources ..... | \$ —                                           | \$ 324,717   | \$ 12,417 |
| Economic and Workforce Development .....               | 17,046                                         | 4,730        | 341       |
| General Education .....                                | —                                              | 25,523       | 2,172     |
| General Government .....                               | —                                              | 73,734       | 3,070     |
| Health and Human Services .....                        | —                                              | 9,657        | 856       |
| Higher Education .....                                 | —                                              | 2,500        | —         |
| Intergovernmental Aid .....                            | —                                              | —            | —         |
| Public Safety and Corrections .....                    | —                                              | —            | 183       |
| Transportation .....                                   | —                                              | 31,042       | —         |
| Total Current Expenditures .....                       | \$ 17,046                                      | \$ 471,903   | \$ 19,039 |
| Capital Outlay .....                                   | —                                              | 50,765       | 7,364     |
| Debt Service .....                                     | 1,809                                          | 435          | —         |
| Total Expenditures .....                               | \$ 18,855                                      | \$ 523,103   | \$ 26,403 |
| Excess of Revenues over (under) Expenditures .....     | \$ 14,341                                      | \$ (97,558)  | \$ 217    |
| Other Financing Sources (Uses):                        |                                                |              |           |
| Loan Issuance .....                                    | \$ —                                           | \$ —         | \$ —      |
| Right-to-Use Issuance .....                            | —                                              | 386          | —         |
| Transfers-In .....                                     | 3,897                                          | —            | 1,150     |
| Transfers-Out .....                                    | (11,216)                                       | (9,098)      | (1,200)   |
| Net Other Financing Sources (Uses) .....               | \$ (7,319)                                     | \$ (8,712)   | \$ (50)   |
| Net Change in Fund Balances .....                      | \$ 7,022                                       | \$ (106,270) | \$ 167    |
| Fund Balances, Beginning, as Reported .....            | \$ 328,832                                     | \$ 799,604   | \$ 82,600 |
| Fund Balances, Ending .....                            | \$ 335,854                                     | \$ 693,334   | \$ 82,767 |

| HOUSING<br>ASSISTANCE | SPECIAL<br>COMPENSATION | WORKFORCE<br>DEVELOPMENT | MISCELLANEOUS<br>SPECIAL<br>REVENUE | TOTAL               |
|-----------------------|-------------------------|--------------------------|-------------------------------------|---------------------|
| \$ 172,286            | \$ —                    | \$ —                     | \$ 564,182                          | \$ 1,411,658        |
| —                     | —                       | —                        | —                                   | 1,702,032           |
| —                     | —                       | —                        | 1,015                               | 945,693             |
| —                     | 60,753                  | 82,578                   | 37,357                              | 289,790             |
| —                     | —                       | —                        | 3,750                               | 3,750               |
| —                     | —                       | —                        | 11,253                              | 837,675             |
| —                     | 2,119                   | —                        | 344,321                             | 518,981             |
| —                     | 6,008                   | —                        | 162,087                             | 213,910             |
| —                     | 3,551                   | 6,789                    | 9,899                               | 277,790             |
| —                     | 1,536                   | —                        | 304,230                             | 363,363             |
| <u>\$ 172,286</u>     | <u>\$ 73,967</u>        | <u>\$ 89,367</u>         | <u>\$ 1,438,094</u>                 | <u>\$ 6,564,642</u> |
| \$ —                  | \$ 606                  | \$ —                     | \$ 133,771                          | \$ 1,007,433        |
| 42,608                | 88,754                  | 64,422                   | 66,795                              | 286,011             |
| —                     | —                       | —                        | 28,096                              | 56,046              |
| —                     | 9,377                   | —                        | 44,570                              | 133,495             |
| —                     | —                       | —                        | 266,737                             | 279,440             |
| —                     | —                       | 250                      | 36,755                              | 39,505              |
| 48,314                | —                       | —                        | 477                                 | 48,791              |
| —                     | 46                      | —                        | 192,044                             | 374,324             |
| —                     | —                       | —                        | 557,772                             | 3,300,579           |
| <u>\$ 90,922</u>      | <u>\$ 98,783</u>        | <u>\$ 64,672</u>         | <u>\$ 1,327,017</u>                 | <u>\$ 5,525,624</u> |
| —                     | 170                     | —                        | 15,786                              | 531,070             |
| —                     | 856                     | 83                       | 14,987                              | 22,945              |
| <u>\$ 90,922</u>      | <u>\$ 99,809</u>        | <u>\$ 64,755</u>         | <u>\$ 1,357,790</u>                 | <u>\$ 6,079,639</u> |
| <u>\$ 81,364</u>      | <u>\$ (25,842)</u>      | <u>\$ 24,612</u>         | <u>\$ 80,304</u>                    | <u>\$ 485,003</u>   |
| \$ —                  | \$ —                    | \$ —                     | \$ 574                              | \$ 574              |
| —                     | —                       | —                        | 4,226                               | 5,916               |
| —                     | —                       | —                        | 196,487                             | 274,548             |
| —                     | (360)                   | (2,118)                  | (193,508)                           | (489,333)           |
| <u>\$ —</u>           | <u>\$ (360)</u>         | <u>\$ (2,118)</u>        | <u>\$ 7,779</u>                     | <u>\$ (208,295)</u> |
| <u>\$ 81,364</u>      | <u>\$ (26,202)</u>      | <u>\$ 22,494</u>         | <u>\$ 88,083</u>                    | <u>\$ 276,708</u>   |
| <u>\$ 100,516</u>     | <u>\$ 58,296</u>        | <u>\$ 148,492</u>        | <u>\$ 1,140,233</u>                 | <u>\$ 6,270,262</u> |
| <u>\$ 181,880</u>     | <u>\$ 32,094</u>        | <u>\$ 170,986</u>        | <u>\$ 1,228,316</u>                 | <u>\$ 6,546,970</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, 2025 (IN THOUSANDS)

|                                                     | TRUNK HIGHWAY  |                | HIGHWAY USER TAX DISTRIBUTION |                |
|-----------------------------------------------------|----------------|----------------|-------------------------------|----------------|
|                                                     | FINAL BUDGET   | ACTUAL         | FINAL BUDGET                  | ACTUAL         |
| Net Revenues:                                       |                |                |                               |                |
| Sales Taxes .....                                   | \$ —           | \$ —           | \$ 223,303                    | \$ 221,443     |
| Motor Vehicle Taxes .....                           | —              | —              | 1,748,125                     | 1,705,613      |
| Fuel Taxes .....                                    | —              | —              | 933,132                       | 928,162        |
| Other Taxes .....                                   | —              | —              | 324                           | 238            |
| Federal Revenues .....                              | 817,718        | 627,961        | —                             | —              |
| Licenses and Fees .....                             | 7,517          | 7,909          | 2,424                         | 2,705          |
| Departmental Services .....                         | 14,050         | 17,807         | 1,476                         | 811            |
| Investment/Interest Earnings .....                  | 40,437         | 41,435         | 11,605                        | 12,653         |
| Other Revenues .....                                | 46,033         | 69,768         | —                             | —              |
| Net Revenues .....                                  | \$ 925,755     | \$ 764,880     | \$ 2,920,389                  | \$ 2,871,625   |
| Expenditures:                                       |                |                |                               |                |
| Agricultural, Environmental and Energy Resources... | \$ —           | \$ —           | \$ —                          | \$ —           |
| Economic and Workforce Development .....            | —              | —              | —                             | —              |
| General Education .....                             | —              | —              | —                             | —              |
| General Government .....                            | 13,945         | 13,945         | 2,156                         | 2,156          |
| Health and Human Services .....                     | —              | —              | —                             | —              |
| Higher Education .....                              | —              | —              | —                             | —              |
| Intergovernmental Aid .....                         | —              | —              | 209                           | 209            |
| Public Safety and Corrections .....                 | 187,202        | 186,667        | 1,465                         | 1,465          |
| Transportation .....                                | 1,976,118      | 1,976,046      | 116                           | 116            |
| Total Expenditures .....                            | \$ 2,177,265   | \$ 2,176,658   | \$ 3,946                      | \$ 3,946       |
| Excess of Revenues over (under) Expenditures .....  | \$ (1,251,510) | \$ (1,411,778) | \$ 2,916,443                  | \$ 2,867,679   |
| Other Financing Sources (Uses):                     |                |                |                               |                |
| Transfers-In .....                                  | \$ 1,712,030   | \$ 1,678,184   | \$ —                          | \$ —           |
| Transfers-Out .....                                 | (252,929)      | (252,929)      | (2,861,292)                   | (2,861,292)    |
| Net Other Financing Sources (Uses) .....            | \$ 1,459,101   | \$ 1,425,255   | \$ (2,861,292)                | \$ (2,861,292) |
| Net Change in Fund Balances .....                   | \$ 207,591     | \$ 13,477      | \$ 55,151                     | \$ 6,387       |
| Fund Balances, Beginning, as Reported .....         | \$ 462,789     | \$ 462,789     | \$ 16,167                     | \$ 16,167      |
| Prior Period Adjustments .....                      | —              | 62,785         | —                             | 255            |
| Fund Balances, Beginning, as Restated .....         | \$ 462,789     | \$ 525,574     | \$ 16,167                     | \$ 16,422      |
| Budgetary Fund Balances, Ending .....               | \$ 670,380     | \$ 539,051     | \$ 71,318                     | \$ 22,809      |
| Less: Appropriation Carryover .....                 | —              | 484,009        | —                             | 208            |
| Less: Reserved for Long-Term Receivables .....      | —              | —              | —                             | —              |
| Less: Budgetary Reserve .....                       | —              | —              | —                             | —              |
| Unassigned Fund Balance, Ending .....               | \$ 670,380     | \$ 55,042      | \$ 71,318                     | \$ 22,601      |

| STATE AIRPORTS |           | PETROLEUM TANK CLEANUP |             | NATURAL RESOURCES |             |
|----------------|-----------|------------------------|-------------|-------------------|-------------|
| FINAL BUDGET   | ACTUAL    | FINAL BUDGET           | ACTUAL      | FINAL BUDGET      | ACTUAL      |
| \$ 11,000      | \$ 14,712 | \$ —                   | \$ —        | \$ 20,488         | \$ 20,202   |
| —              | —         | —                      | —           | —                 | —           |
| 6,000          | 7,309     | —                      | —           | —                 | —           |
| 11,000         | 10,435    | —                      | —           | —                 | —           |
| —              | —         | —                      | —           | 5,550             | 12,046      |
| 1,921          | 1,265     | 21,000                 | 21,065      | 41,244            | 39,424      |
| —              | —         | —                      | —           | 33,628            | 33,828      |
| 1,906          | 2,017     | 750                    | 1,603       | 1,049             | 928         |
| 31             | 588       | 35                     | 35          | 6,513             | 4,192       |
| \$ 31,858      | \$ 36,326 | \$ 21,785              | \$ 22,703   | \$ 108,472        | \$ 110,620  |
| \$ —           | \$ —      | \$ 6,136               | \$ 6,136    | \$ 140,605        | \$ 136,062  |
| —              | —         | 6,253                  | 6,253       | —                 | —           |
| —              | —         | —                      | —           | 255               | 255         |
| —              | —         | —                      | —           | —                 | —           |
| —              | —         | —                      | —           | —                 | —           |
| —              | —         | —                      | —           | —                 | —           |
| —              | —         | —                      | —           | —                 | —           |
| 31,441         | 31,044    | —                      | —           | 10,850            | 10,850      |
| \$ 31,441      | \$ 31,044 | \$ 12,389              | \$ 12,389   | \$ 151,710        | \$ 147,167  |
| \$ 417         | \$ 5,282  | \$ 9,396               | \$ 10,314   | \$ (43,238)       | \$ (36,547) |
| \$ —           | \$ —      | \$ 559                 | \$ 559      | \$ 32,844         | \$ 33,908   |
| —              | —         | (13,615)               | (13,615)    | (3,106)           | (3,106)     |
| \$ —           | \$ —      | \$ (13,056)            | \$ (13,056) | \$ 29,738         | \$ 30,802   |
| \$ 417         | \$ 5,282  | \$ (3,660)             | \$ (2,742)  | \$ (13,500)       | \$ (5,745)  |
| \$ 30,689      | \$ 30,689 | \$ 16,874              | \$ 16,874   | \$ 98,137         | \$ 98,137   |
| —              | 956       | —                      | 3,095       | —                 | 2,687       |
| \$ 30,689      | \$ 31,645 | \$ 16,874              | \$ 19,969   | \$ 98,137         | \$ 100,824  |
| \$ 31,106      | \$ 36,927 | \$ 13,214              | \$ 17,227   | \$ 84,637         | \$ 95,079   |
| —              | 20,461    | —                      | 7,520       | —                 | 54,032      |
| —              | 2,926     | —                      | —           | —                 | —           |
| —              | —         | —                      | —           | —                 | —           |
| \$ 31,106      | \$ 13,540 | \$ 13,214              | \$ 9,707    | \$ 84,637         | \$ 41,047   |

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, 2025

(IN THOUSANDS)

|                                                     | GAME AND FISH |            | ENVIRONMENTAL & REMEDIATION |              |
|-----------------------------------------------------|---------------|------------|-----------------------------|--------------|
|                                                     | FINAL BUDGET  | ACTUAL     | FINAL BUDGET                | ACTUAL       |
| Net Revenues:                                       |               |            |                             |              |
| Sales Taxes .....                                   | \$ 18,131     | \$ 17,876  | \$ —                        | \$ —         |
| Motor Vehicle Taxes .....                           | —             | —          | —                           | —            |
| Fuel Taxes .....                                    | —             | —          | —                           | —            |
| Other Taxes .....                                   | —             | —          | 94,317                      | 92,928       |
| Federal Revenues .....                              | 50,480        | 50,620     | —                           | —            |
| Licenses and Fees .....                             | 66,972        | 70,809     | 40,681                      | 38,859       |
| Departmental Services .....                         | 1,355         | 1,078      | 2,944                       | 1,671        |
| Investment/Interest Earnings .....                  | 3,491         | 4,255      | 22,253                      | 25,542       |
| Other Revenues .....                                | 203           | 221        | 942                         | 615          |
| Net Revenues .....                                  | \$ 140,632    | \$ 144,859 | \$ 161,137                  | \$ 159,615   |
| Expenditures:                                       |               |            |                             |              |
| Agricultural, Environmental and Energy Resources... | \$ 141,845    | \$ 141,628 | \$ 277,204                  | \$ 276,390   |
| Economic and Workforce Development .....            | —             | —          | 1,592                       | 1,592        |
| General Education .....                             | —             | —          | —                           | —            |
| General Government .....                            | —             | —          | 365                         | 335          |
| Health and Human Services .....                     | —             | —          | 2,484                       | 2,484        |
| Higher Education .....                              | —             | —          | —                           | —            |
| Intergovernmental Aid .....                         | —             | —          | —                           | —            |
| Public Safety and Corrections .....                 | —             | —          | 127                         | 127          |
| Transportation .....                                | —             | —          | —                           | —            |
| Total Expenditures .....                            | \$ 141,845    | \$ 141,628 | \$ 281,772                  | \$ 280,928   |
| Excess of Revenues over (under) Expenditures .....  | \$ (1,213)    | \$ 3,231   | \$ (120,635)                | \$ (121,313) |
| Other Financing Sources (Uses):                     |               |            |                             |              |
| Transfers-In .....                                  | \$ 1,479      | \$ 1,481   | \$ 20,101                   | \$ 16,206    |
| Transfers-Out .....                                 | (1,590)       | (1,590)    | (577)                       | (577)        |
| Net Other Financing Sources (Uses) .....            | \$ (111)      | \$ (109)   | \$ 19,524                   | \$ 15,629    |
| Net Change in Fund Balances .....                   | \$ (1,324)    | \$ 3,122   | \$ (101,111)                | \$ (105,684) |
| Fund Balances, Beginning, as Reported .....         | \$ 99,706     | \$ 99,706  | \$ 758,822                  | \$ 758,822   |
| Prior Period Adjustments .....                      | —             | 5,544      | —                           | 3,867        |
| Fund Balances, Beginning, as Restated .....         | \$ 99,706     | \$ 105,250 | \$ 758,822                  | \$ 762,689   |
| Budgetary Fund Balances, Ending .....               | \$ 98,382     | \$ 108,372 | \$ 657,711                  | \$ 657,005   |
| Less: Appropriation Carryover .....                 | —             | 31,713     | —                           | 28,586       |
| Less: Reserved for Long-Term Receivables .....      | —             | —          | —                           | 1,709        |
| Less: Budgetary Reserve .....                       | —             | —          | —                           | 574,338      |
| Unassigned Fund Balance, Ending .....               | \$ 98,382     | \$ 76,659  | \$ 657,711                  | \$ 52,372    |



| HERITAGE     |             | SPECIAL COMPENSATION |            | WORKFORCE DEVELOPMENT |            |
|--------------|-------------|----------------------|------------|-----------------------|------------|
| FINAL BUDGET | ACTUAL      | FINAL BUDGET         | ACTUAL     | FINAL BUDGET          | ACTUAL     |
| \$ 441,890   | \$ 436,588  | \$ —                 | \$ —       | \$ —                  | \$ —       |
| —            | —           | —                    | —          | —                     | —          |
| —            | —           | —                    | —          | —                     | —          |
| —            | —           | 58,800               | 60,473     | 78,725                | 80,866     |
| —            | —           | —                    | —          | —                     | —          |
| —            | —           | 1,535                | 1,244      | —                     | —          |
| —            | —           | 2,874                | 5,460      | —                     | —          |
| 26,995       | 35,761      | 3,000                | 3,874      | 5,499                 | 6,789      |
| 7            | 13          | 1,000                | 606        | —                     | —          |
| \$ 468,892   | \$ 472,362  | \$ 67,209            | \$ 71,657  | \$ 84,224             | \$ 87,655  |
| \$ 377,416   | \$ 374,620  | \$ 606               | \$ 606     | \$ —                  | \$ —       |
| 5,639        | 5,639       | 68,850               | 68,850     | 77,815                | 76,924     |
| 26,298       | 26,298      | —                    | —          | —                     | —          |
| 79,985       | 79,142      | 9,790                | 9,690      | —                     | —          |
| 11,783       | 11,734      | —                    | —          | —                     | —          |
| 2,500        | 2,500       | —                    | —          | 250                   | 250        |
| —            | —           | —                    | —          | —                     | —          |
| —            | —           | 46                   | 46         | —                     | —          |
| 31,042       | 31,042      | —                    | —          | —                     | —          |
| \$ 534,663   | \$ 530,975  | \$ 79,292            | \$ 79,192  | \$ 78,065             | \$ 77,174  |
| \$ (65,771)  | \$ (58,613) | \$ (12,083)          | \$ (7,535) | \$ 6,159              | \$ 10,481  |
| \$ —         | \$ —        | \$ —                 | \$ —       | \$ —                  | \$ —       |
| (9,082)      | (9,082)     | (340)                | (340)      | (697)                 | (697)      |
| \$ (9,082)   | \$ (9,082)  | \$ (340)             | \$ (340)   | \$ (697)              | \$ (697)   |
| \$ (74,853)  | \$ (67,695) | \$ (12,423)          | \$ (7,875) | \$ 5,462              | \$ 9,784   |
| \$ 378,296   | \$ 378,296  | \$ 65,798            | \$ 65,798  | \$ 98,646             | \$ 98,646  |
| —            | 5,677       | —                    | 1,557      | —                     | 4,885      |
| \$ 378,296   | \$ 383,973  | \$ 65,798            | \$ 67,355  | \$ 98,646             | \$ 103,531 |
| \$ 303,443   | \$ 316,278  | \$ 53,375            | \$ 59,480  | \$ 104,108            | \$ 113,315 |
| —            | 291,252     | —                    | 10,766     | —                     | 2,021      |
| —            | —           | —                    | —          | —                     | —          |
| —            | —           | —                    | —          | —                     | —          |
| \$ 303,443   | \$ 25,026   | \$ 53,375            | \$ 48,714  | \$ 104,108            | \$ 111,294 |

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, 2025**

**(IN THOUSANDS)**

|                                                        | MISCELLANEOUS SPECIAL<br>REVENUE |             | COMBINED TOTALS |                |
|--------------------------------------------------------|----------------------------------|-------------|-----------------|----------------|
|                                                        | FINAL BUDGET                     | ACTUAL      | FINAL BUDGET    | ACTUAL         |
| Net Revenues:                                          |                                  |             |                 |                |
| Sales Taxes .....                                      | \$ —                             | \$ —        | \$ 714,812      | \$ 710,821     |
| Motor Vehicle Taxes .....                              | —                                | —           | 1,748,125       | 1,705,613      |
| Fuel Taxes .....                                       | —                                | —           | 939,132         | 935,471        |
| Other Taxes .....                                      | —                                | —           | 243,166         | 244,940        |
| Federal Revenues .....                                 | —                                | —           | 873,748         | 690,627        |
| Licenses and Fees .....                                | 13,046                           | 13,578      | 196,340         | 196,858        |
| Departmental Services .....                            | —                                | —           | 56,327          | 60,655         |
| Investment/Interest Earnings .....                     | (8,831)                          | 1,780       | 108,154         | 136,637        |
| Other Revenues .....                                   | 47,488                           | 49,360      | 102,252         | 125,398        |
| Net Revenues .....                                     | \$ 51,703                        | \$ 64,718   | \$ 4,982,056    | \$ 4,807,020   |
| Expenditures:                                          |                                  |             |                 |                |
| Agricultural, Environmental and Energy Resources ..... | \$ 15,418                        | \$ 15,314   | \$ 959,230      | \$ 950,756     |
| Economic and Workforce Development .....               | —                                | —           | 160,149         | 159,258        |
| General Education .....                                | —                                | —           | 26,553          | 26,553         |
| General Government .....                               | 957                              | 899         | 107,198         | 106,167        |
| Health and Human Services .....                        | 30,740                           | 30,381      | 45,007          | 44,599         |
| Higher Education .....                                 | —                                | —           | 2,750           | 2,750          |
| Intergovernmental Aid .....                            | —                                | —           | 209             | 209            |
| Public Safety and Corrections .....                    | 746                              | 746         | 189,586         | 189,051        |
| Transportation .....                                   | —                                | —           | 2,049,567       | 2,049,098      |
| Total Expenditures .....                               | \$ 47,861                        | \$ 47,340   | \$ 3,540,249    | \$ 3,528,441   |
| Excess of Revenues over (under) Expenditures .....     | \$ 3,842                         | \$ 17,378   | \$ 1,441,807    | \$ 1,278,579   |
| Other Financing Sources (Uses):                        |                                  |             |                 |                |
| Transfers-In .....                                     | \$ —                             | \$ —        | \$ 1,767,013    | \$ 1,730,338   |
| Transfers-Out .....                                    | (20,395)                         | (20,395)    | (3,163,623)     | (3,163,623)    |
| Net Other Financing Sources (Uses) .....               | \$ (20,395)                      | \$ (20,395) | \$ (1,396,610)  | \$ (1,433,285) |
| Net Change in Fund Balances .....                      | \$ (16,553)                      | \$ (3,017)  | \$ 45,197       | \$ (154,706)   |
| Fund Balances, Beginning, as Reported .....            | \$ 105,459                       | \$ 105,459  | \$ 2,131,383    | \$ 2,131,383   |
| Prior Period Adjustments .....                         | —                                | (1,741)     | —               | 89,567         |
| Fund Balances, Beginning, as Restated .....            | \$ 105,459                       | \$ 103,718  | \$ 2,131,383    | \$ 2,220,950   |
| Budgetary Fund Balances, Ending .....                  | \$ 88,906                        | \$ 100,701  | \$ 2,176,580    | \$ 2,066,244   |
| Less: Appropriation Carryover .....                    | —                                | 60,280      | —               | 990,848        |
| Less: Reserved for Long-Term Receivables .....         | —                                | —           | —               | 4,635          |
| Less: Budgetary Reserve .....                          | —                                | —           | —               | 574,338        |
| Unassigned Fund Balance, Ending .....                  | \$ 88,906                        | \$ 40,421   | \$ 2,176,580    | \$ 496,423     |



# 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, 2025 (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<br>HIGHWAY | HIGHWAY<br>USER TAX<br>DISTRIBUTION | STATE<br>AIRPORTS | PETROLEUM<br>TANK<br>CLEANUP |
|-----------------------------------------|------------------|-------------------------------------|-------------------|------------------------------|
| GAAP Basis Fund Balance:                | \$ 1,161,336     | \$ —                                | \$ 55,089         | \$ 26,113                    |
| Less: Nonspendable Inventory            | 64,732           | —                                   | —                 | —                            |
| Less: Encumbrances                      | 1,158,491        | 7                                   | 17,279            | 8,886                        |
| Unassigned Fund Balance                 | \$ (61,887)      | \$ (7)                              | \$ 37,810         | \$ 17,227                    |
| Basis of Accounting Differences:        |                  |                                     |                   |                              |
| Revenue Accruals/Adjustments:           |                  |                                     |                   |                              |
| Taxes Receivable                        | \$ (46,393)      | \$ (4,651)                          | \$ (883)          | \$ —                         |
| Unearned Revenue                        | 49,895           | —                                   | —                 | —                            |
| Other Receivables                       | (664)            | (952)                               | —                 | —                            |
| Investments at Market                   | —                | —                                   | —                 | —                            |
| Expenditure Accruals/Adjustments:       |                  |                                     |                   |                              |
| Other Payables                          | —                | 28,419                              | —                 | —                            |
| Other Financing Sources (Uses):         |                  |                                     |                   |                              |
| Transfers-In                            | —                | —                                   | —                 | —                            |
| Transfers-Out                           | —                | —                                   | —                 | —                            |
| Perspective Differences:                |                  |                                     |                   |                              |
| Accounts with no Legally Adopted Budget | —                | —                                   | —                 | —                            |
| Appropriation Carryover                 | (484,009)        | (208)                               | (20,461)          | (7,520)                      |
| Long-Term Receivables                   | —                | —                                   | (2,926)           | —                            |
| Long-Term Commitments                   | 598,100          | —                                   | —                 | —                            |
| Budgetary Reserve                       | —                | —                                   | —                 | —                            |
| Budgetary Basis:                        |                  |                                     |                   |                              |
| Unassigned Fund Balance                 | \$ 55,042        | \$ 22,601                           | \$ 13,540         | \$ 9,707                     |

| NATURAL<br>RESOURCES | GAME<br>AND FISH  | ENVIRONMENTAL<br>AND<br>REMEDATION | HERITAGE          | SPECIAL<br>COMPENSATION | WORKFORCE<br>DEVELOPMENT | MISCELLANEOUS<br>SPECIAL<br>REVENUE |
|----------------------|-------------------|------------------------------------|-------------------|-------------------------|--------------------------|-------------------------------------|
| \$ 130,556           | \$ 158,441        | \$ 901,565                         | \$ 693,334        | \$ 32,094               | \$ 170,986               | \$ 1,228,316                        |
| —                    | —                 | —                                  | —                 | —                       | —                        | —                                   |
| 15,031               | 9,421             | 13,674                             | 354,604           | 368                     | 34,886                   | 14,286                              |
| <u>\$ 115,525</u>    | <u>\$ 149,020</u> | <u>\$ 887,891</u>                  | <u>\$ 338,730</u> | <u>\$ 31,726</u>        | <u>\$ 136,100</u>        | <u>\$ 1,214,030</u>                 |
| \$ —                 | \$ —              | \$ (7,645)                         | \$ (23,564)       | \$ (1,476)              | \$ (22,566)              | \$ —                                |
| —                    | —                 | —                                  | —                 | —                       | —                        | —                                   |
| (10,540)             | —                 | —                                  | —                 | (2,310)                 | (380)                    | (2)                                 |
| —                    | (46,124)          | (58,558)                           | —                 | —                       | —                        | —                                   |
| 273                  | 6,702             | 965                                | 1,112             | 31,540                  | 161                      | —                                   |
| (10,179)             | (1,364)           | —                                  | —                 | —                       | —                        | —                                   |
| —                    | 138               | —                                  | —                 | —                       | —                        | —                                   |
| —                    | —                 | (165,648)                          | —                 | —                       | —                        | (1,113,327)                         |
| (54,032)             | (31,713)          | (28,586)                           | (291,252)         | (10,766)                | (2,021)                  | (60,280)                            |
| —                    | —                 | (1,709)                            | —                 | —                       | —                        | —                                   |
| —                    | —                 | —                                  | —                 | —                       | —                        | —                                   |
| —                    | —                 | (574,338)                          | —                 | —                       | —                        | —                                   |
| <u>\$ 41,047</u>     | <u>\$ 76,659</u>  | <u>\$ 52,372</u>                   | <u>\$ 25,026</u>  | <u>\$ 48,714</u>        | <u>\$ 111,294</u>        | <u>\$ 40,421</u>                    |



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# Nonmajor Capital Projects Funds

## **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, 2025**

**(IN THOUSANDS)**

|                                           | BUILDING          | GENERAL<br>PROJECTS | TRANSPORTATION    | TOTAL               |
|-------------------------------------------|-------------------|---------------------|-------------------|---------------------|
| <b>ASSETS</b>                             |                   |                     |                   |                     |
| Cash and Cash Equivalents .....           | \$ 570,862        | \$ 863,109          | \$ 154,115        | \$ 1,588,086        |
| Accounts Receivable .....                 | 272               | —                   | —                 | 272                 |
| Interfund Receivables .....               | 2,253             | 1,294               | —                 | 3,547               |
| Total Assets .....                        | <u>\$ 573,387</u> | <u>\$ 864,403</u>   | <u>\$ 154,115</u> | <u>\$ 1,591,905</u> |
| <b>LIABILITIES</b>                        |                   |                     |                   |                     |
| Accounts Payable .....                    | \$ 102,643        | \$ 46,402           | \$ 61,042         | \$ 210,087          |
| Interfund Payables .....                  | 65                | 1,000               | —                 | 1,065               |
| Due to Component Units .....              | 29,813            | 5,125               | —                 | 34,938              |
| Total Liabilities .....                   | <u>\$ 132,521</u> | <u>\$ 52,527</u>    | <u>\$ 61,042</u>  | <u>\$ 246,090</u>   |
| <b>FUND BALANCES</b>                      |                   |                     |                   |                     |
| Restricted .....                          | \$ 440,866        | \$ —                | \$ 93,073         | \$ 533,939          |
| Assigned .....                            | —                 | 811,876             | —                 | 811,876             |
| Total Fund Balances .....                 | <u>\$ 440,866</u> | <u>\$ 811,876</u>   | <u>\$ 93,073</u>  | <u>\$ 1,345,815</u> |
| Total Liabilities and Fund Balances ..... | <u>\$ 573,387</u> | <u>\$ 864,403</u>   | <u>\$ 154,115</u> | <u>\$ 1,591,905</u> |



# STATE OF MINNESOTA

## NONMAJOR CAPITAL PROJECTS FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES

### AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                           | BUILDING     | GENERAL<br>PROJECTS | TRANSPORTATION | TOTAL          |
|-----------------------------------------------------------|--------------|---------------------|----------------|----------------|
| Net Revenues:                                             |              |                     |                |                |
| Other Revenues .....                                      | \$ 45        | \$ —                | \$ —           | \$ 45          |
| Net Revenues .....                                        | \$ 45        | \$ —                | \$ —           | \$ 45          |
| Expenditures:                                             |              |                     |                |                |
| Agricultural, Environmental and<br>Energy Resources ..... | \$ 52,927    | \$ 22,335           | \$ —           | \$ 75,262      |
| Economic and Workforce<br>Development .....               | 205,640      | 125,921             | —              | 331,561        |
| General Education .....                                   | 2,025        | 1,481               | —              | 3,506          |
| General Government .....                                  | 20,383       | 3,550               | 135            | 24,068         |
| Health and Human Services .....                           | 10,260       | 2,465               | —              | 12,725         |
| Higher Education .....                                    | 70,259       | —                   | —              | 70,259         |
| Public Safety and Corrections .....                       | 8,362        | 5,426               | —              | 13,788         |
| Transportation .....                                      | 59,252       | 22,958              | 121,923        | 204,133        |
| Total Current Expenditures .....                          | \$ 429,108   | \$ 184,136          | \$ 122,058     | \$ 735,302     |
| Capital Outlay .....                                      | 256,685      | 8,262               | 236,617        | 501,564        |
| Total Expenditures .....                                  | \$ 685,793   | \$ 192,398          | \$ 358,675     | \$ 1,236,866   |
| Excess of Revenues over (under)<br>Expenditures .....     | \$ (685,748) | \$ (192,398)        | \$ (358,675)   | \$ (1,236,821) |
| Other Financing Sources (Uses):                           |              |                     |                |                |
| Bond Issuance .....                                       | \$ 725,068   | \$ —                | \$ 494,741     | \$ 1,219,809   |
| Bond Issuance Premium .....                               | 104,496      | —                   | 19,107         | 123,603        |
| Transfers-In .....                                        | —            | 1,294               | —              | 1,294          |
| Transfers-Out .....                                       | (56,100)     | (1,000)             | —              | (57,100)       |
| Net Other Financing Sources (Uses) ..                     | \$ 773,464   | \$ 294              | \$ 513,848     | \$ 1,287,606   |
| Net Change in Fund Balances .....                         | \$ 87,716    | \$ (192,104)        | \$ 155,173     | \$ 50,785      |
| Fund Balances, Beginning, as Reported ..                  | \$ 353,150   | \$ 1,003,980        | \$ (62,100)    | \$ 1,295,030   |
| Fund Balances, Ending .....                               | \$ 440,866   | \$ 811,876          | \$ 93,073      | \$ 1,345,815   |

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## Nonmajor Enterprise Funds

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### **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.

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## Nonmajor Enterprise Funds – Continued

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### **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, 2025

(IN THOUSANDS)

|                                                 | ENTERPRISE<br>ACTIVITIES | GIANTS<br>RIDGE | MINNESOTA<br>CORRECTIONAL<br>INDUSTRIES | MNSURE    |
|-------------------------------------------------|--------------------------|-----------------|-----------------------------------------|-----------|
| ASSETS                                          |                          |                 |                                         |           |
| Current Assets:                                 |                          |                 |                                         |           |
| Cash and Cash Equivalents                       | \$ 74,557                | \$ 10,769       | \$ 14,642                               | \$ 49,501 |
| Investments                                     | —                        | 1,131           | —                                       | —         |
| Accounts Receivable                             | 6,759                    | 208             | 4,305                                   | 2,081     |
| Interfund Receivables                           | —                        | —               | —                                       | 3,299     |
| Accrued Investment/Interest Earnings            | —                        | 2               | —                                       | —         |
| Inventories                                     | 264                      | 280             | 13,243                                  | —         |
| Leases Receivable                               | —                        | —               | —                                       | —         |
| Prepaid Expenses                                | —                        | —               | —                                       | —         |
| Total Current Assets                            | \$ 81,580                | \$ 12,390       | \$ 32,190                               | \$ 54,881 |
| Noncurrent Assets:                              |                          |                 |                                         |           |
| Accounts Receivable                             | \$ —                     | \$ —            | \$ —                                    | \$ —      |
| Right-to-Use Capital Assets (Net)               | —                        | —               | 541                                     | —         |
| Depreciable Capital Assets (Net)                | 1,530                    | 39,223          | 6,045                                   | 7,240     |
| Nondepreciable Capital Assets                   | 3                        | 8,415           | —                                       | 12,887    |
| Total Noncurrent Assets                         | \$ 1,533                 | \$ 47,638       | \$ 6,586                                | \$ 20,127 |
| Total Assets                                    | \$ 83,113                | \$ 60,028       | \$ 38,776                               | \$ 75,008 |
| DEFERRED OUTFLOWS OF RESOURCES                  |                          |                 |                                         |           |
| Deferred Pension Outflows                       | \$ 1,973                 | \$ 33           | \$ 3,343                                | \$ 2,644  |
| Deferred Other Postemployment Benefits Outflows | 140                      | 13              | 1,164                                   | 232       |
| Total Deferred Outflows of Resources            | \$ 2,113                 | \$ 46           | \$ 4,507                                | \$ 2,876  |
| LIABILITIES                                     |                          |                 |                                         |           |
| Current Liabilities:                            |                          |                 |                                         |           |
| Accounts Payable                                | \$ 38,217                | \$ 4,455        | \$ 6,219                                | \$ 2,069  |
| Interfund Payables                              | —                        | —               | —                                       | 2,871     |
| Due to Component Units                          | —                        | —               | —                                       | —         |
| Unearned Revenue                                | 8                        | 487             | —                                       | —         |
| Lease/Subscription Payable                      | —                        | —               | 542                                     | —         |
| Claims Payable                                  | —                        | —               | —                                       | —         |
| Compensated Absences Payable                    | 1,038                    | 14              | 1,004                                   | 1,654     |
| Other Postemployment Benefits                   | 45                       | 2               | 356                                     | 72        |
| Total Current Liabilities                       | \$ 39,308                | \$ 4,958        | \$ 8,121                                | \$ 6,666  |
| Noncurrent Liabilities:                         |                          |                 |                                         |           |
| Lease/Subscription Payable                      | \$ —                     | \$ —            | \$ —                                    | \$ —      |
| Compensated Absences Payable                    | 1,034                    | 24              | 899                                     | 496       |
| Net Pension Liability                           | 71                       | 1               | 7,883                                   | 95        |
| Other Postemployment Benefits                   | 727                      | 37              | 5,882                                   | 1,200     |
| Total Noncurrent Liabilities                    | \$ 1,832                 | \$ 62           | \$ 14,664                               | \$ 1,791  |
| Total Liabilities                               | \$ 41,140                | \$ 5,020        | \$ 22,785                               | \$ 8,457  |
| DEFERRED INFLOWS OF RESOURCES                   |                          |                 |                                         |           |
| Deferred Leases                                 | \$ —                     | \$ —            | \$ —                                    | \$ —      |
| Deferred Pension Inflows                        | 2,630                    | 43              | 2,655                                   | 3,529     |
| Deferred Other Postemployment Benefits Inflows  | 68                       | 4               | 558                                     | 114       |
| Total Deferred Inflows of Resources             | \$ 2,698                 | \$ 47           | \$ 3,213                                | \$ 3,643  |
| NET POSITION                                    |                          |                 |                                         |           |
| Net Investment in Capital Assets                | \$ 1,533                 | \$ 47,638       | \$ 6,044                                | \$ 20,127 |
| Restricted for:                                 |                          |                 |                                         |           |
| Develop Economy and Workforce                   | \$ —                     | \$ 7,369        | \$ —                                    | \$ —      |
| Enhance Health and Human Services               | —                        | —               | —                                       | 45,657    |
| Enhance 911 Services and Increase Safety        | —                        | —               | 11,241                                  | —         |
| Other Purposes                                  | 39,855                   | —               | —                                       | —         |
| Total Restricted                                | \$ 39,855                | \$ 7,369        | \$ 11,241                               | \$ 45,657 |
| Unrestricted                                    | \$ —                     | \$ —            | \$ —                                    | \$ —      |
| Total Net Position                              | \$ 41,388                | \$ 55,007       | \$ 17,285                               | \$ 65,784 |

| 911 SERVICES | PUBLIC<br>EMPLOYEES<br>INSURANCE | STATE<br>LOTTERY | STATE OPERATED<br>COMMUNITY<br>SERVICES | TOTAL      |
|--------------|----------------------------------|------------------|-----------------------------------------|------------|
| \$ 145,483   | \$ 99,878                        | \$ 33,624        | \$ 34,971                               | \$ 463,425 |
| —            | —                                | —                | —                                       | 1,131      |
| 176          | 12,758                           | 5,792            | 8,935                                   | 41,014     |
| —            | —                                | —                | —                                       | 3,299      |
| —            | —                                | —                | —                                       | 2          |
| —            | —                                | 1,685            | —                                       | 15,472     |
| —            | —                                | 248              | —                                       | 248        |
| —            | —                                | 552              | —                                       | 552        |
| \$ 145,659   | \$ 112,636                       | \$ 41,901        | \$ 43,906                               | \$ 525,143 |
| \$ —         | \$ —                             | \$ —             | \$ 2,720                                | \$ 2,720   |
| 1,847        | —                                | 13,784           | 1,369                                   | 17,541     |
| 62,829       | —                                | 4,269            | 14,162                                  | 135,298    |
| 9,886        | —                                | —                | 1,418                                   | 32,609     |
| \$ 74,562    | \$ —                             | \$ 18,053        | \$ 19,669                               | \$ 188,168 |
| \$ 220,221   | \$ 112,636                       | \$ 59,954        | \$ 63,575                               | \$ 713,311 |
| \$ 935       | \$ 39                            | \$ 2,523         | \$ 11,307                               | \$ 22,797  |
| 76           | 2                                | 205              | 2,094                                   | 3,926      |
| \$ 1,011     | \$ 41                            | \$ 2,728         | \$ 13,401                               | \$ 26,723  |
| \$ 4,999     | \$ 5,431                         | \$ 16,768        | \$ 7,179                                | \$ 85,337  |
| —            | —                                | 24,140           | —                                       | 27,011     |
| 12           | —                                | —                | —                                       | 12         |
| —            | 8,671                            | 393              | —                                       | 9,559      |
| 1,028        | —                                | 2,352            | 333                                     | 4,255      |
| —            | 18,772                           | —                | —                                       | 18,772     |
| 644          | 31                               | 1,618            | 10,457                                  | 16,460     |
| 24           | 1                                | 64               | 657                                     | 1,221      |
| \$ 6,707     | \$ 32,906                        | \$ 45,335        | \$ 18,626                               | \$ 162,627 |
| \$ 225       | \$ —                             | \$ 12,544        | \$ 1,080                                | \$ 13,849  |
| 651          | 115                              | 1,689            | 4,371                                   | 9,279      |
| 34           | 1                                | 91               | 408                                     | 8,584      |
| 391          | 9                                | 1,066            | 10,865                                  | 20,177     |
| \$ 1,301     | \$ 125                           | \$ 15,390        | \$ 16,724                               | \$ 51,889  |
| \$ 8,008     | \$ 33,031                        | \$ 60,725        | \$ 35,350                               | \$ 214,516 |
| \$ —         | \$ —                             | \$ 248           | \$ —                                    | \$ 248     |
| 1,246        | 52                               | 3,366            | 15,088                                  | 28,609     |
| 37           | 1                                | 101              | 1,034                                   | 1,917      |
| \$ 1,283     | \$ 53                            | \$ 3,715         | \$ 16,122                               | \$ 30,774  |
| \$ 73,309    | \$ —                             | \$ 3,157         | \$ 15,536                               | \$ 167,344 |
| \$ —         | \$ —                             | \$ —             | \$ —                                    | \$ 7,369   |
| —            | —                                | —                | 9,968                                   | 55,625     |
| 138,632      | —                                | —                | —                                       | 149,873    |
| —            | 79,593                           | —                | —                                       | 119,448    |
| \$ 138,632   | \$ 79,593                        | \$ —             | \$ 9,968                                | \$ 332,315 |
| \$ —         | \$ —                             | \$ (4,915)       | \$ —                                    | \$ (4,915) |
| \$ 211,941   | \$ 79,593                        | \$ (1,758)       | \$ 25,504                               | \$ 494,744 |

# STATE OF MINNESOTA

## NONMAJOR ENTERPRISE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES

### AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                          | ENTERPRISE<br>ACTIVITIES | GIANTS<br>RIDGE | MINNESOTA<br>CORRECTIONAL<br>INDUSTRIES | MNSURE     |
|------------------------------------------------------------------------------------------|--------------------------|-----------------|-----------------------------------------|------------|
| Operating Revenues:                                                                      |                          |                 |                                         |            |
| Net Sales .....                                                                          | \$ 36,874                | \$ 9,379        | \$ 49,739                               | \$ —       |
| Insurance Premiums .....                                                                 | —                        | —               | —                                       | —          |
| Other Income .....                                                                       | 4,469                    | —               | 2,496                                   | 40,993     |
| Total Operating Revenues .....                                                           | \$ 41,343                | \$ 9,379        | \$ 52,235                               | \$ 40,993  |
| Less: Cost of Goods Sold .....                                                           | —                        | 1,204           | 25,560                                  | —          |
| Gross Margin .....                                                                       | \$ 41,343                | \$ 8,175        | \$ 26,675                               | \$ 40,993  |
| Operating Expenses:                                                                      |                          |                 |                                         |            |
| Purchased Services .....                                                                 | \$ 5,533                 | \$ 16,409       | \$ 5,573                                | \$ 18,062  |
| Salaries and Fringe Benefits .....                                                       | 14,246                   | 224             | 12,366                                  | 19,523     |
| Claims .....                                                                             | —                        | —               | —                                       | —          |
| Depreciation and Amortization .....                                                      | 67                       | 1,747           | 791                                     | 6,453      |
| Supplies and Materials .....                                                             | 391                      | 53              | 768                                     | 20         |
| Repairs and Maintenance .....                                                            | 29                       | 3               | 211                                     | 3          |
| Indirect Costs .....                                                                     | 1,140                    | —               | 3,429                                   | 61         |
| Other Expenses .....                                                                     | 4,335                    | 224             | —                                       | 24         |
| Total Operating Expenses .....                                                           | \$ 25,741                | \$ 18,660       | \$ 23,138                               | \$ 44,146  |
| Operating Income (Loss) .....                                                            | \$ 15,602                | \$ (10,485)     | \$ 3,537                                | \$ (3,153) |
| Nonoperating Revenues (Expenses):                                                        |                          |                 |                                         |            |
| Investment/Interest Earnings .....                                                       | \$ 165                   | \$ 131          | \$ 616                                  | \$ 2,376   |
| Interest and Financing Costs .....                                                       | —                        | —               | (39)                                    | —          |
| Grants, Aids and Subsidies .....                                                         | —                        | —               | (840)                                   | —          |
| Other Nonoperating Expenses .....                                                        | (14,948)                 | —               | —                                       | —          |
| Gain (Loss) on Disposal of Capital Assets including<br>Right-to-Use Capital Assets ..... | —                        | 1               | 4                                       | —          |
| Total Nonoperating Revenues (Expenses) .....                                             | \$ (14,783)              | \$ 132          | \$ (259)                                | \$ 2,376   |
| Income (Loss) Before Transfers and Contributions .....                                   | \$ 819                   | \$ (10,353)     | \$ 3,278                                | \$ (777)   |
| Capital Contributions .....                                                              | —                        | 11,677          | —                                       | —          |
| Transfers-In .....                                                                       | 1,716                    | 11,561          | —                                       | 17,197     |
| Transfers-Out .....                                                                      | —                        | —               | —                                       | —          |
| Change in Net Position .....                                                             | \$ 2,535                 | \$ 12,885       | \$ 3,278                                | \$ 16,420  |
| Net Position, Beginning, as Reported .....                                               | \$ 39,589                | \$ 42,134       | \$ 14,982                               | \$ 50,181  |
| Change in Accounting Principle .....                                                     | (736)                    | (12)            | (975)                                   | (817)      |
| Net Position, Beginning, as Restated .....                                               | \$ 38,853                | \$ 42,122       | \$ 14,007                               | \$ 49,364  |
| Net Position, Ending .....                                                               | \$ 41,388                | \$ 55,007       | \$ 17,285                               | \$ 65,784  |

| 911 SERVICES | PUBLIC<br>EMPLOYEES<br>INSURANCE | STATE<br>LOTTERY | STATE OPERATED<br>COMMUNITY<br>SERVICES | TOTAL        |
|--------------|----------------------------------|------------------|-----------------------------------------|--------------|
| \$ 68,961    | \$ —                             | \$ 708,337       | \$ 179,919                              | \$ 1,053,209 |
| —            | 245,995                          | —                | —                                       | 245,995      |
| —            | 1,850                            | —                | 780                                     | 50,588       |
| \$ 68,961    | \$ 247,845                       | \$ 708,337       | \$ 180,699                              | \$ 1,349,792 |
| —            | —                                | 510,789          | —                                       | 537,553      |
| \$ 68,961    | \$ 247,845                       | \$ 197,548       | \$ 180,699                              | \$ 812,239   |
| \$ 23,447    | \$ 14,128                        | \$ 13,330        | \$ 8,563                                | \$ 105,045   |
| 5,795        | 264                              | 16,251           | 153,590                                 | 222,259      |
| —            | 233,366                          | —                | —                                       | 233,366      |
| 5,111        | —                                | 4,166            | 816                                     | 19,151       |
| 759          | —                                | 1,381            | 2,472                                   | 5,844        |
| 33           | —                                | —                | 1,880                                   | 2,159        |
| 212          | 14                               | —                | 9,338                                   | 14,194       |
| 19           | 118                              | 544              | 918                                     | 6,182        |
| \$ 35,376    | \$ 247,890                       | \$ 35,672        | \$ 177,577                              | \$ 608,200   |
| \$ 33,585    | \$ (45)                          | \$ 161,876       | \$ 3,122                                | \$ 204,039   |
| \$ —         | \$ 4,386                         | \$ 2,189         | \$ 1,619                                | \$ 11,482    |
| (132)        | —                                | —                | (49)                                    | (220)        |
| (29,146)     | —                                | —                | (213)                                   | (30,199)     |
| —            | —                                | —                | —                                       | (14,948)     |
| (194)        | —                                | 52               | 29                                      | (108)        |
| \$ (29,472)  | \$ 4,386                         | \$ 2,241         | \$ 1,386                                | \$ (33,993)  |
| \$ 4,113     | \$ 4,341                         | \$ 164,117       | \$ 4,508                                | \$ 170,046   |
| —            | —                                | —                | —                                       | 11,677       |
| —            | —                                | —                | —                                       | 30,474       |
| —            | —                                | (161,650)        | —                                       | (161,650)    |
| \$ 4,113     | \$ 4,341                         | \$ 2,467         | \$ 4,508                                | \$ 50,547    |
| \$ 208,288   | \$ 75,279                        | \$ (2,879)       | \$ 26,253                               | \$ 453,827   |
| (460)        | (27)                             | (1,346)          | (5,257)                                 | (9,630)      |
| \$ 207,828   | \$ 75,252                        | \$ (4,225)       | \$ 20,996                               | \$ 444,197   |
| \$ 211,941   | \$ 79,593                        | \$ (1,758)       | \$ 25,504                               | \$ 494,744   |

# STATE OF MINNESOTA

## NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)

|                                                                                               | ENTERPRISE<br>ACTIVITIES | GIANTS<br>RIDGE | MINNESOTA<br>CORRECTIONAL<br>INDUSTRIES | MNSURE     |
|-----------------------------------------------------------------------------------------------|--------------------------|-----------------|-----------------------------------------|------------|
| <b>Cash Flows from Operating Activities:</b>                                                  |                          |                 |                                         |            |
| Receipts from Customers                                                                       | \$ 37,641                | \$ 9,819        | \$ 51,522                               | \$ —       |
| Receipts from Other Revenues                                                                  | 4,469                    | —               | 2,496                                   | 39,928     |
| Payments to Claimants                                                                         | —                        | —               | —                                       | —          |
| Payments to Suppliers                                                                         | (8,251)                  | (15,550)        | (36,445)                                | (16,995)   |
| Payments to Employees                                                                         | (14,917)                 | (241)           | (13,036)                                | (20,424)   |
| Payments to Others                                                                            | (14,948)                 | —               | —                                       | —          |
| Net Cash Flows from Operating Activities                                                      | \$ 3,994                 | \$ (5,972)      | \$ 4,537                                | \$ 2,509   |
| <b>Cash Flows from Noncapital Financing Activities:</b>                                       |                          |                 |                                         |            |
| Grant Disbursements                                                                           | \$ —                     | \$ —            | \$ (840)                                | \$ —       |
| Transfers-In                                                                                  | 1,716                    | 11,561          | —                                       | 17,197     |
| Transfers-Out                                                                                 | —                        | —               | —                                       | —          |
| Net Cash Flows from Noncapital Financing Activities                                           | \$ 1,716                 | \$ 11,561       | \$ (840)                                | \$ 17,197  |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                              |                          |                 |                                         |            |
| Investment in Capital Assets                                                                  | \$ (232)                 | \$ (8,902)      | \$ (3,700)                              | \$ (8,485) |
| Proceeds from Disposal of Capital Assets                                                      | —                        | 1               | 343                                     | —          |
| Lease/Subscription Payments                                                                   | —                        | —               | (545)                                   | —          |
| Interest Paid                                                                                 | —                        | —               | (39)                                    | —          |
| Net Cash Flows from Capital and Related Financing Activities                                  | \$ (232)                 | \$ (8,901)      | \$ (3,941)                              | \$ (8,485) |
| <b>Cash Flows from Investing Activities:</b>                                                  |                          |                 |                                         |            |
| Investment/Interest Earnings                                                                  | \$ 165                   | \$ (490)        | \$ 616                                  | \$ 2,376   |
| Net Cash Flows from Investing Activities                                                      | \$ 165                   | \$ (490)        | \$ 616                                  | \$ 2,376   |
| Net Increase (Decrease) in Cash and Cash Equivalents                                          | \$ 5,643                 | \$ (3,802)      | \$ 372                                  | \$ 13,597  |
| Cash and Cash Equivalents, Beginning, as Reported                                             | \$ 68,914                | \$ 14,571       | \$ 14,270                               | \$ 35,904  |
| Cash and Cash Equivalents, Ending                                                             | \$ 74,557                | \$ 10,769       | \$ 14,642                               | \$ 49,501  |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:</b> |                          |                 |                                         |            |
| Operating Income (Loss)                                                                       | \$ 15,602                | \$ (10,485)     | \$ 3,537                                | \$ (3,153) |
| <b>Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:</b> |                          |                 |                                         |            |
| Depreciation and Amortization                                                                 | \$ 67                    | \$ 1,747        | \$ 791                                  | \$ 6,453   |
| Miscellaneous Nonoperating Expenses                                                           | (14,948)                 | —               | —                                       | —          |
| <b>Change in Assets, Liabilities, Deferred Outflows and Inflows of Resources:</b>             |                          |                 |                                         |            |
| Accounts Receivable                                                                           | 767                      | (47)            | 1,783                                   | (1,065)    |
| Inventories                                                                                   | 65                       | 19              | (1,744)                                 | —          |
| Other Assets                                                                                  | —                        | —               | —                                       | —          |
| Deferred Outflows of Resources                                                                | 428                      | 9               | 847                                     | 734        |
| Accounts Payable                                                                              | 3,112                    | 2,324           | 840                                     | 1,175      |
| Claims Payable                                                                                | —                        | —               | —                                       | —          |
| Compensated Absences Payable                                                                  | 133                      | 8               | (147)                                   | 205        |
| Unearned Revenue                                                                              | —                        | 487             | —                                       | —          |
| Net Pension Liability                                                                         | (1,935)                  | (36)            | (2,023)                                 | (2,745)    |
| Other Postemployment Benefits                                                                 | (1)                      | (5)             | 368                                     | 96         |
| Deferred Inflows of Resources                                                                 | 704                      | 7               | 285                                     | 809        |
| Net Reconciling Items to be Added to (Deducted from) Operating Income                         | \$ (11,608)              | \$ 4,513        | \$ 1,000                                | \$ 5,662   |
| Net Cash Flows from Operating Activities                                                      | \$ 3,994                 | \$ (5,972)      | \$ 4,537                                | \$ 2,509   |
| <b>Noncash Investing, Capital and Financing Activities:</b>                                   |                          |                 |                                         |            |
| Capital Contributions                                                                         | \$ —                     | \$ 11,677       | \$ —                                    | \$ —       |
| Leases Receivable Additions                                                                   | —                        | —               | —                                       | —          |
| Right-to-Use Capital Assets Acquired through Lease/Subscription                               | —                        | —               | —                                       | —          |
| Right-to-Use Capital Assets Remeasurement Additions                                           | —                        | —               | 962                                     | —          |
| Right-to-Use Capital Assets Remeasurement Deletions                                           | —                        | —               | —                                       | —          |



| 911 SERVICES | PUBLIC<br>EMPLOYEES<br>INSURANCE | STATE<br>LOTTERY | STATE OPERATED<br>COMMUNITY<br>SERVICES | TOTAL        |
|--------------|----------------------------------|------------------|-----------------------------------------|--------------|
| \$ 68,915    | \$ 249,862                       | \$ 707,035       | \$ 172,986                              | \$ 1,297,780 |
| —            | 1,850                            | 87               | 780                                     | 49,610       |
| —            | (235,858)                        | (448,400)        | —                                       | (684,258)    |
| (22,870)     | (11,720)                         | (33,987)         | (21,999)                                | (167,817)    |
| (6,191)      | (253)                            | (17,184)         | (156,588)                               | (228,834)    |
| —            | —                                | (47,237)         | —                                       | (62,185)     |
| \$ 39,854    | \$ 3,881                         | \$ 160,314       | \$ (4,821)                              | \$ 204,296   |
| \$ (29,146)  | \$ —                             | \$ —             | \$ (213)                                | \$ (30,199)  |
| —            | —                                | —                | —                                       | 30,474       |
| —            | —                                | (165,444)        | —                                       | (165,444)    |
| \$ (29,146)  | \$ —                             | \$ (165,444)     | \$ (213)                                | \$ (165,169) |
| \$ (20)      | \$ —                             | \$ (3,826)       | \$ (1,125)                              | \$ (26,290)  |
| 1            | —                                | 53               | 29                                      | 427          |
| (1,865)      | —                                | (2,224)          | (320)                                   | (4,954)      |
| (132)        | —                                | —                | (49)                                    | (220)        |
| \$ (2,016)   | \$ —                             | \$ (5,997)       | \$ (1,465)                              | \$ (31,037)  |
| \$ —         | \$ 4,386                         | \$ 2,189         | \$ 1,619                                | \$ 10,861    |
| \$ —         | \$ 4,386                         | \$ 2,189         | \$ 1,619                                | \$ 10,861    |
| \$ 8,692     | \$ 8,267                         | \$ (8,938)       | \$ (4,880)                              | \$ 18,951    |
| \$ 136,791   | \$ 91,611                        | \$ 42,562        | \$ 39,851                               | \$ 444,474   |
| \$ 145,483   | \$ 99,878                        | \$ 33,624        | \$ 34,971                               | \$ 463,425   |
| \$ 33,585    | \$ (45)                          | \$ 161,876       | \$ 3,122                                | \$ 204,039   |
| \$ 5,111     | \$ —                             | \$ 4,166         | \$ 816                                  | \$ 19,151    |
| —            | —                                | —                | —                                       | (14,948)     |
| (46)         | 1,043                            | (1,137)          | (6,933)                                 | (5,635)      |
| —            | —                                | 473              | —                                       | (1,187)      |
| —            | —                                | 154              | —                                       | 154          |
| 359          | 14                               | 654              | 1,440                                   | 4,485        |
| 1,600        | 2,540                            | (4,063)          | 1,172                                   | 8,700        |
| —            | (2,492)                          | —                | —                                       | (2,492)      |
| 126          | 29                               | 88               | 1,113                                   | 1,555        |
| —            | 2,824                            | (122)            | —                                       | 3,189        |
| (1,043)      | (42)                             | (2,563)          | (10,365)                                | (20,752)     |
| (45)         | (1)                              | (25)             | 210                                     | 597          |
| 207          | 11                               | 813              | 4,604                                   | 7,440        |
| \$ 6,269     | \$ 3,926                         | \$ (1,562)       | \$ (7,943)                              | \$ 257       |
| \$ 39,854    | \$ 3,881                         | \$ 160,314       | \$ (4,821)                              | \$ 204,296   |
| \$ —         | \$ —                             | \$ —             | \$ —                                    | \$ 11,677    |
| —            | —                                | 258              | —                                       | 258          |
| —            | —                                | 12,767           | 378                                     | 13,145       |
| —            | —                                | 299              | —                                       | 1,261        |
| —            | —                                | (10,822)         | —                                       | (10,822)     |



2025  
Annual  
Comprehensive  
Financial Report

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## Internal Service Funds

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### **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, 2025**
**(IN THOUSANDS)**

|                                                       | CENTRAL<br>MOTOR POOL | CENTRAL<br>SERVICES | EMPLOYEE<br>INSURANCE |
|-------------------------------------------------------|-----------------------|---------------------|-----------------------|
| <b>ASSETS</b>                                         |                       |                     |                       |
| Current Assets:                                       |                       |                     |                       |
| Cash and Cash Equivalents .....                       | \$ 6,558              | \$ 2,809            | \$ 411,734            |
| Accounts Receivable .....                             | 2,288                 | 6,496               | 71,045                |
| Interfund Receivables .....                           | —                     | —                   | —                     |
| Inventories .....                                     | —                     | 11                  | —                     |
| Leases Receivable .....                               | 1,366                 | —                   | —                     |
| Prepaid Expenses .....                                | —                     | 125                 | —                     |
| Total Current Assets .....                            | \$ 10,212             | \$ 9,441            | \$ 482,779            |
| Noncurrent Assets:                                    |                       |                     |                       |
| Leases Receivable .....                               | \$ 1,907              | \$ —                | \$ —                  |
| Right-to-Use Capital Assets (Net) .....               | —                     | 775                 | —                     |
| Depreciable Capital Assets (Net) .....                | 59,748                | 90                  | —                     |
| Nondepreciable Capital Assets .....                   | —                     | —                   | —                     |
| Prepaid Expenses .....                                | —                     | —                   | —                     |
| Total Noncurrent Assets .....                         | \$ 61,655             | \$ 865              | \$ —                  |
| Total Assets .....                                    | \$ 71,867             | \$ 10,306           | \$ 482,779            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                       |                     |                       |
| Deferred Pension Outflows .....                       | \$ 124                | \$ 1,428            | \$ 970                |
| Deferred Other Postemployment Benefits Outflows ..... | 10                    | 90                  | 70                    |
| Total Deferred Outflows of Resources .....            | \$ 134                | \$ 1,518            | \$ 1,040              |
| <b>LIABILITIES</b>                                    |                       |                     |                       |
| Current Liabilities:                                  |                       |                     |                       |
| Accounts Payable .....                                | \$ 2,462              | \$ 3,187            | \$ 26,753             |
| Interfund Payables .....                              | —                     | —                   | —                     |
| Unearned Revenue .....                                | —                     | —                   | 5,441                 |
| Accrued Interest Payable .....                        | 150                   | —                   | —                     |
| Bonds and Notes Payable .....                         | 14,865                | —                   | —                     |
| Lease/Subscription Payable .....                      | —                     | 126                 | —                     |
| Claims Payable .....                                  | —                     | —                   | 109,827               |
| Compensated Absences Payable .....                    | 67                    | 880                 | 654                   |
| Other Postemployment Benefits .....                   | 3                     | 24                  | 17                    |
| Total Current Liabilities .....                       | \$ 17,547             | \$ 4,217            | \$ 142,692            |
| Noncurrent Liabilities:                               |                       |                     |                       |
| Bonds and Notes Payable .....                         | \$ 31,185             | \$ —                | \$ —                  |
| Lease/Subscription Payable .....                      | —                     | 663                 | —                     |
| Compensated Absences Payable .....                    | 82                    | 869                 | 580                   |
| Net Pension Liability .....                           | 4                     | 52                  | 35                    |
| Other Postemployment Benefits .....                   | 56                    | 392                 | 283                   |
| Total Noncurrent Liabilities .....                    | \$ 31,327             | \$ 1,976            | \$ 898                |
| Total Liabilities .....                               | \$ 48,874             | \$ 6,193            | \$ 143,590            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                       |                     |                       |
| Deferred Leases .....                                 | \$ 3,273              | \$ —                | \$ —                  |
| Deferred Pension Inflows .....                        | 164                   | 1,903               | 1,296                 |
| Deferred Other Postemployment Benefits Inflows .....  | 5                     | 43                  | 35                    |
| Total Deferred Inflows of Resources .....             | \$ 3,442              | \$ 1,946            | \$ 1,331              |
| <b>NET POSITION</b>                                   |                       |                     |                       |
| Net Investment in Capital Assets .....                | \$ 13,698             | \$ 76               | \$ —                  |
| Unrestricted .....                                    | \$ 5,987              | \$ 3,609            | \$ 338,898            |
| Total Net Position .....                              | \$ 19,685             | \$ 3,685            | \$ 338,898            |

| MN.IT<br>SERVICES | PLANT<br>MANAGEMENT | RISK<br>MANAGEMENT | TOTAL      |
|-------------------|---------------------|--------------------|------------|
| \$ 83,009         | \$ 15,228           | \$ 37,927          | \$ 557,265 |
| 44,593            | 3,522               | 7,056              | 135,000    |
| —                 | 13                  | —                  | 13         |
| —                 | 398                 | —                  | 409        |
| —                 | —                   | —                  | 1,366      |
| 2,246             | —                   | 521                | 2,892      |
| \$ 129,848        | \$ 19,161           | \$ 45,504          | \$ 696,945 |
| \$ —              | \$ —                | \$ —               | \$ 1,907   |
| 27,682            | —                   | —                  | 28,457     |
| 42,475            | 5,683               | —                  | 107,996    |
| —                 | 261                 | —                  | 261        |
| 280               | —                   | —                  | 280        |
| \$ 70,437         | \$ 5,944            | \$ —               | \$ 138,901 |
| \$ 200,285        | \$ 25,105           | \$ 45,504          | \$ 835,846 |
| \$ 20,740         | \$ 2,974            | \$ 174             | \$ 26,410  |
| 1,248             | 305                 | 13                 | 1,736      |
| \$ 21,988         | \$ 3,279            | \$ 187             | \$ 28,146  |
| \$ 20,413         | \$ 5,996            | \$ 549             | \$ 59,360  |
| 60,000            | —                   | —                  | 60,000     |
| 892               | 3                   | 479                | 6,815      |
| —                 | 4                   | —                  | 154        |
| 13,293            | 117                 | —                  | 28,275     |
| 11,538            | —                   | —                  | 11,664     |
| —                 | —                   | 15,585             | 125,412    |
| 12,990            | 1,529               | 120                | 16,240     |
| 391               | 96                  | 4                  | 535        |
| \$ 119,517        | \$ 7,745            | \$ 16,737          | \$ 308,455 |
| \$ 27,596         | \$ 2,390            | \$ —               | \$ 61,171  |
| 15,922            | —                   | —                  | 16,585     |
| 13,510            | 1,319               | 158                | 16,518     |
| 748               | 107                 | 6                  | 952        |
| 6,463             | 1,580               | 69                 | 8,843      |
| \$ 64,239         | \$ 5,396            | \$ 233             | \$ 104,069 |
| \$ 183,756        | \$ 13,141           | \$ 16,970          | \$ 412,524 |
| \$ —              | \$ —                | \$ —               | \$ 3,273   |
| 27,679            | 3,971               | 233                | 35,246     |
| 613               | 150                 | 7                  | 853        |
| \$ 28,292         | \$ 4,121            | \$ 240             | \$ 39,372  |
| \$ 1,808          | \$ 3,437            | \$ —               | \$ 19,019  |
| \$ 8,417          | \$ 7,685            | \$ 28,481          | \$ 393,077 |
| \$ 10,225         | \$ 11,122           | \$ 28,481          | \$ 412,096 |

# STATE OF MINNESOTA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES

### AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                          | CENTRAL<br>MOTOR POOL | CENTRAL<br>SERVICES | EMPLOYEE<br>INSURANCE |
|------------------------------------------------------------------------------------------|-----------------------|---------------------|-----------------------|
| Operating Revenues:                                                                      |                       |                     |                       |
| Net Sales .....                                                                          | \$ 17,325             | \$ 35,393           | \$ —                  |
| Insurance Premiums .....                                                                 | —                     | —                   | 1,299,642             |
| Other Income .....                                                                       | 304                   | 3,463               | 11,257                |
| Total Operating Revenues .....                                                           | \$ 17,629             | \$ 38,856           | \$ 1,310,899          |
| Operating Expenses:                                                                      |                       |                     |                       |
| Purchased Services .....                                                                 | \$ 1,953              | \$ 27,272           | \$ 97,552             |
| Salaries and Fringe Benefits .....                                                       | 771                   | 8,847               | 6,553                 |
| Claims .....                                                                             | —                     | —                   | 1,312,071             |
| Depreciation and Amortization .....                                                      | 10,349                | 158                 | —                     |
| Supplies and Materials .....                                                             | 3,604                 | 350                 | 60                    |
| Repairs and Maintenance .....                                                            | 1,600                 | 135                 | 2                     |
| Indirect Costs .....                                                                     | 161                   | 446                 | 379                   |
| Other Expenses .....                                                                     | 441                   | —                   | 2,226                 |
| Total Operating Expenses .....                                                           | \$ 18,879             | \$ 37,208           | \$ 1,418,843          |
| Operating Income (Loss) .....                                                            | \$ (1,250)            | \$ 1,648            | \$ (107,944)          |
| Nonoperating Revenues (Expenses):                                                        |                       |                     |                       |
| Investment/Interest Earnings .....                                                       | \$ 2,084              | \$ —                | \$ 20,456             |
| Interest and Financing Costs .....                                                       | (1,827)               | (27)                | —                     |
| Other Nonoperating Expenses .....                                                        | —                     | —                   | —                     |
| Gain (Loss) on Disposal of Capital Assets including<br>Right-to-Use Capital Assets ..... | 2,825                 | —                   | —                     |
| Total Nonoperating Revenues (Expenses) .....                                             | \$ 3,082              | \$ (27)             | \$ 20,456             |
| Income (Loss) Before Transfers and Contributions .....                                   | \$ 1,832              | \$ 1,621            | \$ (87,488)           |
| Transfers-In .....                                                                       | —                     | —                   | —                     |
| Transfers-Out .....                                                                      | —                     | —                   | —                     |
| Change in Net Position .....                                                             | \$ 1,832              | \$ 1,621            | \$ (87,488)           |
| Net Position, Beginning, as Reported .....                                               | \$ 17,919             | \$ 2,752            | \$ 426,839            |
| Change in Accounting Principle .....                                                     | (66)                  | (688)               | (453)                 |
| Net Position, Beginning, as Restated .....                                               | \$ 17,853             | \$ 2,064            | \$ 426,386            |
| Net Position, Ending .....                                                               | \$ 19,685             | \$ 3,685            | \$ 338,898            |

| MN.IT<br>SERVICES | PLANT<br>MANAGEMENT | RISK<br>MANAGEMENT | TOTAL        |
|-------------------|---------------------|--------------------|--------------|
| \$ 259,761        | \$ 75,754           | \$ —               | \$ 388,233   |
| —                 | —                   | 22,153             | 1,321,795    |
| —                 | 2,053               | —                  | 17,077       |
| \$ 259,761        | \$ 77,807           | \$ 22,153          | \$ 1,727,105 |
| \$ 92,133         | \$ 17,789           | \$ 13,017          | \$ 249,716   |
| 124,863           | 18,587              | 1,220              | 160,841      |
| —                 | —                   | 6,437              | 1,318,508    |
| 29,470            | 550                 | —                  | 40,527       |
| 2,764             | 5,501               | 3                  | 12,282       |
| 6,966             | 6,239               | —                  | 14,942       |
| 1,071             | 2,676               | 316                | 5,049        |
| 67                | 125                 | 9                  | 2,868        |
| \$ 257,334        | \$ 51,467           | \$ 21,002          | \$ 1,804,733 |
| \$ 2,427          | \$ 26,340           | \$ 1,151           | \$ (77,628)  |
| \$ 1,418          | \$ —                | \$ 1,715           | \$ 25,673    |
| (2,833)           | (91)                | —                  | (4,778)      |
| —                 | —                   | (373)              | (373)        |
| (10)              | (313)               | —                  | 2,502        |
| \$ (1,425)        | \$ (404)            | \$ 1,342           | \$ 23,024    |
| \$ 1,002          | \$ 25,936           | \$ 2,493           | \$ (54,604)  |
| —                 | 640                 | —                  | 640          |
| (131)             | (22,842)            | —                  | (22,973)     |
| \$ 871            | \$ 3,734            | \$ 2,493           | \$ (76,937)  |
| \$ 18,723         | \$ 8,652            | \$ 26,070          | \$ 500,955   |
| (9,369)           | (1,264)             | (82)               | (11,922)     |
| \$ 9,354          | \$ 7,388            | \$ 25,988          | \$ 489,033   |
| \$ 10,225         | \$ 11,122           | \$ 28,481          | \$ 412,096   |

**STATE OF MINNESOTA**
**INTERNAL SERVICE FUNDS**
**COMBINING STATEMENT OF CASH FLOWS**
**YEAR ENDED JUNE 30, 2025**
**(IN THOUSANDS)**

|                                                                                               | CENTRAL<br>MOTOR POOL | CENTRAL<br>SERVICES | EMPLOYEE<br>INSURANCE |
|-----------------------------------------------------------------------------------------------|-----------------------|---------------------|-----------------------|
| <b>Cash Flows from Operating Activities:</b>                                                  |                       |                     |                       |
| Receipts from Customers .....                                                                 | \$ 16,419             | \$ 35,682           | \$ 1,283,231          |
| Receipts from Other Revenues .....                                                            | 304                   | 3,463               | 11,257                |
| Payments to Claimants .....                                                                   | —                     | —                   | (1,298,155)           |
| Payments to Suppliers .....                                                                   | (11,646)              | (27,415)            | (93,777)              |
| Payments to Employees .....                                                                   | (855)                 | (9,403)             | (6,972)               |
| Payments to Others .....                                                                      | —                     | —                   | —                     |
| Net Cash Flows from Operating Activities .....                                                | \$ 4,222              | \$ 2,327            | \$ (104,416)          |
| <b>Cash Flows from Noncapital Financing Activities:</b>                                       |                       |                     |                       |
| Transfers-In .....                                                                            | \$ —                  | \$ —                | \$ —                  |
| Transfers-Out .....                                                                           | —                     | —                   | —                     |
| Net Cash Flows from Noncapital Financing Activities .....                                     | \$ —                  | \$ —                | \$ —                  |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                              |                       |                     |                       |
| Investment in Capital Assets .....                                                            | \$ (25,586)           | \$ (38)             | \$ —                  |
| Proceeds from Disposal of Capital Assets .....                                                | 8,357                 | —                   | —                     |
| Proceeds from Loans .....                                                                     | 29,332                | —                   | —                     |
| Lease/Subscription Payments .....                                                             | —                     | (56)                | —                     |
| Repayment of Loan Principal .....                                                             | (14,769)              | —                   | —                     |
| Interest Paid .....                                                                           | (1,778)               | (27)                | —                     |
| Net Cash Flows from Capital and Related Financing Activities .....                            | \$ (4,444)            | \$ (121)            | \$ —                  |
| <b>Cash Flows from Investing Activities:</b>                                                  |                       |                     |                       |
| Investment/Interest Earnings .....                                                            | \$ 2,084              | \$ —                | \$ 20,456             |
| Net Cash Flows from Investing Activities .....                                                | \$ 2,084              | \$ —                | \$ 20,456             |
| Net Increase (Decrease) in Cash and Cash Equivalents .....                                    | \$ 1,862              | \$ 2,206            | \$ (83,960)           |
| Cash and Cash Equivalents, Beginning, as Reported .....                                       | \$ 4,696              | \$ 603              | \$ 495,694            |
| Cash and Cash Equivalents, Ending .....                                                       | \$ 6,558              | \$ 2,809            | \$ 411,734            |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:</b> |                       |                     |                       |
| Operating Income (Loss) .....                                                                 | \$ (1,250)            | \$ 1,648            | \$ (107,944)          |
| <b>Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:</b> |                       |                     |                       |
| Depreciation and Amortization .....                                                           | \$ 10,349             | \$ 158              | \$ —                  |
| Miscellaneous Nonoperating Expenses .....                                                     | —                     | —                   | —                     |
| <b>Change in Assets, Liabilities, Deferred Outflows and Inflows of Resources:</b>             |                       |                     |                       |
| Accounts Receivable .....                                                                     | (812)                 | 289                 | (16,808)              |
| Inventories .....                                                                             | —                     | 3                   | —                     |
| Other Assets .....                                                                            | —                     | 213                 | —                     |
| Deferred Outflows of Resources .....                                                          | 53                    | 363                 | 261                   |
| Accounts Payable .....                                                                        | (3,887)               | 572                 | 6,442                 |
| Claims Payable .....                                                                          | —                     | —                   | 13,916                |
| Compensated Absences Payable .....                                                            | (26)                  | 115                 | 38                    |
| Unearned Revenue .....                                                                        | (94)                  | —                   | 397                   |
| Net Pension Liability .....                                                                   | (144)                 | (1,449)             | (1,004)               |
| Other Postemployment Benefits .....                                                           | 10                    | (51)                | (20)                  |
| Deferred Inflows of Resources .....                                                           | 23                    | 466                 | 306                   |
| Net Reconciling Items to be Added to (Deducted from) Operating Income .....                   | \$ 5,472              | \$ 679              | \$ 3,528              |
| Net Cash Flows from Operating Activities .....                                                | \$ 4,222              | \$ 2,327            | \$ (104,416)          |
| <b>Noncash Investing, Capital and Financing Activities:</b>                                   |                       |                     |                       |
| Leases Receivable Additions .....                                                             | \$ 1,941              | \$ —                | \$ —                  |
| Right-to-Use Capital Assets Acquired through Lease/Subscription .....                         | —                     | —                   | —                     |
| Right-to-Use Capital Assets Remeasurement Additions .....                                     | —                     | 538                 | —                     |



| MN.IT<br>SERVICES | PLANT<br>MANAGEMENT | RISK<br>MANAGEMENT | TOTAL        |
|-------------------|---------------------|--------------------|--------------|
| \$ 252,016        | \$ 79,278           | \$ 19,342          | \$ 1,685,968 |
| —                 | 2,053               | —                  | 17,077       |
| —                 | —                   | (6,146)            | (1,304,301)  |
| (90,712)          | (36,458)            | (13,201)           | (273,209)    |
| (130,300)         | (19,683)            | (1,260)            | (168,473)    |
| —                 | —                   | (373)              | (373)        |
| \$ 31,004         | \$ 25,190           | \$ (1,638)         | \$ (43,311)  |
| \$ —              | \$ 640              | \$ —               | \$ 640       |
| (131)             | (22,842)            | —                  | (22,973)     |
| \$ (131)          | \$ (22,202)         | \$ —               | \$ (22,333)  |
| \$ (24,991)       | \$ (229)            | \$ —               | \$ (50,844)  |
| 4                 | 21                  | —                  | 8,382        |
| 21,923            | —                   | —                  | 51,255       |
| (12,892)          | —                   | —                  | (12,948)     |
| (11,001)          | (123)               | —                  | (25,893)     |
| (2,833)           | (91)                | —                  | (4,729)      |
| \$ (29,790)       | \$ (422)            | \$ —               | \$ (34,777)  |
| \$ 1,418          | \$ —                | \$ 1,715           | \$ 25,673    |
| \$ 1,418          | \$ —                | \$ 1,715           | \$ 25,673    |
| \$ 2,501          | \$ 2,566            | \$ 77              | \$ (74,748)  |
| \$ 80,508         | \$ 12,662           | \$ 37,850          | \$ 632,013   |
| \$ 83,009         | \$ 15,228           | \$ 37,927          | \$ 557,265   |
| \$ 2,427          | \$ 26,340           | \$ 1,151           | \$ (77,628)  |
| \$ 29,470         | \$ 550              | \$ —               | \$ 40,527    |
| —                 | —                   | (373)              | (373)        |
| (6,560)           | 3,521               | (2,821)            | (23,191)     |
| —                 | 42                  | —                  | 45           |
| 1,259             | —                   | (91)               | 1,381        |
| 4,500             | 769                 | 72                 | 6,018        |
| 11,030            | (4,170)             | 235                | 10,222       |
| —                 | —                   | 291                | 14,207       |
| 2,783             | 119                 | 49                 | 3,078        |
| (1,185)           | 3                   | 10                 | (869)        |
| (20,380)          | (3,044)             | (201)              | (26,222)     |
| 214               | 112                 | 4                  | 269          |
| 7,446             | 948                 | 36                 | 9,225        |
| \$ 28,577         | \$ (1,150)          | \$ (2,789)         | \$ 34,317    |
| \$ 31,004         | \$ 25,190           | \$ (1,638)         | \$ (43,311)  |
| \$ —              | \$ —                | \$ —               | \$ 1,941     |
| 774               | —                   | —                  | 774          |
| —                 | —                   | —                  | 538          |

2025  
Annual  
Comprehensive  
Financial Report

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# Pension Trust Funds

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## **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.

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## Pension Trust Funds – Continued

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### **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 defined benefit lump-sum volunteer firefighter retirement plan.

### **Volunteer Firefighter Retirement Defined Contribution Fund**

The fund contains the assets attributable to the voluntary statewide defined contribution 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, 2025**
**(IN THOUSANDS)**

|                                          | MINNESOTA STATE RETIREMENT SYSTEM |                                         |                      |                           |
|------------------------------------------|-----------------------------------|-----------------------------------------|----------------------|---------------------------|
|                                          | STATE<br>EMPLOYEES<br>RETIREMENT  | CORRECTIONAL<br>EMPLOYEES<br>RETIREMENT | JUDGES<br>RETIREMENT | LEGISLATORS<br>RETIREMENT |
| <b>ASSETS</b>                            |                                   |                                         |                      |                           |
| Cash and Cash Equivalent Investments     | \$ 21,225                         | \$ 4,127                                | \$ 839               | \$ 256                    |
| Investment Pools, at fair value:         |                                   |                                         |                      |                           |
| Cash Equivalent Investments              | \$ 732,691                        | \$ 76,034                               | \$ 12,359            | \$ —                      |
| Investments:                             |                                   |                                         |                      |                           |
| Equity                                   | \$ 14,363,065                     | \$ 1,466,702                            | \$ 234,463           | \$ —                      |
| Fixed Income                             | 4,478,444                         | 446,688                                 | 72,787               | —                         |
| Total Investments                        | \$ 18,841,509                     | \$ 1,913,390                            | \$ 307,250           | \$ —                      |
| Accrued Interest and Dividends           | 53,157                            | 5,294                                   | 865                  | —                         |
| Securities Trade Receivable<br>(Payable) | (139,903)                         | (13,150)                                | (2,250)              | —                         |
| Total Investment Pool Participation      | \$ 19,487,454                     | \$ 1,981,568                            | \$ 318,224           | \$ —                      |
| Receivables:                             |                                   |                                         |                      |                           |
| Interfund Receivables                    | \$ 14,320                         | \$ 9                                    | \$ —                 | \$ 2                      |
| Other Receivables                        | 21,758                            | 3,630                                   | 619                  | 7                         |
| Total Receivables                        | \$ 36,078                         | \$ 3,639                                | \$ 619               | \$ 9                      |
| Securities Lending Collateral            | \$ 723,567                        | \$ 73,145                               | \$ 11,789            | \$ —                      |
| Right-to-Use Capital Assets (Net)        | 123                               | —                                       | —                    | —                         |
| Depreciable Capital Assets (Net)         | 8,569                             | —                                       | —                    | —                         |
| Nondepreciable Capital Assets            | 8,354                             | —                                       | —                    | —                         |
| Total Assets                             | \$ 20,285,370                     | \$ 2,062,479                            | \$ 331,471           | \$ 265                    |
| <b>LIABILITIES</b>                       |                                   |                                         |                      |                           |
| Accounts Payable                         | \$ 18,559                         | \$ 1,735                                | \$ 278               | \$ 9                      |
| Interfund Payables                       | 3                                 | 1,120                                   | 75                   | 237                       |
| Lease/Subsription Payable                | 129                               | —                                       | —                    | —                         |
| Compensated Absences Payable             | 3,218                             | —                                       | —                    | —                         |
| Securities Lending Liabilities           | 723,567                           | 73,145                                  | 11,789               | —                         |
| Other Liabilities                        | 1,102                             | 665                                     | —                    | 19                        |
| Total Liabilities                        | \$ 746,578                        | \$ 76,665                               | \$ 12,142            | \$ 265                    |
| <b>NET POSITION</b>                      |                                   |                                         |                      |                           |
| Net Position Restricted for Pensions     | \$ 19,538,792                     | \$ 1,985,814                            | \$ 319,329           | \$ —                      |

| MINNESOTA STATE RETIREMENT SYSTEM |                                                  |                           |                                         |                                       |
|-----------------------------------|--------------------------------------------------|---------------------------|-----------------------------------------|---------------------------------------|
| STATE<br>PATROL<br>RETIREMENT     | HENNEPIN<br>COUNTY<br>SUPPLEMENTAL<br>RETIREMENT | HEALTH<br>CARE<br>SAVINGS | UNCLASSIFIED<br>EMPLOYEES<br>RETIREMENT | MINNESOTA<br>DEFERRED<br>COMPENSATION |
| \$ 2,361                          | \$ 53                                            | \$ 3,100                  | \$ 87                                   | \$ 9,187                              |
| \$ 44,376                         | \$ 14,593                                        | \$ 717,822                | \$ 12,864                               | \$ 231,997                            |
| \$ 851,055                        | \$ 167,963                                       | \$ 1,603,507              | \$ 425,546                              | \$ 10,543,333                         |
| 261,552                           | 891                                              | 15,934                    | 3,067                                   | 283,795                               |
| \$ 1,112,607                      | \$ 168,854                                       | \$ 1,619,441              | \$ 428,613                              | \$ 10,827,128                         |
| 3,103                             | 61                                               | 2,775                     | 72                                      | 3,149                                 |
| (7,882)                           | —                                                | 14                        | 2                                       | 240                                   |
| \$ 1,152,204                      | \$ 183,508                                       | \$ 2,340,052              | \$ 441,551                              | \$ 11,062,514                         |
| \$ —                              | \$ —                                             | \$ —                      | \$ —                                    | \$ —                                  |
| 2,217                             | 5                                                | 14,315                    | 1,447                                   | 8,571                                 |
| \$ 2,217                          | \$ 5                                             | \$ 14,315                 | \$ 1,447                                | \$ 8,571                              |
| \$ 42,608                         | \$ —                                             | \$ —                      | \$ —                                    | \$ —                                  |
| —                                 | —                                                | —                         | —                                       | —                                     |
| —                                 | —                                                | —                         | —                                       | —                                     |
| —                                 | —                                                | —                         | —                                       | —                                     |
| \$ 1,199,390                      | \$ 183,566                                       | \$ 2,357,467              | \$ 443,085                              | \$ 11,080,272                         |
| \$ 992                            | \$ 46                                            | \$ 351                    | \$ 31                                   | \$ 778                                |
| 234                               | 45                                               | 5,304                     | 1,908                                   | 5,612                                 |
| —                                 | —                                                | —                         | —                                       | —                                     |
| —                                 | —                                                | —                         | —                                       | —                                     |
| 42,608                            | —                                                | —                         | —                                       | —                                     |
| —                                 | —                                                | 339                       | —                                       | 1,168                                 |
| \$ 43,834                         | \$ 91                                            | \$ 5,994                  | \$ 1,939                                | \$ 7,558                              |
| \$ 1,155,556                      | \$ 183,475                                       | \$ 2,351,473              | \$ 441,146                              | \$ 11,072,714                         |

CONTINUED

**STATE OF MINNESOTA**
**PENSION TRUST FUNDS (CONTINUED)**
**COMBINING STATEMENT OF NET POSITION**
**JUNE 30, 2025**
**(IN THOUSANDS)**

|                                          | PUBLIC EMPLOYEES RETIREMENT        |                    |                                     |                                        |
|------------------------------------------|------------------------------------|--------------------|-------------------------------------|----------------------------------------|
|                                          | GENERAL<br>EMPLOYEES<br>RETIREMENT | POLICE<br>AND FIRE | PUBLIC<br>EMPLOYEES<br>CORRECTIONAL | VOLUNTEER<br>FIREFIGHTER<br>RETIREMENT |
| <b>ASSETS</b>                            |                                    |                    |                                     |                                        |
| Cash and Cash Equivalent Investments     | \$ 3,877                           | \$ 8,625           | \$ 537                              | \$ —                                   |
| Investment Pools, at fair value:         |                                    |                    |                                     |                                        |
| Cash Equivalent Investments              | \$ 1,252,713                       | \$ 500,292         | \$ 51,393                           | \$ 16,404                              |
| Investments:                             |                                    |                    |                                     |                                        |
| Equity                                   | \$ 24,041,809                      | \$ 9,636,288       | \$ 997,386                          | \$ 133,883                             |
| Fixed Income                             | 7,466,674                          | 2,989,354          | 301,673                             | 116,112                                |
| Total Investments                        | \$ 31,508,483                      | \$ 12,625,642      | \$ 1,299,059                        | \$ 249,995                             |
| Accrued Interest and Dividends           | 88,675                             | 35,492             | 3,572                               | 1,122                                  |
| Securities Trade Receivable<br>(Payable) | (231,007)                          | (92,231)           | (8,718)                             | (6,421)                                |
| Total Investment Pool Participation      | \$ 32,618,864                      | \$ 13,069,195      | \$ 1,345,306                        | \$ 261,100                             |
| Receivables:                             |                                    |                    |                                     |                                        |
| Interfund Receivables                    | \$ 6,019                           | \$ 79              | \$ 8                                | \$ —                                   |
| Other Receivables                        | 26,739                             | 18,478             | 1,232                               | 164                                    |
| Total Receivables                        | \$ 32,758                          | \$ 18,557          | \$ 1,240                            | \$ 164                                 |
| Securities Lending Collateral            | \$ 1,209,075                       | \$ 484,379         | \$ 49,594                           | \$ —                                   |
| Right-to-Use Capital Assets (Net)        | —                                  | —                  | —                                   | —                                      |
| Depreciable Capital Assets (Net)         | 4,604                              | —                  | —                                   | —                                      |
| Nondepreciable Capital Assets            | 170                                | —                  | —                                   | —                                      |
| Total Assets                             | \$ 33,869,348                      | \$ 13,580,756      | \$ 1,396,677                        | \$ 261,264                             |
| <b>LIABILITIES</b>                       |                                    |                    |                                     |                                        |
| Accounts Payable                         | \$ 18,911                          | \$ 14,175          | \$ 1,279                            | \$ 49                                  |
| Interfund Payables                       | 87                                 | 3,922              | 1,502                               | —                                      |
| Lease/Subscription Payable               | —                                  | —                  | —                                   | —                                      |
| Compensated Absences Payable             | 2,538                              | —                  | —                                   | —                                      |
| Securities Lending Liabilities           | 1,209,075                          | 484,379            | 49,594                              | —                                      |
| Other Liabilities                        | —                                  | —                  | —                                   | —                                      |
| Total Liabilities                        | \$ 1,230,611                       | \$ 502,476         | \$ 52,375                           | \$ 49                                  |
| <b>NET POSITION</b>                      |                                    |                    |                                     |                                        |
| Net Position Restricted for Pensions     | \$ 32,638,737                      | \$ 13,078,280      | \$ 1,344,302                        | \$ 261,215                             |

| PUBLIC EMPLOYEES RETIREMENT                                       |                         |                        |                                                     |                        |                |
|-------------------------------------------------------------------|-------------------------|------------------------|-----------------------------------------------------|------------------------|----------------|
| VOLUNTEER<br>FIREFIGHTER<br>RETIREMENT<br>DEFINED<br>CONTRIBUTION | DEFINED<br>CONTRIBUTION | TEACHERS<br>RETIREMENT | STATE<br>COLLEGES AND<br>UNIVERSITIES<br>RETIREMENT | SECURE CHOICE<br>TRUST | TOTAL          |
| \$ —                                                              | \$ 798                  | \$ 17,079              | \$ —                                                | \$ 5,053               | \$ 77,204      |
| \$ 574                                                            | \$ 5,393                | \$ 1,278,517           | \$ —                                                | \$ —                   | \$ 4,948,022   |
| \$ 4,684                                                          | \$ 80,698               | \$ 22,930,947          | \$ 3,294,982                                        | \$ —                   | \$ 90,776,311  |
| 4,061                                                             | 21,308                  | 7,179,385              | —                                                   | —                      | 23,641,725     |
| \$ 8,745                                                          | \$ 102,006              | \$ 30,110,332          | \$ 3,294,982                                        | \$ —                   | \$ 114,418,036 |
| 39                                                                | 240                     | 85,991                 | —                                                   | —                      | 283,607        |
| (225)                                                             | (1,193)                 | (226,273)              | —                                                   | —                      | (728,997)      |
| \$ 9,133                                                          | \$ 106,446              | \$ 31,248,567          | \$ 3,294,982                                        | \$ —                   | \$ 118,920,668 |
| \$ —                                                              | \$ —                    | \$ —                   | \$ —                                                | \$ —                   | \$ 20,437      |
| —                                                                 | 125                     | 23,024                 | —                                                   | —                      | 122,331        |
| \$ —                                                              | \$ 125                  | \$ 23,024              | \$ —                                                | \$ —                   | \$ 142,768     |
| \$ —                                                              | \$ —                    | \$ 1,157,238           | \$ —                                                | \$ —                   | \$ 3,751,395   |
| —                                                                 | —                       | 608                    | —                                                   | —                      | 731            |
| —                                                                 | —                       | 5,707                  | —                                                   | —                      | 18,880         |
| —                                                                 | —                       | 171                    | —                                                   | —                      | 8,695          |
| \$ 9,133                                                          | \$ 107,369              | \$ 32,452,394          | \$ 3,294,982                                        | \$ 5,053               | \$ 122,920,341 |
| \$ —                                                              | \$ 21                   | \$ 31,135              | \$ —                                                | \$ 26                  | \$ 88,375      |
| —                                                                 | 595                     | —                      | —                                                   | —                      | 20,644         |
| —                                                                 | —                       | 609                    | —                                                   | —                      | 738            |
| —                                                                 | —                       | 2,037                  | —                                                   | —                      | 7,793          |
| —                                                                 | —                       | 1,157,238              | —                                                   | —                      | 3,751,395      |
| —                                                                 | —                       | —                      | —                                                   | —                      | 3,293          |
| \$ —                                                              | \$ 616                  | \$ 1,191,019           | \$ —                                                | \$ 26                  | \$ 3,872,238   |
| \$ 9,133                                                          | \$ 106,753              | \$ 31,261,375          | \$ 3,294,982                                        | \$ 5,027               | \$ 119,048,103 |

**STATE OF MINNESOTA**
**PENSION TRUST FUNDS**
**COMBINING STATEMENT OF CHANGES**
**IN NET POSITION**
**YEAR ENDED JUNE 30, 2025**
**(IN THOUSANDS)**

|                                                                       | MINNESOTA STATE RETIREMENT SYSTEM |                                         |                      |                           |
|-----------------------------------------------------------------------|-----------------------------------|-----------------------------------------|----------------------|---------------------------|
|                                                                       | STATE<br>EMPLOYEES<br>RETIREMENT  | CORRECTIONAL<br>EMPLOYEES<br>RETIREMENT | JUDGES<br>RETIREMENT | LEGISLATORS<br>RETIREMENT |
| Additions:                                                            |                                   |                                         |                      |                           |
| Contributions:                                                        |                                   |                                         |                      |                           |
| Employer .....                                                        | \$ 283,169                        | \$ 69,796                               | \$ 13,857            | \$ —                      |
| Member .....                                                          | 250,605                           | 35,646                                  | 4,578                | 36                        |
| Contributions From Other Sources ..                                   | —                                 | —                                       | —                    | —                         |
| Total Contributions .....                                             | \$ 533,774                        | \$ 105,442                              | \$ 18,435            | \$ 36                     |
| Net Investment Income (Loss):                                         |                                   |                                         |                      |                           |
| Investment Income (Loss) .....                                        | \$ 2,010,946                      | \$ 201,984                              | \$ 32,964            | \$ —                      |
| Less: Investment Expenses .....                                       | (71,170)                          | (7,165)                                 | (1,168)              | —                         |
| Net Investment Income (Loss) .....                                    | \$ 1,939,776                      | \$ 194,819                              | \$ 31,796            | \$ —                      |
| Securities Lending Revenues<br>(Expenses):                            |                                   |                                         |                      |                           |
| Securities Lending Income .....                                       | \$ 41,225                         | \$ 4,165                                | \$ 672               | \$ —                      |
| Securities Lending Rebates and<br>Fees .....                          | (37,890)                          | (3,830)                                 | (617)                | —                         |
| Net Securities Lending Revenue .....                                  | \$ 3,335                          | \$ 335                                  | \$ 55                | \$ —                      |
| Total Investment Income (Loss) ..                                     | \$ 1,943,111                      | \$ 195,154                              | \$ 31,851            | \$ —                      |
| Other Additions .....                                                 | \$ 114                            | \$ 16                                   | \$ —                 | \$ —                      |
| Transfers-In .....                                                    | 23,740                            | —                                       | 6,000                | 8,364                     |
| Total Additions .....                                                 | \$ 2,500,739                      | \$ 300,612                              | \$ 56,286            | \$ 8,400                  |
| Deductions:                                                           |                                   |                                         |                      |                           |
| Benefits .....                                                        | \$ 1,068,310                      | \$ 103,706                              | \$ 31,575            | \$ 8,364                  |
| Refunds and Withdrawals .....                                         | 16,881                            | 2,529                                   | —                    | —                         |
| Administrative Expenses .....                                         | 12,708                            | 1,164                                   | 85                   | 36                        |
| Transfers-Out .....                                                   | 1,270                             | —                                       | —                    | —                         |
| Total Deductions .....                                                | \$ 1,099,169                      | \$ 107,399                              | \$ 31,660            | \$ 8,400                  |
| Net Increase (Decrease) .....                                         | \$ 1,401,570                      | \$ 193,213                              | \$ 24,626            | \$ —                      |
| Net Position Restricted for Pensions,<br>Beginning, as Reported ..... | \$ 18,138,358                     | \$ 1,792,601                            | \$ 294,703           | \$ —                      |
| Change in Accounting Principle .....                                  | (1,136)                           | —                                       | —                    | —                         |
| Change in Reporting Entity .....                                      | —                                 | —                                       | —                    | —                         |
| Net Position Restricted for Pensions,<br>Beginning, as Restated ..... | \$ 18,137,222                     | \$ 1,792,601                            | \$ 294,703           | \$ —                      |
| Net Position Restricted for Pensions,<br>Ending .....                 | \$ 19,538,792                     | \$ 1,985,814                            | \$ 319,329           | \$ —                      |



| MINNESOTA STATE RETIREMENT SYSTEM |                                                  |                           |                                         |                                       |
|-----------------------------------|--------------------------------------------------|---------------------------|-----------------------------------------|---------------------------------------|
| STATE<br>PATROL<br>RETIREMENT     | HENNEPIN<br>COUNTY<br>SUPPLEMENTAL<br>RETIREMENT | HEALTH<br>CARE<br>SAVINGS | UNCLASSIFIED<br>EMPLOYEES<br>RETIREMENT | MINNESOTA<br>DEFERRED<br>COMPENSATION |
| \$ 38,365                         | \$ 26                                            | \$ —                      | \$ 10,884                               | \$ 9,522                              |
| 19,595                            | 26                                               | 195,470                   | 10,473                                  | 422,186                               |
| —                                 | —                                                | —                         | —                                       | —                                     |
| \$ 57,960                         | \$ 52                                            | \$ 195,470                | \$ 21,357                               | \$ 431,708                            |
| \$ 117,860                        | \$ 21,462                                        | \$ 208,054                | \$ 51,347                               | \$ 1,174,603                          |
| (4,181)                           | (46)                                             | (586)                     | (110)                                   | (2,767)                               |
| \$ 113,679                        | \$ 21,416                                        | \$ 207,468                | \$ 51,237                               | \$ 1,171,836                          |
| \$ 2,427                          | \$ —                                             | \$ —                      | \$ —                                    | \$ —                                  |
| (2,231)                           | —                                                | —                         | —                                       | —                                     |
| \$ 196                            | \$ —                                             | \$ —                      | \$ —                                    | \$ —                                  |
| \$ 113,875                        | \$ 21,416                                        | \$ 207,468                | \$ 51,237                               | \$ 1,171,836                          |
| \$ 1,000                          | \$ 105                                           | \$ 8,707                  | \$ 219                                  | \$ 5,262                              |
| —                                 | —                                                | —                         | 1,270                                   | —                                     |
| \$ 172,835                        | \$ 21,573                                        | \$ 411,645                | \$ 74,083                               | \$ 1,608,806                          |
| \$ 69,687                         | \$ 5,937                                         | \$ 121,716                | \$ —                                    | \$ 98,359                             |
| 308                               | 10,980                                           | —                         | 9,519                                   | 577,461                               |
| 250                               | 236                                              | 16,971                    | 784                                     | 13,516                                |
| —                                 | —                                                | —                         | 23,740                                  | —                                     |
| \$ 70,245                         | \$ 17,153                                        | \$ 138,687                | \$ 34,043                               | \$ 689,336                            |
| \$ 102,590                        | \$ 4,420                                         | \$ 272,958                | \$ 40,040                               | \$ 919,470                            |
| \$ 1,052,966                      | \$ 179,055                                       | \$ 2,078,515              | \$ 401,106                              | \$ 10,153,244                         |
| —                                 | —                                                | —                         | —                                       | —                                     |
| —                                 | —                                                | —                         | —                                       | —                                     |
| \$ 1,052,966                      | \$ 179,055                                       | \$ 2,078,515              | \$ 401,106                              | \$ 10,153,244                         |
| \$ 1,155,556                      | \$ 183,475                                       | \$ 2,351,473              | \$ 441,146                              | \$ 11,072,714                         |

CONTINUED

**STATE OF MINNESOTA**
**PENSION TRUST FUNDS (CONTINUED)**
**COMBINING STATEMENT OF CHANGES**
**IN NET POSITION**
**YEAR ENDED JUNE 30, 2025**
**(IN THOUSANDS)**

|                                                                       | PUBLIC EMPLOYEES RETIREMENT        |                    |                                     |                                        |
|-----------------------------------------------------------------------|------------------------------------|--------------------|-------------------------------------|----------------------------------------|
|                                                                       | GENERAL<br>EMPLOYEES<br>RETIREMENT | POLICE<br>AND FIRE | PUBLIC<br>EMPLOYEES<br>CORRECTIONAL | VOLUNTEER<br>FIREFIGHTER<br>RETIREMENT |
| Additions:                                                            |                                    |                    |                                     |                                        |
| Contributions:                                                        |                                    |                    |                                     |                                        |
| Employer .....                                                        | \$ 664,119                         | \$ 259,631         | \$ 23,914                           | \$ 3,479                               |
| Member .....                                                          | 558,735                            | 168,837            | 15,932                              | —                                      |
| Contributions From Other Sources ..                                   | —                                  | —                  | —                                   | —                                      |
| Total Contributions .....                                             | \$ 1,222,854                       | \$ 428,468         | \$ 39,846                           | \$ 3,479                               |
| Net Investment Income (Loss):                                         |                                    |                    |                                     |                                        |
| Investment Income (Loss) .....                                        | \$ 3,374,739                       | \$ 1,345,397       | \$ 137,262                          | \$ 27,172                              |
| Less: Investment Expenses .....                                       | (118,651)                          | (47,547)           | (4,861)                             | (582)                                  |
| Net Investment Income (Loss) .....                                    | \$ 3,256,088                       | \$ 1,297,850       | \$ 132,401                          | \$ 26,590                              |
| Securities Lending Revenues<br>(Expenses):                            |                                    |                    |                                     |                                        |
| Securities Lending Income .....                                       | \$ 68,880                          | \$ 27,594          | \$ 2,824                            | \$ —                                   |
| Securities Lending Rebates and<br>Fees .....                          | (63,315)                           | (25,365)           | (2,597)                             | —                                      |
| Net Securities Lending Revenue .....                                  | \$ 5,565                           | \$ 2,229           | \$ 227                              | \$ —                                   |
| Total Investment Income (Loss) .....                                  | \$ 3,261,653                       | \$ 1,300,079       | \$ 132,628                          | \$ 26,590                              |
| Other Additions .....                                                 | \$ 499                             | \$ 664             | \$ 25                               | \$ 32,872                              |
| Transfers-In .....                                                    | 16,000                             | 18,000             | —                                   | 9,160                                  |
| Total Additions .....                                                 | \$ 4,501,006                       | \$ 1,747,211       | \$ 172,499                          | \$ 72,101                              |
| Deductions:                                                           |                                    |                    |                                     |                                        |
| Benefits .....                                                        | \$ 1,933,807                       | \$ 727,044         | \$ 33,644                           | \$ 10,188                              |
| Refunds and Withdrawals .....                                         | 72,963                             | 5,473              | 2,422                               | 172                                    |
| Administrative Expenses .....                                         | 17,503                             | 1,646              | 544                                 | 78                                     |
| Transfers-Out .....                                                   | —                                  | —                  | —                                   | —                                      |
| Total Deductions .....                                                | \$ 2,024,273                       | \$ 734,163         | \$ 36,610                           | \$ 10,438                              |
| Net Increase (Decrease) .....                                         | \$ 2,476,733                       | \$ 1,013,048       | \$ 135,889                          | \$ 61,663                              |
| Net Position Restricted for Pensions,<br>Beginning, as Reported ..... | \$ 30,162,004                      | \$ 12,065,232      | \$ 1,208,413                        | \$ 184,015                             |
| Change in Accounting Principle .....                                  | —                                  | —                  | —                                   | —                                      |
| Change in Reporting Entity .....                                      | —                                  | —                  | —                                   | 15,537                                 |
| Net Position Restricted for Pensions,<br>Beginning, as Restated ..... | \$ 30,162,004                      | \$ 12,065,232      | \$ 1,208,413                        | \$ 199,552                             |
| Net Position Restricted for Pensions,<br>Ending .....                 | \$ 32,638,737                      | \$ 13,078,280      | \$ 1,344,302                        | \$ 261,215                             |

| PUBLIC EMPLOYEES RETIREMENT                                       |                         |                        |                                                     |                        |                |  |
|-------------------------------------------------------------------|-------------------------|------------------------|-----------------------------------------------------|------------------------|----------------|--|
| VOLUNTEER<br>FIREFIGHTER<br>RETIREMENT<br>DEFINED<br>CONTRIBUTION | DEFINED<br>CONTRIBUTION | TEACHERS<br>RETIREMENT | STATE<br>COLLEGES AND<br>UNIVERSITIES<br>RETIREMENT | SECURE CHOICE<br>TRUST | TOTAL          |  |
| \$ 213                                                            | \$ 2,577                | \$ 574,381             | \$ 63,332                                           | \$ —                   | \$ 2,017,265   |  |
| —                                                                 | 2,483                   | 503,821                | 57,617                                              | —                      | 2,246,040      |  |
| —                                                                 | —                       | 4,500                  | 5,961                                               | —                      | 10,461         |  |
| \$ 213                                                            | \$ 5,060                | \$ 1,082,702           | \$ 126,910                                          | \$ —                   | \$ 4,273,766   |  |
| \$ 762                                                            | \$ 12,601               | \$ 3,219,795           | \$ 346,815                                          | \$ 210                 | \$ 12,283,973  |  |
| —                                                                 | (89)                    | (113,877)              | —                                                   | —                      | (372,800)      |  |
| \$ 762                                                            | \$ 12,512               | \$ 3,105,918           | \$ 346,815                                          | \$ 210                 | \$ 11,911,173  |  |
| \$ —                                                              | \$ —                    | \$ 65,939              | \$ —                                                | \$ —                   | \$ 213,726     |  |
| —                                                                 | —                       | (60,599)               | —                                                   | —                      | (196,444)      |  |
| \$ —                                                              | \$ —                    | \$ 5,340               | \$ —                                                | \$ —                   | \$ 17,282      |  |
| \$ 762                                                            | \$ 12,512               | \$ 3,111,258           | \$ 346,815                                          | \$ 210                 | \$ 11,928,455  |  |
| \$ 5,778                                                          | \$ —                    | \$ 912                 | \$ —                                                | \$ —                   | \$ 56,173      |  |
| 16                                                                | —                       | 59,549                 | —                                                   | —                      | 142,099        |  |
| \$ 6,769                                                          | \$ 17,572               | \$ 4,254,421           | \$ 473,725                                          | \$ 210                 | \$ 16,400,493  |  |
| \$ —                                                              | \$ —                    | \$ 2,043,748           | \$ 176,678                                          | \$ —                   | \$ 6,432,763   |  |
| 55                                                                | 12,598                  | 22,045                 | —                                                   | —                      | 733,406        |  |
| 15                                                                | 322                     | 19,732                 | 1,115                                               | 183                    | 86,888         |  |
| —                                                                 | —                       | —                      | —                                                   | —                      | 25,010         |  |
| \$ 70                                                             | \$ 12,920               | \$ 2,085,525           | \$ 177,793                                          | \$ 183                 | \$ 7,278,067   |  |
| \$ 6,699                                                          | \$ 4,652                | \$ 2,168,896           | \$ 295,932                                          | \$ 27                  | \$ 9,122,426   |  |
| \$ —                                                              | \$ 102,101              | \$ 29,092,479          | \$ 2,999,050                                        | \$ 5,000               | \$ 109,908,842 |  |
| —                                                                 | —                       | —                      | —                                                   | —                      | (1,136)        |  |
| 2,434                                                             | —                       | —                      | —                                                   | —                      | 17,971         |  |
| \$ 2,434                                                          | \$ 102,101              | \$ 29,092,479          | \$ 2,999,050                                        | \$ 5,000               | \$ 109,925,677 |  |
| \$ 9,133                                                          | \$ 106,753              | \$ 31,261,375          | \$ 3,294,982                                        | \$ 5,027               | \$ 119,048,103 |  |





State of Minnesota

# 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.

2025  
Annual  
Comprehensive  
Financial Report

**STATE OF MINNESOTA****INVESTMENT TRUST FUNDS****COMBINING STATEMENT OF PLAN NET POSITION****JUNE 30, 2025****(IN THOUSANDS)**

|                                                      | SUPPLEMENTAL<br>RETIREMENT | INVESTMENT<br>TRUST | TOTAL        |
|------------------------------------------------------|----------------------------|---------------------|--------------|
| ASSETS                                               |                            |                     |              |
| Investment Pools, at fair value:                     |                            |                     |              |
| Cash Equivalent Investments .....                    | \$ 21,404                  | \$ 29,451           | \$ 50,855    |
| Investments:                                         |                            |                     |              |
| Equity .....                                         | \$ 589,832                 | \$ 501,313          | \$ 1,091,145 |
| Fixed Income .....                                   | 143,787                    | 234,974             | 378,761      |
| Total Investments .....                              | \$ 733,619                 | \$ 736,287          | \$ 1,469,906 |
| Accrued Interest and Dividends .....                 | 1,784                      | 1,366               | 3,150        |
| Securities Trade Receivable (Payable) .....          | (7,250)                    | (82)                | (7,332)      |
| Total Assets .....                                   | \$ 749,557                 | \$ 767,022          | \$ 1,516,579 |
| NET POSITION                                         |                            |                     |              |
| Net Position Restricted for Pooled Investments ..... | \$ 749,557                 | \$ 767,022          | \$ 1,516,579 |

# STATE OF MINNESOTA

## INVESTMENT TRUST FUNDS

### COMBINING STATEMENT OF CHANGES

#### IN PLAN NET POSITION

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                 | SUPPLEMENTAL<br>RETIREMENT | INVESTMENT<br>TRUST | TOTAL        |
|---------------------------------------------------------------------------------|----------------------------|---------------------|--------------|
| Additions:                                                                      |                            |                     |              |
| Contributions:                                                                  |                            |                     |              |
| Participating Plans .....                                                       | \$ 7,773                   | \$ 1,588            | \$ 9,361     |
| Total Contributions .....                                                       | \$ 7,773                   | \$ 1,588            | \$ 9,361     |
| Net Investment Income (Loss):                                                   |                            |                     |              |
| Investment Income (Loss) .....                                                  | \$ 102,430                 | \$ 83,490           | \$ 185,920   |
| Less: Investment Expenses .....                                                 | (618)                      | (118)               | (736)        |
| Net Investment Income (Loss) .....                                              | \$ 101,812                 | \$ 83,372           | \$ 185,184   |
| Total Additions .....                                                           | \$ 109,585                 | \$ 84,960           | \$ 194,545   |
| Deductions:                                                                     |                            |                     |              |
| Refunds and Withdrawals .....                                                   | \$ 140,303                 | \$ 24,251           | \$ 164,554   |
| Administrative Expenses .....                                                   | 90                         | 123                 | 213          |
| Total Deductions .....                                                          | \$ 140,393                 | \$ 24,374           | \$ 164,767   |
| Net Increase (Decrease) .....                                                   | \$ (30,808)                | \$ 60,586           | \$ 29,778    |
| Net Position Restricted for Pooled Investments,<br>Beginning, as Reported ..... | \$ 798,336                 | \$ 706,436          | \$ 1,504,772 |
| Change in Reporting Entity .....                                                | (17,971)                   | —                   | (17,971)     |
| Net Position Restricted for Pooled Investments,<br>Beginning, as Restated ..... | \$ 780,365                 | \$ 706,436          | \$ 1,486,801 |
| Net Position Restricted for Pooled Investments,<br>Ending .....                 | \$ 749,557                 | \$ 767,022          | \$ 1,516,579 |





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# Custodial Fund

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**Custodial Fund**

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

2025  
Annual  
Comprehensive  
Financial Report

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**STATE OF MINNESOTA****CUSTODIAL FUND****STATEMENT OF FIDUCIARY NET POSITION****JUNE 30, 2025****(IN THOUSANDS)**

|                                                                                        | CUSTODIAL  |
|----------------------------------------------------------------------------------------|------------|
| ASSETS                                                                                 |            |
| Cash and Cash Equivalent Investments .....                                             | \$ 318,955 |
| Receivables:                                                                           |            |
| Accounts Receivable .....                                                              | \$ 4,755   |
| Taxes Receivable .....                                                                 | 89,154     |
| Total Receivables .....                                                                | \$ 93,909  |
| Total Assets .....                                                                     | \$ 412,864 |
| LIABILITIES                                                                            |            |
| Accounts Payable .....                                                                 | \$ 358,737 |
| Total Liabilities .....                                                                | \$ 358,737 |
| NET POSITION                                                                           |            |
| Net Position Restricted for Individuals,<br>Organizations, and Other Governments ..... | \$ 54,127  |

**STATE OF MINNESOTA****CUSTODIAL FUND****STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****YEAR ENDED JUNE 30, 2025****(IN THOUSANDS)**

|                                                                                                                | <u>CUSTODIAL</u>        |
|----------------------------------------------------------------------------------------------------------------|-------------------------|
| Additions:                                                                                                     |                         |
| Tax Collections for Other Governments .....                                                                    | \$ 1,023,284            |
| Beneficiary Deposits - Child Support .....                                                                     | 501,850                 |
| Beneficiary Deposits - Corrections .....                                                                       | 26,377                  |
| Beneficiary Deposits - Regional Treatment Centers .....                                                        | 6,372                   |
| Beneficiary Deposits - Veterans Homes .....                                                                    | 1,863                   |
| Employee Insurance Trust .....                                                                                 | 46,869                  |
| Courts Interest Held for Other Governments and Individuals ..                                                  | 32,377                  |
| Legal Settlements for External Parties .....                                                                   | 8,100                   |
| Miscellaneous .....                                                                                            | 5,469                   |
| Total Additions .....                                                                                          | <u>\$ 1,652,561</u>     |
| Deductions:                                                                                                    |                         |
| Administrative Expenses .....                                                                                  | \$ 1,396                |
| Tax Payments to Other Governments .....                                                                        | 1,023,174               |
| Beneficiary Payments - Child Support .....                                                                     | 501,850                 |
| Beneficiary Payments - Corrections .....                                                                       | 26,870                  |
| Beneficiary Payments - Regional Treatment Centers .....                                                        | 5,945                   |
| Beneficiary Payments - Veterans Homes .....                                                                    | 1,999                   |
| Employee Insurance Trust .....                                                                                 | 44,612                  |
| Court Payments to Other Governments and Individuals .....                                                      | 31,237                  |
| Legal Settlements Paid to External Parties .....                                                               | 8,001                   |
| Miscellaneous .....                                                                                            | 1,485                   |
| Total Deductions .....                                                                                         | <u>\$ 1,646,569</u>     |
| Net Increase (Decrease) .....                                                                                  | <u>\$ 5,992</u>         |
| Net Position Restricted for Individuals, Organizations, and<br>Other Governments, Beginning, as Reported ..... | <u>\$ 48,135</u>        |
| Net Position Restricted for Individuals, Organizations, and<br>Other Governments, Ending .....                 | <u><u>\$ 54,127</u></u> |



2025  
Annual  
Comprehensive  
Financial Report

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# Nonmajor Component Unit Funds

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**Agricultural and Economic Development Board**

The board administers programs for agricultural and economic development.

**Minnesota Climate Innovation Finance Authority**

The authority provides funding assistance for projects that stimulate the development of clean energy and greenhouse gas emissions reduction.

**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 operates a stadium 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 maintains and operates the National Sports Center facility primarily 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, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                                          | AGRICULTURAL<br>& ECONOMIC<br>DEVELOPMENT<br>BOARD | MINNESOTA<br>CLIMATE<br>INNOVATION<br>FINANCE<br>AUTHORITY | MINNESOTA<br>COMPREHENSIVE<br>HEALTH<br>ASSOCIATION | MINNESOTA<br>SPORTS<br>FACILITIES<br>AUTHORITY |
|----------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------|
| ASSETS                                                   |                                                    |                                                            |                                                     |                                                |
| Current Assets:                                          |                                                    |                                                            |                                                     |                                                |
| Cash and Cash Equivalents .....                          | \$ 1,303                                           | \$ 90,996                                                  | \$ 108                                              | \$ 30,112                                      |
| Investments .....                                        | —                                                  | —                                                          | —                                                   | —                                              |
| Accounts Receivable .....                                | —                                                  | —                                                          | —                                                   | 4,154                                          |
| Due from Primary Government .....                        | —                                                  | —                                                          | 261,605                                             | —                                              |
| Accrued Investment/Interest<br>Earnings .....            | 239                                                | —                                                          | —                                                   | —                                              |
| Federal Aid Receivable .....                             | —                                                  | —                                                          | —                                                   | —                                              |
| Inventories .....                                        | —                                                  | —                                                          | —                                                   | —                                              |
| Loans and Notes Receivable .....                         | —                                                  | —                                                          | —                                                   | —                                              |
| Leases Receivable .....                                  | —                                                  | —                                                          | —                                                   | 7,953                                          |
| Other Assets .....                                       | —                                                  | —                                                          | 21                                                  | 1,411                                          |
| Total Current Assets .....                               | \$ 1,542                                           | \$ 90,996                                                  | \$ 261,734                                          | \$ 43,630                                      |
| Noncurrent Assets:                                       |                                                    |                                                            |                                                     |                                                |
| Cash and Cash Equivalents-Restricted \$                  | —                                                  | —                                                          | —                                                   | \$ 48,330                                      |
| Investments-Restricted .....                             | 24,707                                             | —                                                          | —                                                   | —                                              |
| Accounts Receivable-Restricted .....                     | —                                                  | —                                                          | —                                                   | 1,227                                          |
| Due from Primary Government .....                        | —                                                  | —                                                          | —                                                   | —                                              |
| Accounts Receivable .....                                | —                                                  | —                                                          | —                                                   | —                                              |
| Loans and Notes Receivable .....                         | —                                                  | 16,400                                                     | —                                                   | —                                              |
| Leases Receivable .....                                  | —                                                  | —                                                          | —                                                   | 302,479                                        |
| Right-to-Use Capital Assets (Net) .....                  | —                                                  | —                                                          | 6                                                   | 5,185                                          |
| Depreciable Capital Assets (Net) .....                   | —                                                  | —                                                          | —                                                   | 709,500                                        |
| Nondepreciable Capital Assets .....                      | —                                                  | —                                                          | —                                                   | 42,246                                         |
| Other Assets .....                                       | —                                                  | —                                                          | —                                                   | 1,271                                          |
| Total Noncurrent Assets .....                            | \$ 24,707                                          | \$ 16,400                                                  | \$ 6                                                | \$ 1,110,238                                   |
| Total Assets .....                                       | \$ 26,249                                          | \$ 107,396                                                 | \$ 261,740                                          | \$ 1,153,868                                   |
| DEFERRED OUTFLOWS OF RESOURCES                           |                                                    |                                                            |                                                     |                                                |
| Bond Refunding .....                                     | \$ —                                               | \$ —                                                       | \$ —                                                | \$ —                                           |
| Deferred Pension Outflows .....                          | —                                                  | —                                                          | —                                                   | 83                                             |
| Deferred Other Postemployment<br>Benefits Outflows ..... | —                                                  | —                                                          | —                                                   | —                                              |
| Total Deferred Outflows of Resources                     | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 83                                          |

| NATIONAL<br>SPORTS<br>CENTER<br>FOUNDATION | OFFICE OF<br>HIGHER<br>EDUCATION | PUBLIC<br>FACILITIES<br>AUTHORITY | RURAL<br>FINANCE<br>AUTHORITY | WORKERS'<br>COMPENSATION<br>ASSIGNED RISK<br>PLAN | TOTAL               |
|--------------------------------------------|----------------------------------|-----------------------------------|-------------------------------|---------------------------------------------------|---------------------|
| \$ 4,382                                   | \$ 397,363                       | \$ 643,739                        | \$ 25,839                     | \$ 10,075                                         | \$ 1,203,917        |
| —                                          | —                                | —                                 | —                             | 271,912                                           | 271,912             |
| 1,893                                      | 1,766                            | —                                 | —                             | 48,272                                            | 56,085              |
| 344                                        | 153                              | 320                               | —                             | —                                                 | 262,422             |
| —                                          | 10,404                           | 10,066                            | —                             | 1,551                                             | 22,260              |
| —                                          | —                                | 13,953                            | —                             | —                                                 | 13,953              |
| 38                                         | —                                | —                                 | —                             | —                                                 | 38                  |
| 88                                         | 55,740                           | 177,681                           | 9,594                         | —                                                 | 243,103             |
| —                                          | —                                | —                                 | —                             | —                                                 | 7,953               |
| 533                                        | —                                | —                                 | —                             | 3,144                                             | 5,109               |
| <u>\$ 7,278</u>                            | <u>\$ 465,426</u>                | <u>\$ 845,759</u>                 | <u>\$ 35,433</u>              | <u>\$ 334,954</u>                                 | <u>\$ 2,086,752</u> |
| \$ 574                                     | \$ 228,631                       | \$ —                              | \$ —                          | \$ —                                              | \$ 277,535          |
| —                                          | —                                | —                                 | —                             | —                                                 | 24,707              |
| —                                          | —                                | —                                 | —                             | —                                                 | 1,227               |
| —                                          | —                                | 1,002                             | —                             | —                                                 | 1,002               |
| —                                          | —                                | —                                 | —                             | 275,453                                           | 275,453             |
| 249                                        | 374,173                          | 1,683,145                         | 116,670                       | —                                                 | 2,190,637           |
| —                                          | —                                | —                                 | —                             | —                                                 | 302,479             |
| —                                          | —                                | 67                                | —                             | —                                                 | 5,258               |
| 13,655                                     | 536                              | —                                 | —                             | —                                                 | 723,691             |
| 238                                        | —                                | —                                 | —                             | —                                                 | 42,484              |
| —                                          | —                                | —                                 | —                             | —                                                 | 1,271               |
| <u>\$ 14,716</u>                           | <u>\$ 603,340</u>                | <u>\$ 1,684,214</u>               | <u>\$ 116,670</u>             | <u>\$ 275,453</u>                                 | <u>\$ 3,845,744</u> |
| <u>\$ 21,994</u>                           | <u>\$ 1,068,766</u>              | <u>\$ 2,529,973</u>               | <u>\$ 152,103</u>             | <u>\$ 610,407</u>                                 | <u>\$ 5,932,496</u> |
| \$ —                                       | \$ —                             | \$ 2,430                          | \$ —                          | \$ —                                              | \$ 2,430            |
| —                                          | 1,509                            | 1,137                             | —                             | —                                                 | 2,729               |
| —                                          | 138                              | —                                 | —                             | —                                                 | 138                 |
| <u>\$ —</u>                                | <u>\$ 1,647</u>                  | <u>\$ 3,567</u>                   | <u>\$ —</u>                   | <u>\$ —</u>                                       | <u>\$ 5,297</u>     |

CONTINUED

# STATE OF MINNESOTA

## NONMAJOR COMPONENT UNIT FUNDS (CONTINUED)

### COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                                         | AGRICULTURAL<br>& ECONOMIC<br>DEVELOPMENT<br>BOARD | MINNESOTA<br>CLIMATE<br>INNOVATION<br>FINANCE<br>AUTHORITY | MINNESOTA<br>COMPREHENSIVE<br>HEALTH<br>ASSOCIATION | MINNESOTA<br>SPORTS<br>FACILITIES<br>AUTHORITY |
|---------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------|
| LIABILITIES                                             |                                                    |                                                            |                                                     |                                                |
| Current Liabilities:                                    |                                                    |                                                            |                                                     |                                                |
| Accounts Payable .....                                  | \$ 120                                             | \$ 311                                                     | \$ 32                                               | \$ 11,111                                      |
| Due to Primary Government .....                         | —                                                  | —                                                          | —                                                   | —                                              |
| Unearned Revenue .....                                  | —                                                  | —                                                          | 97                                                  | 1,991                                          |
| Accrued Interest Payable .....                          | —                                                  | —                                                          | —                                                   | —                                              |
| Bonds and Notes Payable .....                           | —                                                  | —                                                          | —                                                   | —                                              |
| Lease/Subscription Payable .....                        | —                                                  | —                                                          | 6                                                   | 243                                            |
| Claims Payable .....                                    | —                                                  | —                                                          | 261,605                                             | —                                              |
| Compensated Absences Payable .....                      | 2                                                  | —                                                          | —                                                   | —                                              |
| Other Postemployment Benefits .....                     | —                                                  | —                                                          | —                                                   | —                                              |
| Other Liabilities .....                                 | —                                                  | —                                                          | —                                                   | —                                              |
| Total Current Liabilities .....                         | \$ 122                                             | \$ 311                                                     | \$ 261,740                                          | \$ 13,345                                      |
| Noncurrent Liabilities:                                 |                                                    |                                                            |                                                     |                                                |
| Accounts Payable-Restricted .....                       | \$ —                                               | \$ —                                                       | —                                                   | \$ 2,166                                       |
| Due to Primary Government .....                         | —                                                  | —                                                          | —                                                   | —                                              |
| Unearned Revenue .....                                  | —                                                  | —                                                          | —                                                   | 34                                             |
| Bonds and Notes Payable .....                           | —                                                  | —                                                          | —                                                   | —                                              |
| Lease/Subscription Payable .....                        | —                                                  | —                                                          | —                                                   | 4,914                                          |
| Claims Payable .....                                    | —                                                  | —                                                          | —                                                   | —                                              |
| Compensated Absences Payable .....                      | 4                                                  | —                                                          | —                                                   | 48                                             |
| Net Pension Liability .....                             | —                                                  | —                                                          | —                                                   | 3                                              |
| Other Postemployment Benefits .....                     | —                                                  | —                                                          | —                                                   | —                                              |
| Other Liabilities .....                                 | —                                                  | —                                                          | —                                                   | —                                              |
| Total Noncurrent Liabilities .....                      | \$ 4                                               | \$ —                                                       | \$ —                                                | \$ 7,165                                       |
| Total Liabilities .....                                 | \$ 126                                             | \$ 311                                                     | \$ 261,740                                          | \$ 20,510                                      |
| DEFERRED INFLOWS OF RESOURCES                           |                                                    |                                                            |                                                     |                                                |
| Deferred Leases .....                                   | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 284,775                                     |
| Deferred Revenue .....                                  | —                                                  | —                                                          | —                                                   | —                                              |
| Deferred Pension Inflows .....                          | —                                                  | —                                                          | —                                                   | 133                                            |
| Deferred Other Postemployment<br>Benefits Inflows ..... | —                                                  | —                                                          | —                                                   | —                                              |
| Total Deferred Inflows of Resources .....               | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 284,908                                     |
| NET POSITION                                            |                                                    |                                                            |                                                     |                                                |
| Net Investment in Capital Assets .....                  | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 749,718                                     |
| Restricted-Expendable .....                             | —                                                  | —                                                          | —                                                   | 50,535                                         |
| Unrestricted .....                                      | 26,123                                             | 107,085                                                    | —                                                   | 48,280                                         |
| Total Net Position .....                                | \$ 26,123                                          | \$ 107,085                                                 | \$ —                                                | \$ 848,533                                     |



| NATIONAL<br>SPORTS<br>CENTER<br>FOUNDATION | OFFICE OF<br>HIGHER<br>EDUCATION | PUBLIC<br>FACILITIES<br>AUTHORITY | RURAL<br>FINANCE<br>AUTHORITY | WORKERS'<br>COMPENSATION<br>ASSIGNED RISK<br>PLAN | TOTAL               |
|--------------------------------------------|----------------------------------|-----------------------------------|-------------------------------|---------------------------------------------------|---------------------|
| \$ 1,131                                   | \$ 9,723                         | \$ 34,539                         | \$ —                          | \$ 4,797                                          | \$ 61,764           |
| 4,010                                      | 15,416                           | —                                 | 4,056                         | 9,161                                             | 32,643              |
| 685                                        | —                                | —                                 | —                             | 13,960                                            | 16,733              |
| —                                          | 1,860                            | 9,488                             | —                             | —                                                 | 11,348              |
| 634                                        | 5,540                            | 61,020                            | —                             | —                                                 | 67,194              |
| —                                          | —                                | —                                 | —                             | —                                                 | 249                 |
| —                                          | —                                | —                                 | —                             | 58,016                                            | 319,621             |
| —                                          | 966                              | 789                               | —                             | —                                                 | 1,757               |
| —                                          | 43                               | —                                 | —                             | —                                                 | 43                  |
| —                                          | 105                              | —                                 | —                             | —                                                 | 105                 |
| <u>\$ 6,460</u>                            | <u>\$ 33,653</u>                 | <u>\$ 105,836</u>                 | <u>\$ 4,056</u>               | <u>\$ 85,934</u>                                  | <u>\$ 511,457</u>   |
| \$ —                                       | \$ —                             | \$ —                              | \$ —                          | \$ —                                              | \$ 2,166            |
| —                                          | —                                | —                                 | 114,052                       | —                                                 | 114,052             |
| —                                          | —                                | —                                 | —                             | —                                                 | 34                  |
| 5,854                                      | 347,107                          | 571,256                           | —                             | —                                                 | 924,217             |
| —                                          | —                                | 70                                | —                             | —                                                 | 4,984               |
| —                                          | —                                | —                                 | —                             | 474,473                                           | 474,473             |
| —                                          | 884                              | 1,120                             | —                             | —                                                 | 2,056               |
| —                                          | 54                               | 41                                | —                             | —                                                 | 98                  |
| —                                          | 713                              | —                                 | —                             | —                                                 | 713                 |
| —                                          | —                                | 4,566                             | —                             | —                                                 | 4,566               |
| <u>\$ 5,854</u>                            | <u>\$ 348,758</u>                | <u>\$ 577,053</u>                 | <u>\$ 114,052</u>             | <u>\$ 474,473</u>                                 | <u>\$ 1,527,359</u> |
| <u>\$ 12,314</u>                           | <u>\$ 382,411</u>                | <u>\$ 682,889</u>                 | <u>\$ 118,108</u>             | <u>\$ 560,407</u>                                 | <u>\$ 2,038,816</u> |
| \$ —                                       | \$ —                             | \$ —                              | \$ —                          | \$ —                                              | \$ 284,775          |
| —                                          | 25,746                           | —                                 | —                             | —                                                 | 25,746              |
| —                                          | 2,014                            | 1,518                             | —                             | —                                                 | 3,665               |
| —                                          | 68                               | —                                 | —                             | —                                                 | 68                  |
| <u>\$ —</u>                                | <u>\$ 27,828</u>                 | <u>\$ 1,518</u>                   | <u>\$ —</u>                   | <u>\$ —</u>                                       | <u>\$ 314,254</u>   |
| \$ 7,778                                   | \$ 536                           | \$ —                              | \$ —                          | \$ —                                              | \$ 758,032          |
| —                                          | 660,863                          | 1,848,063                         | —                             | 5,121                                             | 2,564,582           |
| 1,902                                      | (1,225)                          | 1,070                             | 33,995                        | 44,879                                            | 262,109             |
| <u>\$ 9,680</u>                            | <u>\$ 660,174</u>                | <u>\$ 1,849,133</u>               | <u>\$ 33,995</u>              | <u>\$ 50,000</u>                                  | <u>\$ 3,584,723</u> |

# STATE OF MINNESOTA

## NONMAJOR COMPONENT UNIT FUNDS

### COMBINING STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 and JUNE 30, 2025

(IN THOUSANDS)

|                                            | AGRICULTURAL<br>& ECONOMIC<br>DEVELOPMENT<br>BOARD | MINNESOTA<br>CLIMATE<br>INNOVATION<br>FINANCE<br>AUTHORITY | MINNESOTA<br>COMPREHENSIVE<br>HEALTH<br>ASSOCIATION | MINNESOTA<br>SPORTS<br>FACILITIES<br>AUTHORITY |
|--------------------------------------------|----------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------|
| Net Expenses:                              |                                                    |                                                            |                                                     |                                                |
| Total Expenses .....                       | \$ 94                                              | \$ 1,257                                                   | \$ 262,059                                          | \$ 107,698                                     |
| Program Revenues:                          |                                                    |                                                            |                                                     |                                                |
| Charges for Services .....                 | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 66,178                                      |
| Operating Grants and Contributions .....   | —                                                  | —                                                          | 262,059                                             | 341                                            |
| Capital Grants and Contributions .....     | —                                                  | —                                                          | —                                                   | 4,309                                          |
| Net (Expense) Revenue .....                | \$ (94)                                            | \$ (1,257)                                                 | \$ —                                                | \$ (36,870)                                    |
| General Revenues:                          |                                                    |                                                            |                                                     |                                                |
| Taxes:                                     |                                                    |                                                            |                                                     |                                                |
| Sales Taxes .....                          | \$ —                                               | \$ —                                                       | \$ —                                                | \$ 2,379                                       |
| Investment/Interest Earnings .....         | 1,296                                              | 1,959                                                      | —                                                   | 8,076                                          |
| Other Revenues .....                       | —                                                  | —                                                          | —                                                   | 2,289                                          |
| Total General Revenues before Grants ..    | \$ 1,296                                           | \$ 1,959                                                   | \$ —                                                | \$ 12,744                                      |
| State Grants Not Restricted .....          | —                                                  | 106,383                                                    | —                                                   | —                                              |
| Total General Revenues .....               | \$ 1,296                                           | \$ 108,342                                                 | \$ —                                                | \$ 12,744                                      |
| Change in Net Position .....               | \$ 1,202                                           | \$ 107,085                                                 | \$ —                                                | \$ (24,126)                                    |
| Net Position, Beginning, as Reported ..... | \$ 24,925                                          | \$ —                                                       | \$ —                                                | \$ 872,659                                     |
| Change in Accounting Principle .....       | (4)                                                | —                                                          | —                                                   | —                                              |
| Net Position, Beginning, as Restated ..... | \$ 24,921                                          | \$ —                                                       | \$ —                                                | \$ 872,659                                     |
| Net Position, Ending .....                 | \$ 26,123                                          | \$ 107,085                                                 | \$ —                                                | \$ 848,533                                     |

| NATIONAL<br>SPORTS<br>CENTER<br>FOUNDATION | OFFICE OF<br>HIGHER<br>EDUCATION | PUBLIC<br>FACILITIES<br>AUTHORITY | RURAL<br>FINANCE<br>AUTHORITY | WORKERS'<br>COMPENSATION<br>ASSIGNED RISK<br>PLAN | TOTAL        |
|--------------------------------------------|----------------------------------|-----------------------------------|-------------------------------|---------------------------------------------------|--------------|
| \$ 20,296                                  | \$ 437,222                       | \$ 255,807                        | \$ 3,522                      | \$ 55,391                                         | \$ 1,143,346 |
| \$ 15,355                                  | \$ 29,459                        | \$ —                              | \$ 5,248                      | \$ 36,949                                         | \$ 153,189   |
| —                                          | 4,179                            | 302,600                           | —                             | —                                                 | 569,179      |
| —                                          | —                                | —                                 | —                             | —                                                 | 4,309        |
| \$ (4,941)                                 | \$ (403,584)                     | \$ 46,793                         | \$ 1,726                      | \$ (18,442)                                       | \$ (416,669) |
| \$ —                                       | \$ —                             | \$ —                              | \$ —                          | \$ —                                              | \$ 2,379     |
| —                                          | 22,547                           | 30,607                            | —                             | 18,442                                            | 82,927       |
| 5,128                                      | —                                | —                                 | —                             | —                                                 | 7,417        |
| \$ 5,128                                   | \$ 22,547                        | \$ 30,607                         | \$ —                          | \$ 18,442                                         | \$ 92,723    |
| —                                          | 420,313                          | —                                 | —                             | —                                                 | 526,696      |
| \$ 5,128                                   | \$ 442,860                       | \$ 30,607                         | \$ —                          | \$ 18,442                                         | \$ 619,419   |
| \$ 187                                     | \$ 39,276                        | \$ 77,400                         | \$ 1,726                      | \$ —                                              | \$ 202,750   |
| \$ 9,493                                   | \$ 620,898                       | \$ 1,771,733                      | \$ 32,269                     | \$ 50,000                                         | \$ 3,381,977 |
| —                                          | —                                | —                                 | —                             | —                                                 | (4)          |
| \$ 9,493                                   | \$ 620,898                       | \$ 1,771,733                      | \$ 32,269                     | \$ 50,000                                         | \$ 3,381,973 |
| \$ 9,680                                   | \$ 660,174                       | \$ 1,849,133                      | \$ 33,995                     | \$ 50,000                                         | \$ 3,584,723 |

# 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, 2025

(IN THOUSANDS)

|                                              | AGRICULTURAL<br>& ECONOMIC<br>DEVELOPMENT<br>BOARD | RURAL<br>FINANCE<br>AUTHORITY | TOTAL     |
|----------------------------------------------|----------------------------------------------------|-------------------------------|-----------|
| Operating Revenues:                          |                                                    |                               |           |
| Loan Interest Income .....                   | \$ —                                               | \$ 5,246                      | \$ 5,246  |
| Rental and Service Fees .....                | —                                                  | 2                             | 2         |
| Total Operating Revenues .....               | \$ —                                               | \$ 5,248                      | \$ 5,248  |
| Operating Expenses:                          |                                                    |                               |           |
| Economic and Manpower Development .....      | \$ 94                                              | \$ 3,522                      | \$ 3,616  |
| Total Operating Expenses .....               | \$ 94                                              | \$ 3,522                      | \$ 3,616  |
| Operating Income (Loss) .....                | \$ (94)                                            | \$ 1,726                      | \$ 1,632  |
| Nonoperating Revenues (Expenses):            |                                                    |                               |           |
| Investment/Interest Earnings .....           | \$ 1,296                                           | \$ —                          | \$ 1,296  |
| Total Nonoperating Revenues (Expenses) ..... | \$ 1,296                                           | \$ —                          | \$ 1,296  |
| Change in Net Position .....                 | \$ 1,202                                           | \$ 1,726                      | \$ 2,928  |
| Net Position, Beginning, as Reported .....   | \$ 24,925                                          | \$ 32,269                     | \$ 57,194 |
| Change in Accounting Principle .....         | (4)                                                | —                             | (4)       |
| Net Position, Beginning, as Restated .....   | \$ 24,921                                          | \$ 32,269                     | \$ 57,190 |
| Net Position, Ending .....                   | \$ 26,123                                          | \$ 33,995                     | \$ 60,118 |

# STATE OF MINNESOTA

## NONMAJOR COMPONENT UNITS

### NOT ISSUING SEPARATELY AUDITED FINANCIAL STATEMENTS

#### COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

(IN THOUSANDS)

|                                                                                                   | AGRICULTURAL<br>& ECONOMIC<br>DEVELOPMENT<br>BOARD | RURAL<br>FINANCE<br>AUTHORITY | TOTAL      |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------|------------|
| Cash Flows from Operating Activities:                                                             |                                                    |                               |            |
| Receipts from Customers .....                                                                     | \$ —                                               | \$ 14,737                     | \$ 14,737  |
| Receipts from Other Revenues .....                                                                | —                                                  | 23,340                        | 23,340     |
| Payments to Customers .....                                                                       | —                                                  | (19,470)                      | (19,470)   |
| Payments to Suppliers .....                                                                       | (36)                                               | —                             | (36)       |
| Payments to Employees .....                                                                       | (58)                                               | —                             | (58)       |
| Payments to Others .....                                                                          | —                                                  | (12,351)                      | (12,351)   |
| Net Cash Flows from Operating Activities .....                                                    | \$ (94)                                            | \$ 6,256                      | \$ 6,162   |
| Cash Flows from Investing Activities:                                                             |                                                    |                               |            |
| Proceeds from Sales and Maturities of Investments .....                                           | \$ 9,216                                           | \$ —                          | \$ 9,216   |
| Purchase of Investments .....                                                                     | (9,583)                                            | —                             | (9,583)    |
| Investment/Interest Earnings .....                                                                | 824                                                | —                             | 824        |
| Net Cash Flows from Investing Activities .....                                                    | \$ 457                                             | \$ —                          | \$ 457     |
| Net Increase (Decrease) in Cash and Cash Equivalents .....                                        | \$ 363                                             | \$ 6,256                      | \$ 6,619   |
| Cash and Cash Equivalents, Beginning, as Reported .....                                           | \$ 940                                             | \$ 19,583                     | \$ 20,523  |
| Cash and Cash Equivalents, Ending .....                                                           | \$ 1,303                                           | \$ 25,839                     | \$ 27,142  |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Flows from Operating Activities:</b> |                                                    |                               |            |
| Operating Income (Loss) .....                                                                     | \$ (94)                                            | \$ 1,726                      | \$ 1,632   |
| Adjustments to Reconcile Operating Income to Net<br>Cash Flows from Operating Activities:         |                                                    |                               |            |
| Loans Receivable .....                                                                            | \$ —                                               | \$ (8,609)                    | \$ (8,609) |
| Due to Primary Government .....                                                                   | —                                                  | 13,139                        | 13,139     |
| Net Reconciling Items to be Added to<br>(Deducted from) Operating Income .....                    | \$ —                                               | \$ 4,530                      | \$ 4,530   |
| Net Cash Flows from Operating Activities .....                                                    | \$ (94)                                            | \$ 6,256                      | \$ 6,162   |





State of Minnesota

# General Obligation Debt Schedule

2025  
Annual  
Comprehensive  
Financial Report





**GENERAL OBLIGATION BONDS AUTHORIZED, ISSUED AND UNISSUED**  
**June 30, 2025**  
**(In Thousands)**

| <b>Purpose of Issue</b>                                                 | <b>Law Authorizing</b> | <b>Total Authorization</b> | <b>Previously Issued as Par Bonds</b> | <b>Previously Issued as Premium<sup>(1)</sup></b> | <b>Remaining Authorization</b> |
|-------------------------------------------------------------------------|------------------------|----------------------------|---------------------------------------|---------------------------------------------------|--------------------------------|
| Various Purpose <sup>12, 25, 28</sup>                                   | X2002, Ch. 1           | \$ 15,055                  | \$ 14,755                             | \$ —                                              | \$ 300                         |
| Various Purpose <sup>3, 7, 10, 12, 13, 14, 16, 18, 21, 23, 24, 27</sup> | 2005, Ch. 20           | 913,663                    | 913,241                               | 418                                               | 4                              |
| Trunk Highway <sup>2, 6, 9, 10, 13, 14, 18, 24</sup>                    | 2008, Ch. 152          | 1,779,562                  | 1,779,562                             | —                                                 | —                              |
| Various Purpose <sup>3, 6, 7, 9, 10, 13, 14, 16, 18, 21, 24, 26</sup>   | 2008, Ch. 179          | 787,963                    | 785,481                               | 2,482                                             | —                              |
| Various Purpose <sup>2, 4, 6, 7, 9, 10, 13, 14, 16, 19, 24</sup>        | 2009, Ch. 93           | 255,152                    | 250,516                               | 3,493                                             | 1,143                          |
| Various Purpose <sup>2, 3, 6, 7, 9, 10, 13, 14, 16, 22</sup>            | 2010, Ch. 189          | 707,362                    | 694,527                               | 12,523                                            | 312                            |
| Various Purpose <sup>2, 6, 7, 10, 13, 14, 16, 20</sup>                  | X2010, Ch. 1           | 29,920                     | 27,597                                | 2,256                                             | 67                             |
| Various Purpose <sup>3, 5, 2, 4, 6, 7, 9, 10, 11, 13</sup>              | X2011, Ch. 12          | 547,743                    | 524,740                               | 22,920                                            | 83                             |
| Trunk Highway <sup>6, 9, 10, 17</sup>                                   | 2012, Ch. 287          | 17,507                     | 17,485                                | —                                                 | 22                             |
| Various Purpose <sup>2, 3, 4, 6, 7, 9, 10, 13</sup>                     | 2012, Ch. 293          | 562,100                    | 512,194                               | 47,338                                            | 2,568                          |
| Various Purpose <sup>3, 4, 7, 10</sup>                                  | 2013, Ch. 136          | 171,512                    | 150,646                               | 20,366                                            | 500                            |
| Various Purpose <sup>2, 3, 4, 6, 7, 9, 10, 11, 12, 15</sup>             | 2014, Ch. 294          | 882,702                    | 737,046                               | 145,178                                           | 478                            |
| Various Purpose <sup>2, 3, 4, 6, 7, 9</sup>                             | X2015, Ch. 5           | 188,425                    | 154,939                               | 33,486                                            | —                              |
| Trunk Highway <sup>2, 3, 4, 6</sup>                                     | X2017, Ch. 3           | 940,288                    | 940,260                               | —                                                 | 28                             |
| Various Purpose <sup>2, 3, 4, 6</sup>                                   | X2017, Ch. 8           | 1,031,926                  | 842,736                               | 182,190                                           | 7,000                          |
| Various Purpose <sup>2, 3, 4, 8</sup>                                   | 2018, Ch. 214          | 880,412                    | 697,100                               | 157,924                                           | 25,388                         |
| Trunk Highway <sup>4</sup>                                              | 2018, Ch. 214          | 414,907                    | 177,695                               | —                                                 | 237,212                        |
| Various Purpose <sup>2, 3</sup>                                         | 2019, Ch. 2            | 101,935                    | 80,666                                | 20,074                                            | 1,195                          |
| Various Purpose                                                         | 2020, Ch. 67           | 50,050                     | 47,800                                | 2,250                                             | —                              |
| Various Purpose <sup>2, 5</sup>                                         | X2020, Ch. 3           | 1,375,070                  | 975,922                               | 180,348                                           | 218,800                        |
| Trunk Highway <sup>2</sup>                                              | X2020, Ch. 3           | 298,091                    | 237,540                               | —                                                 | 60,551                         |
| Trunk Highway                                                           | X2021, Ch. 5           | 413,413                    | 64,974                                | —                                                 | 348,439                        |
| Various Purpose                                                         | 2023, Ch. 32           | 50,050                     | 25,597                                | 1,678                                             | 22,775                         |
| Trunk Highway                                                           | 2023, Ch. 68           | 599,200                    | 33,535                                | —                                                 | 565,665                        |
| Various Purpose <sup>29</sup>                                           | 2023, Ch. 72           | 1,562,455                  | 565,646                               | 80,574                                            | 916,235                        |
| Trunk Highway                                                           | 2024, Ch. 127          | 30,030                     | 10,835                                | —                                                 | 19,195                         |
| Various Purpose                                                         | X2025, Ch. 15          | 727,365                    | —                                     | —                                                 | 727,365                        |
| <b>Totals</b>                                                           |                        | <b>\$ 15,333,858</b>       | <b>\$ 11,263,035</b>                  | <b>\$ 915,498</b>                                 | <b>\$ 3,155,325</b>            |

<sup>(1)</sup> 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.

<sup>(2)</sup> Minnesota Statutes 16A.642, required that on January 1, 2025, 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, 2025. The cancellation report reduced Various Purpose Bonds authorizations as follows: Laws 2009, Chapter 93 by \$15; Laws 2010, Chapter 189 by \$100; Special Session Laws 2010, Chapter 1 by \$687,833; Special Session Laws 2011, Chapter 12 by \$54; Laws 2012, Chapter 293 by \$170,891; Laws 2014, Chapter 294 by \$82,494; Special Session Laws 2015, Chapter 5 by \$975; Special Session Laws 2017, Chapter 8 by \$644,999; Laws 2018, Chapter 214 by \$635,150; Laws 2019, Chapter 2 by \$278,560; and Special Session Laws 2020, Chapter 3 by \$17,075,261. The Cancellation Report also reduced Trunk Highway Bond authorizations as follows: Laws 2008, Chapter 152 by \$11,300; Special Session Laws 2017, Chapter 3 by \$423,254; and Special Session Laws 2020, Chapter 3 by \$2,208,968.

<sup>(3)</sup> 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; 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.

- (4) 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; 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.
- (5) 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 4 above, on June 2, 2023, rather than the statutory cancellation date of July 1, 2023.
- (6) 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.
- (7) 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; Laws 2013, Chapter 136 by \$5,720; Laws 2014, Chapter 294 by \$294,873; and Special Session Laws 2015, Chapter 5 by \$38,467.
- (8) 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.
- (9) 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; 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.
- (10) 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; 2nd 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; 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.
- (11) 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.
- (12) Special Session Laws 2017, Chapter 8 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 13 below, on May 31, 2017, rather than the statutory cancellation date of July 1, 2017.
- (13) 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; and Laws 2012, Chapter 293 by \$3,750,772. The Cancellation Report also reduced Trunk Highway Bond Authorization of Laws 2008, Chapter 152 by \$202,248.

- <sup>(14)</sup> 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.
- <sup>(15)</sup> Special Session Laws 2015, Chapter 5, Article 1 reduced Various Purpose Bonds authorized in Laws 2014, Chapter 294 by \$50,000.
- <sup>(16)</sup> 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.
- <sup>(17)</sup> Laws 2014, Chapter 312, Article 9 increased Trunk Highway Bonds authorized in Laws 2012, Chapter 287 by \$1,493,000.
- <sup>(18)</sup> 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.
- <sup>(19)</sup> Laws 2013, Chapter 136 reduced Various Purpose Bonds authorized in Laws 2009, Chapter 93 by \$2,000,000.
- <sup>(20)</sup> Special Session Laws 2012, Chapter 1 reduced Various Purpose Bonds authorized in Special Session Laws 2010, Chapter 1 by \$2,133,000.
- <sup>(21)</sup> Special Session Laws 2011, Chapter 12 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.
- <sup>(22)</sup> 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.
- <sup>(23)</sup> 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.
- <sup>(24)</sup> 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.
- <sup>(25)</sup> 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.
- <sup>(26)</sup> Laws 2008, Chapter 365 reduced the Various Purpose Bond authorization in Laws 2008, Chapter 179 by \$223,588,000.
- <sup>(27)</sup> Laws 2008, Chapter 179 reduced Various Purpose Bonds authorizations in Laws 2005, Chapter 20 by \$2,000,000.
- <sup>(28)</sup> 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.
- <sup>(29)</sup> Laws 2024, Chapter 88 increased Various Purpose Bond authorizations in Laws 2023, Chapter 72 by \$45,006,000.



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## 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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**2025 Annual Comprehensive Financial Report**  
**Index of Statistical Section**

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**Schedule 1 - Net Position by Component**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**(In Thousands)**

|                                                   | 2016                        | 2017                        | 2018                        | 2019                        |
|---------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Governmental Activities:</b>                   |                             |                             |                             |                             |
| Net Investment in Capital Assets .....            | \$ 12,421,870               | \$ 12,721,297               | \$ 13,358,753               | \$ 14,098,854               |
| Restricted .....                                  | 5,633,354                   | 5,523,662                   | 6,566,430                   | 6,895,583                   |
| Unrestricted .....                                | (4,804,011)                 | (4,920,299)                 | (5,533,345)                 | (3,382,447)                 |
| Total Governmental Activities Net Position .....  | <u>\$ 13,251,213</u>        | <u>\$ 13,324,660</u>        | <u>\$ 14,391,838</u>        | <u>\$ 17,611,990</u>        |
| <b>Business-type Activities:</b>                  |                             |                             |                             |                             |
| Net Investment in Capital Assets .....            | \$ 1,620,835                | \$ 1,650,940                | \$ 1,634,807                | \$ 1,659,114                |
| Restricted .....                                  | 2,120,972                   | 1,896,802                   | 1,973,820                   | 2,078,645                   |
| Unrestricted .....                                | (65,830)                    | (252,631)                   | (398,341)                   | (108,526)                   |
| Total Business-type Activities Net Position ..... | <u>\$ 3,675,977</u>         | <u>\$ 3,295,111</u>         | <u>\$ 3,210,286</u>         | <u>\$ 3,629,233</u>         |
| <b>Primary Government:</b>                        |                             |                             |                             |                             |
| Net Investment in Capital Assets .....            | \$ 14,042,705               | \$ 14,372,237               | \$ 14,993,560               | \$ 15,757,968               |
| Restricted .....                                  | 7,754,326                   | 7,420,464                   | 8,540,250                   | 8,974,228                   |
| Unrestricted .....                                | (4,869,841)                 | (5,172,930)                 | (5,931,686)                 | (3,490,973)                 |
| Total Primary Government Net Position .....       | <u><u>\$ 16,927,190</u></u> | <u><u>\$ 16,619,771</u></u> | <u><u>\$ 17,602,124</u></u> | <u><u>\$ 21,241,223</u></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, restated for any adjustments(s), as necessary.



| 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 14,783,023        | \$ 15,625,097        | \$ 16,227,358        | \$ 17,039,215        | \$ 17,786,131        | \$ 18,594,404        |
| 7,187,903            | 8,015,585            | 8,007,582            | 8,601,936            | 9,655,203            | 10,373,940           |
| (3,042,817)          | (433,011)            | 7,062,248            | 13,410,557           | 12,060,992           | 10,177,671           |
| <u>\$ 18,928,109</u> | <u>\$ 23,207,671</u> | <u>\$ 31,297,188</u> | <u>\$ 39,051,708</u> | <u>\$ 39,502,326</u> | <u>\$ 39,146,015</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 1,694,373         | \$ 1,671,095         | \$ 1,637,005         | \$ 1,609,955         | \$ 1,630,442         | \$ 1,673,505         |
| 761,014              | 329,437              | 1,902,788            | 2,068,655            | 1,830,594            | 1,681,166            |
| (104,030)            | (844,885)            | 257,372              | 358,635              | 1,140,331            | 1,092,202            |
| <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>  | <u>\$ 4,446,873</u>  |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 16,477,396        | \$ 17,296,192        | \$ 17,864,363        | \$ 18,649,170        | \$ 19,416,573        | \$ 20,267,909        |
| 7,948,917            | 8,345,022            | 9,910,370            | 10,670,591           | 11,485,797           | 12,055,106           |
| (3,146,847)          | (1,277,896)          | 7,319,620            | 13,769,192           | 13,201,323           | 11,269,873           |
| <u>\$ 21,279,466</u> | <u>\$ 24,363,318</u> | <u>\$ 35,094,353</u> | <u>\$ 43,088,953</u> | <u>\$ 44,103,693</u> | <u>\$ 43,592,888</u> |

**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**(In Thousands)**

|                                                        | 2016                 | 2017                 | 2018                 | 2019                 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Program Revenues:                                      |                      |                      |                      |                      |
| Governmental Activities:                               |                      |                      |                      |                      |
| Charges for Services:                                  |                      |                      |                      |                      |
| Agricultural, Environmental and Energy Resources ..... | \$ 355,269           | \$ 430,333           | \$ 1,314,147         | \$ 470,015           |
| Economic and Workforce Development .....               | 58,939               | 58,317               | 55,573               | 56,817               |
| General Education .....                                | 22,646               | 23,477               | 21,845               | 19,141               |
| General Government .....                               | 327,487              | 340,021              | 347,661              | 337,288              |
| Health and Human Services .....                        | 389,068              | 410,726              | 472,831              | 510,739              |
| Higher Education .....                                 | 20                   | —                    | 5                    | —                    |
| Public Safety and Corrections .....                    | 159,549              | 155,843              | 152,465              | 151,911              |
| Transportation .....                                   | 114,667              | 73,111               | 104,674              | 82,142               |
| Operating Grants and Contributions:                    |                      |                      |                      |                      |
| Health and Human Services .....                        | 8,711,355            | 9,039,311            | 9,595,407            | 9,964,794            |
| All Others .....                                       | 2,215,444            | 2,309,582            | 2,283,111            | 2,598,278            |
| Capital Grants and Contributions .....                 | 194,056              | 142,942              | 115,974              | 235,522              |
| Total Governmental Activities Program Revenues .....   | <u>\$ 12,548,500</u> | <u>\$ 12,983,663</u> | <u>\$ 14,463,693</u> | <u>\$ 14,426,647</u> |
| Business-type Activities:                              |                      |                      |                      |                      |
| Charges for Services:                                  |                      |                      |                      |                      |
| State Colleges and Universities .....                  | \$ 835,447           | \$ 833,494           | \$ 829,982           | \$ 820,489           |
| Unemployment Insurance .....                           | 820,322              | 585,523              | 775,863              | 767,805              |
| Lottery .....                                          | 592,806              | 563,507              | 596,453              | 636,806              |
| All Others .....                                       | 389,807              | 425,937              | 492,551              | 524,301              |
| Operating Grants and Contributions .....               | 481,563              | 456,997              | 445,338              | 437,587              |
| Capital Grants and Contributions .....                 | —                    | —                    | —                    | 28                   |
| Total Business-type Activities Program Revenues .....  | <u>\$ 3,119,945</u>  | <u>\$ 2,865,458</u>  | <u>\$ 3,140,187</u>  | <u>\$ 3,187,016</u>  |
| Total Primary Government Program Revenues .....        | <u>\$ 15,668,445</u> | <u>\$ 15,849,121</u> | <u>\$ 17,603,880</u> | <u>\$ 17,613,663</u> |
| Expenses:                                              |                      |                      |                      |                      |
| Governmental Activities:                               |                      |                      |                      |                      |
| Agricultural, Environmental and Energy Resources ..... | \$ 1,013,148         | \$ 1,254,115         | \$ 1,369,950         | \$ 1,153,557         |
| Economic and Workforce Development .....               | 658,893              | 806,872              | 769,021              | 619,817              |
| General Education .....                                | 9,434,928            | 9,836,193            | 10,172,185           | 10,516,190           |
| General Government .....                               | 1,151,991            | 1,589,095            | 1,438,678            | 756,146              |
| Health and Human Services .....                        | 15,551,493           | 16,357,755           | 17,351,698           | 17,514,760           |
| Higher Education .....                                 | 976,351              | 987,375              | 1,032,885            | 1,087,101            |
| Intergovernmental Aid .....                            | 1,626,833            | 1,644,215            | 1,699,020            | 1,867,341            |
| Public Safety and Corrections .....                    | 1,005,349            | 1,360,363            | 1,296,548            | 974,208              |
| Transportation .....                                   | 2,814,456            | 2,998,902            | 3,287,843            | 3,283,888            |
| Interest .....                                         | 288,519              | 281,259              | 260,004              | 260,662              |
| Total Governmental Activities Expenses .....           | <u>\$ 34,521,961</u> | <u>\$ 37,116,144</u> | <u>\$ 38,677,832</u> | <u>\$ 38,033,670</u> |
| Business-type Activities:                              |                      |                      |                      |                      |
| Family and Medical Benefit Insurance .....             | \$ —                 | \$ —                 | \$ —                 | \$ —                 |
| State Colleges and Universities .....                  | 1,910,435            | 2,204,067            | 2,174,240            | 1,795,697            |
| Unemployment Insurance .....                           | 801,670              | 785,137              | 754,269              | 731,132              |
| Lottery .....                                          | 446,860              | 429,843              | 455,374              | 477,974              |
| Others .....                                           | 383,012              | 476,331              | 495,581              | 467,022              |
| Total Business-type Activities Expenses .....          | <u>\$ 3,541,977</u>  | <u>\$ 3,895,378</u>  | <u>\$ 3,879,464</u>  | <u>\$ 3,471,825</u>  |
| Total Primary Government Expenses .....                | <u>\$ 38,063,938</u> | <u>\$ 41,011,522</u> | <u>\$ 42,557,296</u> | <u>\$ 41,505,495</u> |

Source: The state's Annual Comprehensive Financial Report for the relevant year, restated for any adjustment(s), as necessary.

| 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 476,082    | \$ 501,373    | \$ 518,960    | \$ 522,344    | \$ 508,637    | \$ 555,776    |
| 68,912        | 69,751        | 58,914        | 59,689        | 72,286        | 82,122        |
| 14,146        | 12,564        | 18,942        | 21,565        | 25,990        | 23,960        |
| 374,497       | 350,360       | 372,355       | 389,408       | 383,400       | 373,352       |
| 435,071       | 493,839       | 497,522       | 598,046       | 626,431       | 655,920       |
| 73            | —             | —             | —             | —             | 26            |
| 186,460       | 205,024       | 204,072       | 204,783       | 239,169       | 275,046       |
| 87,393        | 54,396        | 46,407        | 48,940        | 52,536        | 74,942        |
| 10,296,357    | 13,130,452    | 15,346,874    | 15,797,006    | 14,772,077    | 15,634,649    |
| 2,955,439     | 4,898,245     | 3,902,608     | 4,248,310     | 4,448,956     | 4,310,707     |
| 238,623       | 222,208       | 197,138       | 184,717       | 151,399       | 202,451       |
| \$ 15,133,053 | \$ 19,938,212 | \$ 21,163,792 | \$ 22,074,808 | \$ 21,280,881 | \$ 22,188,951 |
| \$ 794,020    | \$ 751,197    | \$ 751,587    | \$ 773,577    | \$ 789,578    | \$ 790,476    |
| 975,380       | 661,954       | 733,796       | 797,761       | 864,893       | 1,173,353     |
| 668,547       | 803,641       | 740,162       | 787,239       | 775,845       | 708,337       |
| 567,379       | 655,813       | 661,563       | 642,783       | 616,376       | 641,455       |
| 4,436,859     | 6,518,820     | 3,749,566     | 712,709       | 534,605       | 603,288       |
| 14            | —             | 1,320         | 126           | —             | —             |
| \$ 7,442,199  | \$ 9,391,425  | \$ 6,637,994  | \$ 3,714,195  | \$ 3,581,297  | \$ 3,916,909  |
| \$ 22,575,252 | \$ 29,329,637 | \$ 27,801,786 | \$ 25,789,003 | \$ 24,862,178 | \$ 26,105,860 |
| \$ 1,254,084  | \$ 1,363,384  | \$ 1,374,916  | \$ 1,571,112  | \$ 1,719,682  | \$ 2,092,577  |
| 787,975       | 942,801       | 801,833       | 1,035,709     | 2,014,315     | 1,869,749     |
| 10,900,070    | 11,785,920    | 12,289,924    | 12,103,431    | 13,402,311    | 14,025,258    |
| 1,443,784     | 1,461,124     | 824,252       | 1,070,452     | 2,745,406     | 2,105,935     |
| 18,485,278    | 21,194,790    | 23,208,505    | 25,060,350    | 26,811,914    | 29,032,573    |
| 1,009,104     | 1,038,674     | 1,125,695     | 1,064,318     | 1,216,259     | 1,306,409     |
| 1,780,630     | 2,860,441     | 2,011,220     | 2,505,003     | 2,758,543     | 3,000,434     |
| 1,191,908     | 1,359,127     | 1,072,825     | 1,258,749     | 1,749,108     | 1,841,112     |
| 3,441,636     | 3,462,174     | 3,324,527     | 3,702,086     | 4,258,157     | 4,825,943     |
| 263,112       | 222,560       | 248,235       | 224,015       | 239,583       | 267,997       |
| \$ 40,557,581 | \$ 45,690,995 | \$ 46,281,932 | \$ 49,595,225 | \$ 56,915,278 | \$ 60,367,987 |
| \$ —          | \$ —          | \$ —          | \$ —          | \$ 1,093      | \$ 19,452     |
| 2,088,956     | 2,076,496     | 2,036,082     | 2,004,811     | 2,182,883     | 2,371,807     |
| 6,298,163     | 7,884,357     | 1,865,743     | 954,102       | 1,209,236     | 1,342,708     |
| 513,558       | 615,118       | 560,581       | 590,113       | 582,117       | 546,461       |
| 569,862       | 640,261       | 627,955       | 619,713       | 614,224       | 644,659       |
| \$ 9,470,539  | \$ 11,216,232 | \$ 5,090,361  | \$ 4,168,739  | \$ 4,589,553  | \$ 4,925,087  |
| \$ 50,028,120 | \$ 56,907,227 | \$ 51,372,293 | \$ 53,763,964 | \$ 61,504,831 | \$ 65,293,074 |

**Schedule 2 - Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**(In Thousands)**

|                                                       | 2016                   | 2017                   | 2018                   | 2019                   |
|-------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue:                                |                        |                        |                        |                        |
| Governmental Activities .....                         | \$ (21,973,461)        | \$ (24,132,481)        | \$ (24,214,139)        | \$ (23,607,023)        |
| Business-type Activities .....                        | (422,032)              | (1,029,920)            | (739,277)              | (284,809)              |
| Total Primary Government Net Expense .....            | <u>\$ (22,395,493)</u> | <u>\$ (25,162,401)</u> | <u>\$ (24,953,416)</u> | <u>\$ (23,891,832)</u> |
| General Revenues and Other Changes in Net Position:   |                        |                        |                        |                        |
| Governmental Activities:                              |                        |                        |                        |                        |
| Taxes:                                                |                        |                        |                        |                        |
| Individual Income Taxes .....                         | \$ 10,969,019          | \$ 11,307,961          | \$ 12,125,496          | \$ 12,693,113          |
| Corporate Income Taxes .....                          | 1,361,681              | 1,270,423              | 1,343,290              | 1,606,928              |
| Sales Taxes .....                                     | 5,534,870              | 5,779,685              | 5,995,103              | 6,275,369              |
| Property Taxes .....                                  | 846,216                | 850,240                | 823,551                | 820,829                |
| Motor Vehicle Taxes .....                             | 1,428,134              | 1,518,531              | 1,566,759              | 1,626,285              |
| Fuel Taxes .....                                      | 904,424                | 917,834                | 936,618                | 931,329                |
| Other Taxes .....                                     | 2,801,323              | 2,833,543              | 2,964,339              | 3,056,301              |
| Tobacco Settlement .....                              | 170,179                | 165,244                | 165,089                | 166,137                |
| Unallocated Investment/Interest Earnings .....        | 35,289                 | 66,639                 | 94,641                 | 156,000                |
| Other Revenues .....                                  | 50,574                 | 87,096                 | 75,201                 | 137,949                |
| Transfers .....                                       | (661,843)              | (591,268)              | (626,435)              | (643,065)              |
| Total Governmental Activities .....                   | <u>\$ 23,439,866</u>   | <u>\$ 24,205,928</u>   | <u>\$ 25,463,652</u>   | <u>\$ 26,827,175</u>   |
| Business-type Activities:                             |                        |                        |                        |                        |
| Unallocated Investment/Interest Earnings .....        | \$ 44,919              | \$ 45,796              | \$ 50,457              | \$ 59,959              |
| Other Revenues .....                                  | 8,067                  | 11,990                 | 4,249                  | 732                    |
| Transfers .....                                       | 661,843                | 591,268                | 626,435                | 643,065                |
| Total Business-type Activities .....                  | <u>\$ 714,829</u>      | <u>\$ 649,054</u>      | <u>\$ 681,141</u>      | <u>\$ 703,756</u>      |
| Total Primary Government General Revenues .....       | <u>\$ 24,154,695</u>   | <u>\$ 24,854,982</u>   | <u>\$ 26,144,793</u>   | <u>\$ 27,530,931</u>   |
| Changes in Net Position:                              |                        |                        |                        |                        |
| Governmental Activities .....                         | \$ 1,466,405           | \$ 73,447              | \$ 1,249,513           | \$ 3,220,152           |
| Change in Accounting Principle .....                  | —                      | —                      | (175,330)              | —                      |
| Change in Reporting Entity .....                      | —                      | —                      | (7,005)                | —                      |
| Error Correction .....                                | —                      | —                      | —                      | —                      |
| Business-type Activities .....                        | 292,797                | (380,866)              | (58,136)               | 418,947                |
| Change in Accounting Principle .....                  | —                      | —                      | (33,694)               | —                      |
| Change in Reporting Entity .....                      | —                      | —                      | 7,005                  | —                      |
| Total Primary Government Change in Net Position ..... | <u>\$ 1,759,202</u>    | <u>\$ (307,419)</u>    | <u>\$ 982,353</u>      | <u>\$ 3,639,099</u>    |

Source: The state's Annual Comprehensive Financial Report for the relevant year, restated for any adjustment(s), as necessary.

| 2020                   | 2021                   | 2022                   | 2023                   | 2024                   | 2025                   |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ (25,424,528)        | \$ (25,752,783)        | \$ (25,118,140)        | \$ (27,520,417)        | \$ (35,634,397)        | \$ (38,179,036)        |
| (2,028,340)            | (1,824,807)            | 1,547,633              | (454,544)              | (1,008,256)            | (1,008,178)            |
| <u>\$ (27,452,868)</u> | <u>\$ (27,577,590)</u> | <u>\$ (23,570,507)</u> | <u>\$ (27,974,961)</u> | <u>\$ (36,642,653)</u> | <u>\$ (39,187,214)</u> |
|                        |                        |                        |                        |                        |                        |
| \$ 12,754,820          | \$ 14,326,962          | \$ 16,861,833          | \$ 16,362,107          | \$ 16,740,695          | \$ 18,138,683          |
| 1,638,366              | 2,275,049              | 2,866,222              | 2,939,375              | 3,223,930              | 3,051,184              |
| 6,408,680              | 6,736,757              | 7,428,258              | 8,207,443              | 8,803,443              | 8,958,996              |
| 781,471                | 788,623                | 743,116                | 769,711                | 721,648                | 764,304                |
| 1,622,413              | 1,836,728              | 1,810,109              | 1,899,939              | 2,043,105              | 2,143,197              |
| 882,917                | 855,981                | 899,424                | 886,377                | 889,206                | 946,242                |
| 3,019,463              | 3,315,179              | 3,550,530              | 3,586,205              | 3,592,615              | 3,781,821              |
| 150,729                | 259,124                | 195,055                | 197,678                | 183,713                | 151,351                |
| 127,253                | 97,485                 | (189,612)              | 881,305                | 1,161,610              | 906,159                |
| 51,292                 | 155,267                | 121,981                | 179,136                | 182,180                | 132,046                |
| (696,757)              | (620,256)              | (1,087,341)            | (634,339)              | (1,458,611)            | (824,401)              |
| <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>   | <u>\$ 38,149,582</u>   |
|                        |                        |                        |                        |                        |                        |
| \$ 53,677              | \$ 7,923               | \$ 6,184               | \$ 55,938              | \$ 114,499             | \$ 109,331             |
| 30                     | 918                    | 360                    | 4,347                  | 749                    | 963                    |
| 696,757                | 620,256                | 1,087,341              | 634,339                | 1,458,611              | 824,401                |
| <u>\$ 750,464</u>      | <u>\$ 629,097</u>      | <u>\$ 1,093,885</u>    | <u>\$ 694,624</u>      | <u>\$ 1,573,859</u>    | <u>\$ 934,695</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>   | <u>\$ 39,084,277</u>   |
|                        |                        |                        |                        |                        |                        |
| \$ 1,316,119           | \$ 4,274,116           | \$ 8,081,435           | \$ 7,754,520           | \$ 449,137             | \$ (29,454)            |
| —                      | 5,446                  | 8,082                  | —                      | —                      | (326,857)              |
| —                      | —                      | —                      | —                      | 1,481                  | —                      |
| —                      | —                      | —                      | —                      | —                      | (461,012)              |
| (1,277,876)            | (1,195,710)            | 2,641,518              | 240,080                | 565,603                | (73,483)               |
| —                      | —                      | —                      | —                      | —                      | (81,011)               |
| —                      | —                      | —                      | —                      | (1,481)                | —                      |
| <u>\$ 38,243</u>       | <u>\$ 3,083,852</u>    | <u>\$ 10,731,035</u>   | <u>\$ 7,994,600</u>    | <u>\$ 1,014,740</u>    | <u>\$ (971,817)</u>    |

**Schedule 3 - Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
**(In Thousands)**

|                                          | 2016                       | 2017                       | 2018                        | 2019                        |
|------------------------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>General Fund:</b>                     |                            |                            |                             |                             |
| Nonspendable .....                       | \$ 929,967                 | \$ 1,034,219               | \$ 1,121,875                | \$ 1,229,393                |
| Restricted .....                         | 180,272                    | 86,942                     | 83,409                      | 93,570                      |
| Committed .....                          | —                          | —                          | 82,000                      | 62,221                      |
| Assigned .....                           | 357,833                    | 740,524                    | 1,802,700                   | 2,081,524                   |
| Unassigned .....                         | 1,641,798                  | 1,610,516                  | 1,759,000                   | 2,175,460                   |
| Total General Fund .....                 | <u>\$ 3,109,870</u>        | <u>\$ 3,472,201</u>        | <u>\$ 4,848,984</u>         | <u>\$ 5,642,168</u>         |
| <b>All Other Governmental Funds:</b>     |                            |                            |                             |                             |
| Nonspendable .....                       | \$ 1,275,357               | \$ 1,369,443               | \$ 1,442,020                | \$ 1,568,078                |
| Restricted .....                         | 3,482,136                  | 3,629,229                  | 4,618,092                   | 4,719,005                   |
| Committed .....                          | 709,828                    | 952,613                    | 688,673                     | 663,729                     |
| Assigned .....                           | 598,110                    | 548,454                    | 24,072                      | 53,513                      |
| Unassigned .....                         | —                          | —                          | —                           | —                           |
| Total All Other Governmental Funds ..... | <u>\$ 6,065,431</u>        | <u>\$ 6,499,739</u>        | <u>\$ 6,772,857</u>         | <u>\$ 7,004,325</u>         |
| Total Governmental Funds .....           | <u><u>\$ 9,175,301</u></u> | <u><u>\$ 9,971,940</u></u> | <u><u>\$ 11,621,841</u></u> | <u><u>\$ 12,646,493</u></u> |

Source: The state's Annual Comprehensive Financial Report for the relevant year, restated for any adjustment(s), as necessary.

| 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,306,394         | \$ 1,656,575         | \$ 1,462,110         | \$ 1,634,311         | \$ 1,914,056         | \$ 2,085,671         |
| 98,995               | 91,030               | 107,180              | 88,262               | 138,657              | 199,708              |
| 55,698               | 69,968               | 80,357               | 79,867               | 105,562              | 131,708              |
| 2,066,622            | 1,818,861            | 1,924,131            | 2,655,608            | 4,452,784            | 4,848,685            |
| 2,059,642            | 5,205,205            | 10,871,796           | 15,074,867           | 10,123,497           | 8,418,651            |
| <u>\$ 5,587,351</u>  | <u>\$ 8,841,639</u>  | <u>\$ 14,445,574</u> | <u>\$ 19,532,915</u> | <u>\$ 16,734,556</u> | <u>\$ 15,684,423</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 1,677,904         | \$ 2,004,883         | \$ 1,814,783         | \$ 1,962,796         | \$ 2,210,470         | \$ 2,394,851         |
| 4,743,594            | 4,938,195            | 5,613,471            | 5,642,389            | 6,370,512            | 6,894,241            |
| 804,708              | 879,424              | 924,000              | 1,027,555            | 1,203,982            | 1,226,757            |
| 38,483               | 49,853               | 74,190               | 53,005               | 1,003,980            | 811,876              |
| (3,485)              | 4,783                | —                    | (58,966)             | (62,100)             | —                    |
| <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>\$ 11,327,725</u> |
| <u>\$ 12,848,555</u> | <u>\$ 16,718,777</u> | <u>\$ 22,872,018</u> | <u>\$ 28,159,694</u> | <u>\$ 27,461,400</u> | <u>\$ 27,012,148</u> |

**Schedule 4 - Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
**(In Thousands)**

|                                                               | 2016                     | 2017                     | 2018                       | 2019                       |
|---------------------------------------------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| <b>Revenues:</b>                                              |                          |                          |                            |                            |
| Individual Income Taxes .....                                 | \$ 11,013,385            | \$ 11,263,573            | \$ 12,082,631              | \$ 12,674,858              |
| Corporate Income Taxes .....                                  | 1,414,531                | 1,272,913                | 1,327,533                  | 1,613,373                  |
| Sales Taxes .....                                             | 5,558,870                | 5,792,017                | 5,993,944                  | 6,264,666                  |
| Property Taxes .....                                          | 855,032                  | 848,463                  | 819,654                    | 811,117                    |
| Motor Vehicle Taxes .....                                     | 1,428,000                | 1,518,624                | 1,566,752                  | 1,626,429                  |
| Fuel Taxes .....                                              | 904,475                  | 917,956                  | 936,543                    | 930,988                    |
| Federal Revenues .....                                        | 10,718,437               | 11,033,759               | 11,518,966                 | 12,167,814                 |
| Other Taxes and Revenues .....                                | 4,792,065                | 5,092,983                | 6,172,623                  | 5,635,967                  |
| Total Revenues .....                                          | <u>\$ 36,684,795</u>     | <u>\$ 37,740,288</u>     | <u>\$ 40,418,646</u>       | <u>\$ 41,725,212</u>       |
| <b>Expenditures:</b>                                          |                          |                          |                            |                            |
| Agricultural, Environmental and Energy Resources .....        | \$ 998,511               | \$ 1,035,953             | \$ 1,173,902               | \$ 1,224,420               |
| Economic and Workforce Development .....                      | 720,340                  | 756,386                  | 721,636                    | 762,380                    |
| General Education .....                                       | 9,438,526                | 9,801,245                | 10,142,699                 | 10,545,012                 |
| General Government .....                                      | 1,022,503                | 978,292                  | 967,045                    | 978,388                    |
| Health and Human Services .....                               | 15,556,280               | 16,039,287               | 17,087,873                 | 17,881,072                 |
| Higher Education .....                                        | 976,387                  | 987,714                  | 1,032,901                  | 1,087,158                  |
| Intergovernmental Aid .....                                   | 1,626,833                | 1,644,215                | 1,699,020                  | 1,867,341                  |
| Public Safety and Corrections .....                           | 974,864                  | 1,046,709                | 1,067,492                  | 1,168,970                  |
| Transportation .....                                          | 2,840,880                | 2,772,542                | 3,093,871                  | 3,385,926                  |
| Total Current Expenditures .....                              | <u>\$ 34,155,124</u>     | <u>\$ 35,062,343</u>     | <u>\$ 36,986,439</u>       | <u>\$ 38,900,667</u>       |
| Capital Outlay .....                                          | 1,193,981                | 870,595                  | 669,165                    | 840,378                    |
| <b>Debt Service:</b>                                          |                          |                          |                            |                            |
| Principal .....                                               | 650,190                  | 647,020                  | 655,751                    | 614,384                    |
| Interest .....                                                | 390,603                  | 392,195                  | 380,418                    | 339,397                    |
| Total Expenditures .....                                      | <u>\$ 36,389,898</u>     | <u>\$ 36,972,153</u>     | <u>\$ 38,691,773</u>       | <u>\$ 40,694,826</u>       |
| Excess of Revenues over (under) Expenditures .....            | <u>\$ 294,897</u>        | <u>\$ 768,135</u>        | <u>\$ 1,726,873</u>        | <u>\$ 1,030,386</u>        |
| <b>Other Financing Sources (Uses):</b>                        |                          |                          |                            |                            |
| Bond Issuance .....                                           | \$ 670,905               | \$ 491,129               | \$ 449,188                 | \$ 603,407                 |
| Certificate of Participation Issuance .....                   | —                        | —                        | —                          | —                          |
| Loan Issuance .....                                           | —                        | 769                      | 2,887                      | —                          |
| Right-to-Use Issuance .....                                   | —                        | —                        | —                          | —                          |
| Issuance of Refunding Bonds .....                             | 391,555                  | 310,565                  | 404,880                    | —                          |
| Payment to Refunded Bonds Escrow Agent .....                  | (391,555)                | (310,565)                | (404,880)                  | —                          |
| Bond Issuance Premium .....                                   | 163,418                  | 155,376                  | 137,078                    | 79,169                     |
| Certificate of Participation Issuance Premium .....           | —                        | —                        | —                          | —                          |
| Net Transfers-In (Out) .....                                  | (643,767)                | (618,770)                | (666,622)                  | (688,310)                  |
| Net Other Financing Sources (Uses) .....                      | <u>\$ 190,556</u>        | <u>\$ 28,504</u>         | <u>\$ (77,469)</u>         | <u>\$ (5,734)</u>          |
| Change in Accounting Principle .....                          | \$ —                     | \$ —                     | \$ —                       | \$ —                       |
| Change in Reporting Entity .....                              | —                        | —                        | 497                        | —                          |
| Error Correction .....                                        | —                        | —                        | —                          | —                          |
| Net Changes in Fund Balances .....                            | <u><u>\$ 485,453</u></u> | <u><u>\$ 796,639</u></u> | <u><u>\$ 1,649,901</u></u> | <u><u>\$ 1,024,652</u></u> |
| Debt Service as a Percentage of Noncapital Expenditures ..... | 3.0 %                    | 2.9 %                    | 2.7 %                      | 2.4 %                      |

Source: The state's Annual Comprehensive Financial report for the relevant year, restated for any adjustment(s), as necessary.



| 2020          | 2021          | 2022          | 2023          | 2024          | 2025           |
|---------------|---------------|---------------|---------------|---------------|----------------|
| \$ 12,329,724 | \$ 14,496,290 | \$ 16,836,132 | \$ 16,304,325 | \$ 16,633,430 | \$ 17,785,593  |
| 1,620,684     | 2,276,986     | 2,848,019     | 2,911,082     | 3,205,333     | 3,056,349      |
| 6,387,889     | 6,755,167     | 7,402,838     | 8,223,637     | 8,781,570     | 8,886,872      |
| 772,876       | 789,888       | 765,534       | 770,142       | 719,571       | 750,842        |
| 1,622,106     | 1,836,267     | 1,810,227     | 1,899,879     | 2,043,245     | 2,143,440      |
| 884,788       | 854,215       | 900,818       | 887,011       | 887,712       | 945,693        |
| 12,986,120    | 17,319,191    | 19,569,461    | 19,457,701    | 18,224,124    | 19,022,009     |
| 5,401,771     | 6,350,613     | 5,173,024     | 7,238,899     | 7,962,311     | 7,990,761      |
| \$ 42,005,958 | \$ 50,678,617 | \$ 55,306,053 | \$ 57,692,676 | \$ 58,457,296 | \$ 60,581,559  |
| \$ 1,303,941  | \$ 1,322,622  | \$ 1,531,576  | \$ 1,563,234  | \$ 1,699,344  | \$ 2,070,082   |
| 821,081       | 936,239       | 893,569       | 1,053,046     | 1,982,702     | 1,845,758      |
| 10,896,959    | 11,779,019    | 12,312,904    | 12,113,230    | 13,397,360    | 14,018,305     |
| 1,009,413     | 1,181,182     | 1,062,955     | 1,175,222     | 2,526,385     | 1,464,620      |
| 18,537,691    | 21,113,015    | 23,610,490    | 25,186,493    | 26,735,085    | 28,986,385     |
| 1,009,076     | 1,038,657     | 1,125,382     | 1,063,998     | 1,215,935     | 1,306,054      |
| 1,780,630     | 2,860,441     | 2,011,220     | 2,505,003     | 2,758,543     | 3,000,433      |
| 1,188,951     | 1,314,226     | 1,289,196     | 1,418,343     | 1,674,188     | 1,802,015      |
| 3,411,652     | 3,409,599     | 3,486,447     | 3,745,889     | 4,181,355     | 4,767,988      |
| \$ 39,959,394 | \$ 44,955,000 | \$ 47,323,739 | \$ 49,824,458 | \$ 56,170,897 | \$ 59,261,640  |
| 881,527       | 929,456       | 876,303       | 1,024,933     | 1,048,747     | 1,279,217      |
| 649,388       | 619,204       | 624,662       | 1,161,906     | 766,099       | 768,770        |
| 321,316       | 346,937       | 333,527       | 344,307       | 329,968       | 358,871        |
| \$ 41,811,625 | \$ 46,850,597 | \$ 49,158,231 | \$ 52,355,604 | \$ 58,315,711 | \$ 61,668,498  |
| \$ 194,333    | \$ 3,828,020  | \$ 6,147,822  | \$ 5,337,072  | \$ 141,585    | \$ (1,086,939) |
| \$ 621,347    | \$ 563,000    | \$ 919,649    | \$ 478,418    | \$ 497,043    | \$ 1,289,407   |
| —             | —             | —             | —             | 454,175       | —              |
| —             | —             | 3,500         | 16,312        | 32,096        | 574            |
| —             | —             | 42,901        | 37,431        | 38,315        | 52,613         |
| 27,570        | 695,655       | —             | 444,960       | 584,465       | 331,410        |
| (27,570)      | (695,655)     | —             | (444,960)     | (584,465)     | (331,410)      |
| 130,449       | 146,688       | 179,033       | 105,926       | 111,416       | 202,573        |
| —             | —             | —             | —             | 24,679        | —              |
| (744,067)     | (672,932)     | (1,139,664)   | (687,483)     | (2,002,317)   | (907,480)      |
| \$ 7,729      | \$ 36,756     | \$ 5,419      | \$ (49,396)   | \$ (844,593)  | \$ 637,687     |
| \$ —          | \$ 5,446      | \$ —          | \$ —          | \$ —          | \$ —           |
| —             | —             | —             | —             | 4,714         | —              |
| —             | —             | —             | —             | —             | (121,924)      |
| \$ 202,062    | \$ 3,870,222  | \$ 6,153,241  | \$ 5,287,676  | \$ (698,294)  | \$ (571,176)   |
| 2.4 %         | 2.1 %         | 2.0 %         | 2.9 %         | 1.9 %         | 1.9 %          |

**Schedule 5 - Revenue Base**  
**Estimated Personal Income by Industry**  
**Last Ten Calendar Years**  
**(In Thousands)**

|                                                    | 2015           | 2016           | 2017           | 2018           |
|----------------------------------------------------|----------------|----------------|----------------|----------------|
| Farm Earnings .....                                | \$ 3,436,873   | \$ 2,134,638   | \$ 492,804     | \$ 1,852,217   |
| Nonfarm Earnings:                                  |                |                |                |                |
| Private Earnings:                                  |                |                |                |                |
| Forestry, Fishing, Related Activities .....        | \$ 405,253     | \$ 424,616     | \$ 434,528     | \$ 481,398     |
| Mining .....                                       | 711,097        | 567,153        | 598,939        | 759,190        |
| Utilities .....                                    | 1,813,182      | 1,872,657      | 1,831,635      | 1,908,942      |
| Construction .....                                 | 12,199,335     | 12,845,658     | 13,656,541     | 13,978,979     |
| Manufacturing:                                     |                |                |                |                |
| Durable Goods Manufacturing .....                  | 17,276,885     | 17,438,243     | 17,929,229     | 18,601,711     |
| Nondurable Goods Manufacturing .....               | 9,169,634      | 9,357,227      | 9,404,043      | 9,604,543      |
| Wholesale trade .....                              | 13,096,562     | 12,945,024     | 14,803,153     | 14,349,985     |
| Retail Trade .....                                 | 11,384,942     | 11,789,700     | 11,927,427     | 12,326,763     |
| Transportation and Warehousing .....               | 6,743,929      | 7,336,944      | 8,010,476      | 8,380,010      |
| Information .....                                  | 4,851,528      | 4,689,082      | 4,911,711      | 4,899,737      |
| Finance and Insurance .....                        | 16,821,074     | 16,837,111     | 18,327,349     | 19,603,029     |
| Real Estate and Rental and Leasing .....           | 4,464,110      | 3,983,710      | 3,996,742      | 3,629,490      |
| Professional and Technical Services .....          | 17,816,158     | 19,890,779     | 20,579,819     | 21,484,286     |
| Management of Companies and Enterprises .....      | 10,841,476     | 10,879,965     | 11,677,068     | 12,000,032     |
| Administrative and Waste Services .....            | 6,499,176      | 6,924,327      | 7,654,637      | 7,593,887      |
| Educational Services .....                         | 2,918,287      | 3,085,382      | 3,157,217      | 3,251,508      |
| Health Care and Social Assistance .....            | 26,435,203     | 28,175,658     | 29,831,013     | 31,256,560     |
| Arts, Entertainment, and Recreation .....          | 2,004,934      | 2,212,728      | 2,274,522      | 2,631,950      |
| Accommodation and Food Services .....              | 5,159,435      | 5,517,804      | 5,810,628      | 6,015,044      |
| Other Services, Except Public Administration ..... | 7,151,982      | 7,369,166      | 7,766,344      | 7,956,699      |
| Total Private Earnings .....                       | \$ 177,764,182 | \$ 184,142,934 | \$ 194,583,021 | \$ 200,713,743 |
| Government and Government Enterprises:             |                |                |                |                |
| Federal, Civilian .....                            | \$ 3,169,588   | \$ 3,254,830   | \$ 3,341,625   | \$ 3,501,023   |
| Military .....                                     | 623,320        | 657,201        | 653,478        | 706,250        |
| State and Local .....                              | 23,628,074     | 24,423,598     | 25,166,437     | 26,343,997     |
| Total Government and Government Enterprises .....  | \$ 27,420,982  | \$ 28,335,629  | \$ 29,161,540  | \$ 30,551,270  |
| Total Nonfarm Earnings .....                       | \$ 205,185,164 | \$ 212,478,563 | \$ 223,744,561 | \$ 231,265,013 |
| Total Earnings by Industry .....                   | \$ 208,622,037 | \$ 214,613,201 | \$ 224,237,365 | \$ 233,117,230 |
| Derivation of Personal Income:                     |                |                |                |                |
| Earnings by Place of Work .....                    | \$ 208,622,037 | \$ 214,613,201 | \$ 224,237,365 | \$ 233,117,230 |
| Other Personal Income <sup>(1)</sup> .....         | 71,784,447     | 72,636,608     | 78,903,906     | 89,610,344     |
| Personal Income .....                              | \$ 280,406,484 | \$ 287,249,809 | \$ 303,141,271 | \$ 322,727,574 |

<sup>(1)</sup> 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/](http://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 26, 2025 for calendar year 2024.

| 2019           | 2020           | 2021           | 2022           | 2023           | 2024           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 2,846,797   | \$ 4,067,578   | \$ 4,076,816   | \$ 5,745,694   | \$ 3,391,704   | \$ 2,917,790   |
| \$ 477,302     | \$ 451,016     | \$ 432,059     | \$ 429,738     | \$ 554,180     | \$ 597,815     |
| 838,794        | 738,578        | 931,793        | 1,060,371      | 1,319,929      | 1,166,962      |
| 1,964,871      | 2,118,672      | 2,169,474      | 2,247,316      | 2,223,422      | 2,410,130      |
| 14,825,124     | 15,329,099     | 16,473,592     | 16,900,031     | 17,928,605     | 19,398,895     |
| 19,143,064     | 18,895,291     | 20,085,714     | 21,469,726     | 22,518,998     | 23,397,816     |
| 10,220,779     | 10,387,716     | 10,385,451     | 12,071,516     | 12,833,613     | 14,016,915     |
| 14,830,395     | 15,728,992     | 16,164,131     | 17,616,755     | 19,499,910     | 20,576,686     |
| 12,583,008     | 12,653,316     | 13,555,803     | 14,490,973     | 14,557,595     | 15,354,641     |
| 8,958,186      | 8,532,098      | 8,786,991      | 9,875,901      | 10,479,548     | 10,975,420     |
| 5,103,172      | 5,533,813      | 6,414,140      | 6,442,971      | 7,000,689      | 7,026,975      |
| 20,294,860     | 21,534,399     | 22,605,143     | 23,327,186     | 24,273,072     | 24,967,401     |
| 3,773,705      | 3,598,990      | 3,988,050      | 5,165,609      | 4,233,080      | 4,438,853      |
| 22,009,990     | 22,302,458     | 23,827,274     | 26,232,320     | 27,219,138     | 28,322,819     |
| 13,531,826     | 13,308,455     | 14,304,927     | 14,345,763     | 14,905,135     | 15,022,557     |
| 7,823,540      | 7,770,546      | 8,592,050      | 9,401,857      | 9,542,019      | 9,222,151      |
| 3,417,599      | 3,403,828      | 3,553,841      | 3,816,515      | 3,819,336      | 4,035,559      |
| 32,320,602     | 33,280,658     | 35,282,364     | 37,014,201     | 39,351,448     | 42,222,329     |
| 2,567,039      | 1,829,275      | 2,332,775      | 3,417,245      | 3,016,108      | 3,059,408      |
| 6,210,891      | 4,726,572      | 6,607,954      | 7,369,669      | 7,900,797      | 8,338,725      |
| 8,338,454      | 7,940,437      | 8,382,031      | 9,136,142      | 9,731,679      | 10,260,996     |
| \$ 209,233,201 | \$ 210,064,209 | \$ 224,875,557 | \$ 241,831,805 | \$ 252,908,301 | \$ 264,813,053 |
| \$ 3,551,617   | \$ 3,695,225   | \$ 3,797,075   | \$ 4,013,682   | \$ 4,381,125   | \$ 4,693,258   |
| 758,605        | 760,090        | 783,614        | 785,415        | 854,711        | 922,906        |
| 26,752,970     | 26,959,982     | 28,037,680     | 28,764,068     | 30,351,185     | 33,139,517     |
| \$ 31,063,192  | \$ 31,415,297  | \$ 32,618,369  | \$ 33,563,165  | \$ 35,587,021  | \$ 38,755,681  |
| \$ 240,296,393 | \$ 241,479,506 | \$ 257,493,926 | \$ 275,394,970 | \$ 288,495,322 | \$ 303,568,734 |
| \$ 243,143,190 | \$ 245,547,084 | \$ 261,570,742 | \$ 281,140,664 | \$ 291,887,026 | \$ 306,486,524 |
| \$ 243,143,190 | \$ 245,547,084 | \$ 261,570,742 | \$ 281,140,664 | \$ 291,887,026 | \$ 306,486,524 |
| 88,658,735     | 105,237,607    | 116,713,914    | 112,428,356    | 124,437,498    | 131,495,347    |
| \$ 331,801,925 | \$ 350,784,691 | \$ 378,284,656 | \$ 393,569,020 | \$ 416,324,524 | \$ 437,981,871 |

**Schedule 6 - Revenue Rates  
Tax Rates and Taxable Income Brackets  
Calendar Years 2016 through 2025**

| <b>Tax Year 2016</b>    |             |           |   |            |            |   |            |            |
|-------------------------|-------------|-----------|---|------------|------------|---|------------|------------|
|                         | 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    |

| <b>Tax Year 2017</b>    |             |           |   |            |            |   |            |            |
|-------------------------|-------------|-----------|---|------------|------------|---|------------|------------|
|                         | 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    |

| <b>Tax Year 2018</b>    |             |           |   |            |            |   |            |            |
|-------------------------|-------------|-----------|---|------------|------------|---|------------|------------|
|                         | 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    |

| <b>Tax Year 2019</b>    |             |           |   |            |            |   |            |            |
|-------------------------|-------------|-----------|---|------------|------------|---|------------|------------|
|                         | 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    |

| <b>Tax Year 2020</b>    |             |           |   |            |            |   |            |            |
|-------------------------|-------------|-----------|---|------------|------------|---|------------|------------|
|                         | 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    |

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 2016 through 2025 (continued)**

**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    |

**Tax Year 2025**

|                         | 5.35% Up To | 6.80%                  | 7.85%                   | 9.85% Over |
|-------------------------|-------------|------------------------|-------------------------|------------|
| Married Joint .....     | \$ 47,620   | \$ 47,621 — \$ 189,180 | \$ 189,181 — \$ 330,410 | \$ 330,410 |
| Married Separate .....  | 23,810      | 23,811 — 94,590        | 94,591 — 165,205        | 165,205    |
| Single .....            | 32,570      | 32,571 — 106,990       | 106,991 — 198,630       | 198,630    |
| Head of Household ..... | 40,100      | 40,101 — 161,130       | 161,131 — 264,050       | 264,050    |



**Schedule 7 - Principal Tax Payers**  
**Personal Income Tax Filers and Liability by Income Level**  
**Calendar Years 2014 and 2023**

**Calendar Year 2014**

| Federal Adjusted Gross<br>Income | Total Number of<br>Returns Filed | Percent<br>of Total | Personal Income<br>Tax Liability <sup>(1)</sup> | Percent<br>of Total |
|----------------------------------|----------------------------------|---------------------|-------------------------------------------------|---------------------|
| \$ — — \$ 4,999                  | 217,715                          | 8.00 %              | \$ 3,689,196                                    | 0.04 %              |
| 5,000 — 9,999                    | 182,945                          | 6.72 %              | 5,242,692                                       | 0.05 %              |
| 10,000 — 19,999                  | 334,823                          | 12.30 %             | 60,419,757                                      | 0.63 %              |
| 20,000 — 29,999                  | 291,485                          | 10.70 %             | 151,978,857                                     | 1.58 %              |
| 30,000 — 39,999                  | 257,458                          | 9.46 %              | 255,338,776                                     | 2.65 %              |
| 40,000 — 49,999                  | 217,300                          | 7.98 %              | 324,993,956                                     | 3.38 %              |
| 50,000 — 99,999                  | 681,795                          | 25.04 %             | 1,937,602,318                                   | 20.12 %             |
| 100,000 — 249,999                | 444,970                          | 16.34 %             | 3,068,192,761                                   | 31.87 %             |
| 250,000 — 499,999                | 61,398                           | 2.25 %              | 1,248,295,223                                   | 12.97 %             |
| 500,000 & Over                   | 33,078                           | 1.21 %              | 2,572,418,249                                   | 26.71 %             |
| Total                            | 2,722,967                        | 100.00 %            | \$ 9,628,171,785                                | 100.00 %            |

**Calendar Year 2023**

| Federal Adjusted Gross<br>Income | Total Number of<br>Returns Filed | Percent<br>of Total | Personal Income<br>Tax Liability <sup>(1)</sup> | Percent<br>of Total |
|----------------------------------|----------------------------------|---------------------|-------------------------------------------------|---------------------|
| \$ — — \$ 4,999                  | 159,211                          | 5.39 %              | \$ 9,396,641                                    | 0.06 %              |
| 5,000 — 9,999                    | 140,798                          | 4.76 %              | 1,505,310                                       | 0.01 %              |
| 10,000 — 19,999                  | 248,179                          | 8.40 %              | 15,872,854                                      | 0.11 %              |
| 20,000 — 29,999                  | 230,928                          | 7.81 %              | 86,477,512                                      | 0.59 %              |
| 30,000 — 39,999                  | 239,849                          | 8.11 %              | 176,541,728                                     | 1.20 %              |
| 40,000 — 49,999                  | 248,040                          | 8.39 %              | 297,617,971                                     | 2.02 %              |
| 50,000 — 99,999                  | 799,082                          | 27.03 %             | 1,973,195,090                                   | 13.41 %             |
| 100,000 — 249,999                | 700,705                          | 23.71 %             | 4,922,373,949                                   | 33.46 %             |
| 250,000 — 499,999                | 129,807                          | 4.39 %              | 2,598,837,064                                   | 17.66 %             |
| 500,000 & Over                   | 59,187                           | 2.01 %              | 4,630,285,954                                   | 31.48 %             |
| Total                            | 2,955,786                        | 100.00 %            | \$ 14,712,104,073                               | 100.00 %            |

<sup>(1)</sup> Minnesota Income Tax Liability before refundable tax credits.

Source: Minnesota Department of Revenue, Individual Income Tax Sample. Calendar year 2023 is the most recent year available.

**Schedule 8 - Ratios of Outstanding and General Bonded Debt**  
**Last Ten Fiscal Years**  
**(In Thousands)**

|                                                               | 2016                       | 2017                       | 2018                       | 2019                       |
|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Governmental Activities:</b>                               |                            |                            |                            |                            |
| General Obligation Bonds <sup>(1)</sup> .....                 | \$ 7,043,943               | \$ 6,999,510               | \$ 6,867,284               | \$ 6,924,502               |
| Revenue Bonds <sup>(1)</sup> .....                            | 42,103                     | 39,365                     | 36,795                     | 34,150                     |
| State Appropriation Bonds <sup>(1)</sup> .....                | 1,128,706                  | 1,090,895                  | 1,048,439                  | 997,488                    |
| Loans .....                                                   | 23,337                     | 23,252                     | 41,770                     | 51,182                     |
| Capital Leases <sup>(2)</sup> .....                           | 89,854                     | 80,881                     | 71,576                     | 61,864                     |
| Lease/Subscription <sup>(2)</sup> .....                       | —                          | —                          | —                          | —                          |
| Certificates of Participation <sup>(1)</sup> .....            | 115,870                    | 104,875                    | 93,425                     | 81,709                     |
| Total Governmental Activities .....                           | <u>\$ 8,443,813</u>        | <u>\$ 8,338,778</u>        | <u>\$ 8,159,289</u>        | <u>\$ 8,150,895</u>        |
| <b>Business-type Activities:</b>                              |                            |                            |                            |                            |
| General Obligation Bonds <sup>(1)</sup> .....                 | \$ 253,671                 | \$ 238,637                 | \$ 227,901                 | \$ 223,190                 |
| Revenue Bonds <sup>(1)</sup> .....                            | 431,289                    | 392,070                    | 351,871                    | 309,803                    |
| Loans .....                                                   | 4,842                      | 2,552                      | 11,030                     | 10,358                     |
| Capital Leases <sup>(2)</sup> .....                           | 21,635                     | 26,996                     | 13,741                     | 9,494                      |
| Lease/Subscription <sup>(2)</sup> .....                       | —                          | —                          | —                          | —                          |
| Total Business-type Activities .....                          | <u>\$ 711,437</u>          | <u>\$ 660,255</u>          | <u>\$ 604,543</u>          | <u>\$ 552,845</u>          |
| Total Debt to the Primary Government .....                    | <u>\$ 9,155,250</u>        | <u>\$ 8,999,033</u>        | <u>\$ 8,763,832</u>        | <u>\$ 8,703,740</u>        |
| Less: Set Aside to Repay General Debt .....                   | <u>\$ (613,385)</u>        | <u>\$ (625,870)</u>        | <u>\$ (611,595)</u>        | <u>\$ (619,740)</u>        |
| Net Debt to the Primary Government .....                      | <u><u>\$ 8,541,865</u></u> | <u><u>\$ 8,373,163</u></u> | <u><u>\$ 8,152,237</u></u> | <u><u>\$ 8,084,000</u></u> |
|                                                               |                            |                            |                            |                            |
| Total Personal Income .....                                   | \$280,406,484              | \$287,249,809              | \$303,141,271              | \$322,727,574              |
|                                                               |                            |                            |                            |                            |
| Ratio of Total Debt to Personal Income .....                  | 3.26 %                     | 3.13 %                     | 2.89 %                     | 2.70 %                     |
| Per Capita Total Outstanding Debt (Actual Dollars) .....      | \$ 1,670                   | \$ 1,630                   | \$ 1,571                   | \$ 1,551                   |
| Ratio of Net General Obligation Debt to Personal Income ..... | 2.38 %                     | 2.30 %                     | 2.14 %                     | 2.02 %                     |
| Per Capita Net General Obligation Debt (Actual Dollars) ..... | \$ 1,219                   | \$ 1,198                   | \$ 1,163                   | \$ 1,163                   |

<sup>(1)</sup> Includes applicable premium or discount.

<sup>(2)</sup> 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/](http://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 26, 2025 for calendar year 2024.



| 2020                       | 2021                       | 2022                       | 2023                       | 2024                       | 2025                       |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| \$ 7,025,411               | \$ 6,915,311               | \$ 7,376,400               | \$ 7,211,161               | \$ 6,997,312               | \$ 7,696,791               |
| 31,410                     | 28,580                     | 25,645                     | 23,885                     | 64,101                     | 114,467                    |
| 944,767                    | 956,012                    | 954,340                    | 449,028                    | 428,269                    | 378,652                    |
| 55,395                     | 51,608                     | 45,828                     | 63,649                     | 115,013                    | 137,645                    |
| 51,702                     | 41,047                     | —                          | —                          | —                          | —                          |
| —                          | —                          | 333,823                    | 390,731                    | 329,749                    | 282,432                    |
| 79,038                     | 76,257                     | 73,361                     | 70,345                     | 545,441                    | 527,381                    |
| <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>        | <u>\$ 9,137,368</u>        |
| <br>                       |                            |                            |                            |                            |                            |
| \$ 214,906                 | \$ 199,199                 | \$ 186,863                 | \$ 166,577                 | \$ 150,805                 | \$ 153,468                 |
| 266,519                    | 232,993                    | 205,979                    | 188,542                    | 173,053                    | 154,989                    |
| 13,398                     | 1,150,619                  | 23,576                     | 22,855                     | 21,729                     | 20,276                     |
| 5,351                      | 4,364                      | —                          | —                          | —                          | —                          |
| —                          | —                          | 32,058                     | 81,522                     | 72,810                     | 77,549                     |
| <u>\$ 500,174</u>          | <u>\$ 1,587,175</u>        | <u>\$ 448,476</u>          | <u>\$ 459,496</u>          | <u>\$ 418,397</u>          | <u>\$ 406,282</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>\$ 9,543,650</u>        |
| <u>\$ (615,705)</u>        | <u>\$ (574,475)</u>        | <u>\$ (591,806)</u>        | <u>\$ (602,830)</u>        | <u>\$ (598,986)</u>        | <u>\$ (664,274)</u>        |
| <u><u>\$ 8,072,192</u></u> | <u><u>\$ 9,081,515</u></u> | <u><u>\$ 8,666,067</u></u> | <u><u>\$ 8,065,465</u></u> | <u><u>\$ 8,299,296</u></u> | <u><u>\$ 8,879,376</u></u> |
| <br>                       |                            |                            |                            |                            |                            |
| \$331,801,925              | \$350,784,691              | \$378,284,656              | \$393,569,020              | \$416,324,524              | \$437,981,871              |
| <br>                       |                            |                            |                            |                            |                            |
| 2.62 %                     | 2.75 %                     | 2.45 %                     | 2.20 %                     | 2.14 %                     | 2.18 %                     |
| <br>                       |                            |                            |                            |                            |                            |
| \$ 1,540                   | \$ 1,707                   | \$ 1,622                   | \$ 1,516                   | \$ 1,551                   | \$ 1,647                   |
| <br>                       |                            |                            |                            |                            |                            |
| 2.00 %                     | 1.86 %                     | 1.84 %                     | 1.72 %                     | 1.57 %                     | 1.64 %                     |
| <br>                       |                            |                            |                            |                            |                            |
| \$ 1,175                   | \$ 1,156                   | \$ 1,222                   | \$ 1,185                   | \$ 1,141                   | \$ 1,240                   |

## Schedule 9 - Pledged Revenue Coverage

### Last Ten Fiscal Years

(In Thousands)

|                                                               | 2016             | 2017             | 2018             | 2019             |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>State University Board Revenue</b>                         |                  |                  |                  |                  |
| <b>Segment of College and University Enterprise Fund</b>      |                  |                  |                  |                  |
| Gross Revenues <sup>(1)</sup>                                 | \$ 119,182       | \$ 120,261       | \$ 116,988       | \$ 118,060       |
| Less: Operating Expenses <sup>(2)</sup>                       | (80,031)         | (85,050)         | (84,176)         | (76,509)         |
| Net Available Revenue                                         | <u>\$ 39,151</u> | <u>\$ 35,211</u> | <u>\$ 32,812</u> | <u>\$ 41,551</u> |
| Debt Service:                                                 |                  |                  |                  |                  |
| Principal                                                     | \$ 14,385        | \$ 16,315        | \$ 17,755        | \$ 18,665        |
| Interest                                                      | 12,342           | 10,503           | 11,378           | 10,529           |
| Total Debt Service                                            | <u>\$ 26,727</u> | <u>\$ 26,818</u> | <u>\$ 29,133</u> | <u>\$ 29,194</u> |
| Coverage                                                      | 1.46             | 1.31             | 1.13             | 1.42             |
| <b>Itasca Community College Student Housing<sup>(3)</sup></b> |                  |                  |                  |                  |
| <b>Segments of College and University Enterprise Fund</b>     |                  |                  |                  |                  |
| Gross Revenues <sup>(1)</sup>                                 | \$ 495           | \$ 493           | \$ 481           | \$ 487           |
| Less: Operating Expenses <sup>(2)</sup>                       | (209)            | (245)            | (260)            | (207)            |
| Net Available Revenue                                         | <u>\$ 286</u>    | <u>\$ 248</u>    | <u>\$ 221</u>    | <u>\$ 280</u>    |
| Debt Service:                                                 |                  |                  |                  |                  |
| Principal                                                     | \$ 120           | \$ 130           | \$ 130           | \$ 130           |
| Interest                                                      | 46               | 44               | 42               | 40               |
| Total Debt Service                                            | <u>\$ 166</u>    | <u>\$ 174</u>    | <u>\$ 172</u>    | <u>\$ 170</u>    |
| Coverage                                                      | 1.72             | 1.43             | 1.28             | 1.65             |
| <b>911 Services Fund<sup>(4)</sup></b>                        |                  |                  |                  |                  |
| 911 Services Fees                                             | \$ 68,500        | \$ 76,324        | \$ 79,130        | \$ 81,354        |
| Less: Operating Expenses <sup>(2)</sup>                       | (24,695)         | (25,244)         | (22,430)         | (19,561)         |
| Net Available Revenue                                         | <u>\$ 43,805</u> | <u>\$ 51,080</u> | <u>\$ 56,700</u> | <u>\$ 61,793</u> |
| Debt Service:                                                 |                  |                  |                  |                  |
| Principal                                                     | \$ 12,810        | \$ 20,320        | \$ 19,430        | \$ 20,400        |
| Interest                                                      | 5,403            | 2,675            | 3,570            | 2,598            |
| Total Debt Service                                            | <u>\$ 18,213</u> | <u>\$ 22,995</u> | <u>\$ 23,000</u> | <u>\$ 22,998</u> |
| Coverage                                                      | 2.41             | 2.22             | 2.47             | 2.69             |

<sup>(1)</sup> 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.

<sup>(2)</sup> Depreciation, amortization, bad debt, interest and financing expenses are not included.

<sup>(3)</sup> 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 and was paid in full during fiscal year 2025.

<sup>(4)</sup> 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.

| 2020                  | 2021                  | 2022                  | 2023                   | 2024                   | 2025                   |
|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|
| \$ 98,172<br>(76,121) | \$ 82,216<br>(68,991) | \$ 96,380<br>(68,897) | \$ 102,930<br>(72,229) | \$ 110,760<br>(75,625) | \$ 113,951<br>(82,615) |
| <u>\$ 22,051</u>      | <u>\$ 13,225</u>      | <u>\$ 27,483</u>      | <u>\$ 30,701</u>       | <u>\$ 35,135</u>       | <u>\$ 31,336</u>       |
| \$ 17,560<br>10,017   | \$ 20,145<br>9,256    | \$ 20,910<br>8,568    | \$ 14,995<br>7,342     | \$ 13,200<br>6,772     | \$ 15,430<br>6,175     |
| <u>\$ 27,577</u>      | <u>\$ 29,401</u>      | <u>\$ 29,478</u>      | <u>\$ 22,337</u>       | <u>\$ 19,972</u>       | <u>\$ 21,605</u>       |
| 0.80                  | 0.45                  | 0.93                  | 1.37                   | 1.76                   | 1.45                   |
| \$ 380<br>(233)       | \$ 362<br>(301)       | \$ 494<br>(269)       | \$ 625<br>(261)        | \$ 507<br>(314)        | \$ —<br>—              |
| <u>\$ 147</u>         | <u>\$ 61</u>          | <u>\$ 225</u>         | <u>\$ 364</u>          | <u>\$ 193</u>          | <u>\$ —</u>            |
| \$ 135<br>37          | \$ 135<br>34          | \$ 140<br>30          | \$ 145<br>26           | \$ 155<br>21           | \$ 500<br>9            |
| <u>\$ 172</u>         | <u>\$ 169</u>         | <u>\$ 170</u>         | <u>\$ 171</u>          | <u>\$ 176</u>          | <u>\$ 509</u>          |
| 0.85                  | 0.36                  | 1.32                  | 2.13                   | 1.10                   | —                      |
| \$ 75,032<br>(23,542) | \$ 79,441<br>(24,900) | \$ 71,286<br>(23,119) | \$ 68,252<br>(29,681)  | \$ 68,683<br>(24,398)  | \$ 68,961<br>(30,265)  |
| <u>\$ 51,490</u>      | <u>\$ 54,541</u>      | <u>\$ 48,167</u>      | <u>\$ 38,571</u>       | <u>\$ 44,285</u>       | <u>\$ 38,696</u>       |
| \$ 21,420<br>1,578    | \$ 10,145<br>507      | \$ —<br>—             | \$ —<br>—              | \$ —<br>—              | \$ —<br>—              |
| <u>\$ 22,998</u>      | <u>\$ 10,652</u>      | <u>\$ —</u>           | <u>\$ —</u>            | <u>\$ —</u>            | <u>\$ —</u>            |
| 2.24                  | 5.12                  | —                     | —                      | —                      | —                      |

## Schedule 9 - Pledged Revenue Coverage (continued)

### Last Ten Fiscal Years

(In Thousands)

|                                                                  | 2016            | 2017            | 2018            | 2019            |
|------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Taconite Production Tax</b>                                   |                 |                 |                 |                 |
| Educational Facilities Revenue Bonds Series 2006/2014            | \$ 1,540        | \$ 1,540        | \$ 1,539        | \$ 1,539        |
| Educational Facilities Revenue Bonds Series 2013 <sup>(5)</sup>  | 2,450           | 2,452           | 2,451           | 2,451           |
| Educational Facilities Revenue Bonds Series 2023A <sup>(6)</sup> | —               | —               | —               | —               |
| Revenue Bonds Series 2024A and 2024B <sup>(7)</sup>              | —               | —               | —               | —               |
| Net Available Revenue                                            | <u>\$ 3,990</u> | <u>\$ 3,992</u> | <u>\$ 3,990</u> | <u>\$ 3,990</u> |
| <b>D.J. Johnson Economic Protection Trust Fund (DJJ)</b>         |                 |                 |                 |                 |
| Debt Service:                                                    |                 |                 |                 |                 |
| Principle                                                        | \$ 974          | \$ 1,007        | \$ 1,037        | \$ 1,063        |
| Interest                                                         | 547             | 518             | 487             | 458             |
| Debt Service                                                     | <u>\$ 1,521</u> | <u>\$ 1,525</u> | <u>\$ 1,524</u> | <u>\$ 1,521</u> |
| <b>Iron Range Resources and Rehabilitation Agency (IRRR)</b>     |                 |                 |                 |                 |
| Debt Service:                                                    |                 |                 |                 |                 |
| Principle                                                        | \$ 1,431        | \$ 1,483        | \$ 1,533        | \$ 1,582        |
| Interest                                                         | 992             | 944             | 896             | 840             |
| Debt Service                                                     | <u>\$ 2,423</u> | <u>\$ 2,427</u> | <u>\$ 2,429</u> | <u>\$ 2,422</u> |
| <b>Total Debt Service:</b>                                       |                 |                 |                 |                 |
| Principle                                                        | \$ 2,405        | \$ 2,490        | \$ 2,570        | \$ 2,645        |
| Interest                                                         | 1,539           | 1,462           | 1,383           | 1,298           |
| Total Debt Service                                               | <u>\$ 3,944</u> | <u>\$ 3,952</u> | <u>\$ 3,953</u> | <u>\$ 3,943</u> |
| Coverage                                                         | 1.01            | 1.01            | 1.01            | 1.01            |

- <sup>(5)</sup> 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.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> On December 11, 2024, Iron Range Resources and Rehabilitation (IRRR) issued \$43.4 million Series 2024A revenue bonds and \$4.8 million Series 2024B taxable revenue bonds, a portion of Taconite production tax revenues allocated to IRRR is pledged to repay the bonds. IRRR pays the total debt.

Source: The state's Annual Comprehensive Financial Report for the relevant year.

| 2020            | 2021            | 2022            | 2023            | 2024            | 2025             |
|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| \$ 1,257        | \$ 1,262        | \$ —            | \$ —            | \$ —            | \$ —             |
| 2,733           | 2,732           | 2,731           | 2,733           | 2,734           | 2,735            |
| —               | —               | —               | —               | 2,293           | 3,021            |
| —               | —               | —               | —               | —               | 4,948            |
| <u>\$ 3,990</u> | <u>\$ 3,994</u> | <u>\$ 2,731</u> | <u>\$ 2,733</u> | <u>\$ 5,027</u> | <u>\$ 10,704</u> |
|                 |                 |                 |                 |                 |                  |
| \$ 1,105        | \$ 1,141        | \$ 1,183        | \$ 587          | \$ 605          | \$ 915           |
| 417             | 379             | 341             | 314             | 458             | 894              |
| <u>\$ 1,522</u> | <u>\$ 1,520</u> | <u>\$ 1,524</u> | <u>\$ 901</u>   | <u>\$ 1,063</u> | <u>\$ 1,809</u>  |
|                 |                 |                 |                 |                 |                  |
| \$ 1,635        | \$ 1,689        | \$ 1,752        | \$ 1,173        | \$ 1,210        | \$ 1,830         |
| 789             | 731             | 674             | 630             | 916             | 2,388            |
| <u>\$ 2,424</u> | <u>\$ 2,420</u> | <u>\$ 2,426</u> | <u>\$ 1,803</u> | <u>\$ 2,126</u> | <u>\$ 4,218</u>  |
|                 |                 |                 |                 |                 |                  |
| \$ 2,740        | \$ 2,830        | \$ 2,935        | \$ 1,760        | \$ 1,815        | \$ 2,745         |
| 1,206           | 1,110           | 1,015           | 944             | 1,374           | 3,282            |
| <u>\$ 3,946</u> | <u>\$ 3,940</u> | <u>\$ 3,950</u> | <u>\$ 2,704</u> | <u>\$ 3,189</u> | <u>\$ 6,027</u>  |
|                 |                 |                 |                 |                 |                  |
| 1.01            | 1.01            | 0.69            | 1.01            | 1.58            | 1.78             |

**Schedule 10 - Demographic and Economic Statistics**  
**Last Ten Calendar Years**

| Year | Population <sup>(1)</sup> | Income<br>(In Thousands) <sup>(1)</sup> | Per Capita<br>Personal<br>Income <sup>(1)</sup> | Median<br>Age <sup>(2)</sup> | Unemployment<br>Rate <sup>(3)</sup> |
|------|---------------------------|-----------------------------------------|-------------------------------------------------|------------------------------|-------------------------------------|
| 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%                                |
| 2024 | 5,793,151                 | \$ 437,981,871                          | \$ 75,603                                       | 39.2                         | 3.0%                                |

Sources:

<sup>(1)</sup> 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/](http://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 26, 2025 for calendar year 2024.

<sup>(2)</sup> U.S. Census Bureau.

<sup>(3)</sup> Minnesota Department of Employment and Economic Development.

**Schedule 11 - Principal Employers  
Calendar Year 2024 and Nine Years Ago**

| Employer                              | 2015                     |      |                                   | 2024                     |      |                                   |
|---------------------------------------|--------------------------|------|-----------------------------------|--------------------------|------|-----------------------------------|
|                                       | Employees <sup>(1)</sup> | Rank | Percent of Total State Employment | Employees <sup>(2)</sup> | Rank | Percent of Total State Employment |
| State of Minnesota .....              | 55,032                   | 1    | 1.91%                             | 51,700                   | 1    | 1.71%                             |
| Mayo Clinic .....                     | 41,892                   | 2    | 1.46%                             | 51,000                   | 2    | 1.68%                             |
| United States Government .....        | 33,370                   | 3    | 1.16%                             | 20,800                   | 9    | 0.69%                             |
| Target Corp. ....                     | 26,694                   | 4    | 0.93%                             | 35,000                   | 4    | 1.16%                             |
| Allina Health System .....            | 26,000                   | 5    | 0.90%                             | 29,163                   | 5    | 0.96%                             |
| University of Minnesota .....         | 25,960                   | 6    | 0.90%                             | 27,875                   | 6    | 0.92%                             |
| Health Partners Inc. ....             | 22,500                   | 7    | 0.78%                             | 26,400                   | 7    | 0.87%                             |
| Fairview Health Services .....        | 22,000                   | 8    | 0.77%                             | 36,865                   | 3    | 1.22%                             |
| Wells Fargo Bank Minnesota ....       | 20,000                   | 9    | 0.70%                             | —                        | —    | 0.00%                             |
| United Health Group .....             | 15,750                   | 10   | 0.55%                             | 19,000                   | 10   | 0.63%                             |
| Walmart, Inc. ....                    | —                        | —    | 0.00%                             | 24,400                   | 8    | 0.81%                             |
| Total                                 | <u>289,198</u>           |      |                                   | <u>322,203</u>           |      |                                   |
| Total State Employment <sup>(3)</sup> | <u>2,875,700</u>         |      |                                   | <u>3,028,025</u>         |      |                                   |

Note: No value indicates the employer is not a principal employer for the year stated.

Sources:

<sup>(1)</sup> 2016 State of Minnesota Annual Comprehensive Financial Report.

<sup>(2)</sup> Minneapolis/St. Paul Business Journal Book of Lists published May 1, 2024.

<sup>(3)</sup> State of Minnesota Full-Time Employee data 2024 provided by the Minnesota Department of Employment and Economic Development.

**Schedule 12 - Full-Time Equivalent State Employees by Function  
Last Ten Fiscal Years**

|                                                           | 2016          | 2017          | 2018          | 2019          |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|
| Primary Government:                                       |               |               |               |               |
| Agricultural, Environmental and Energy<br>Resources ..... | 4,576         | 4,459         | 4,454         | 4,471         |
| Economic and Workforce Development .....                  | 2,332         | 2,242         | 2,184         | 2,176         |
| General Education .....                                   | 846           | 859           | 849           | 861           |
| General Government .....                                  | 8,666         | 9,347         | 9,511         | 9,813         |
| Health and Human Services .....                           | 9,062         | 9,452         | 9,837         | 10,119        |
| Higher Education .....                                    | 14,810        | 14,576        | 14,385        | 14,376        |
| Public Safety and Corrections .....                       | 6,761         | 6,728         | 6,817         | 6,915         |
| Transportation .....                                      | 4,654         | 4,793         | 4,979         | 5,145         |
| Total .....                                               | <u>51,707</u> | <u>52,456</u> | <u>53,016</u> | <u>53,876</u> |

Sources: Minnesota Management & Budget.  
Minnesota State Colleges and Universities.



| 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
|--------|--------|--------|--------|--------|--------|
| 4,453  | 4,312  | 4,313  | 4,618  | 4,651  | 4,955  |
| 2,188  | 2,266  | 2,273  | 2,391  | 2,465  | 2,423  |
| 860    | 805    | 838    | 932    | 971    | 1,043  |
| 10,204 | 10,160 | 10,196 | 10,866 | 10,975 | 11,538 |
| 10,288 | 10,232 | 10,020 | 10,820 | 11,141 | 12,036 |
| 14,341 | 19,331 | 19,013 | 19,010 | 18,700 | 18,649 |
| 6,936  | 6,832  | 6,661  | 7,046  | 6,834  | 7,279  |
| 5,210  | 5,189  | 5,105  | 5,319  | 5,183  | 5,359  |
| 54,480 | 59,127 | 58,419 | 61,002 | 60,920 | 63,282 |

**Schedule 13 - Operating and Capital Asset Indicators by Function**  
**Last Ten Fiscal Years**

|                                                                                 | 2016         | 2017         | 2018         | 2019         |
|---------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| <b>Agricultural, Environmental and Energy Resources:</b>                        |              |              |              |              |
| Recreational Fishing Licenses Issued/License Year .....                         | 1,375,334    | 1,398,604    | 1,345,199    | 1,316,656    |
| Watercraft Licenses Issued/Calendar Year .....                                  | 976,329      | 989,301      | 977,780      | 981,926      |
| Acres of State Land Managed by Forestry/Fiscal Year .....                       | 4,030,652    | 4,200,338    | 4,202,557    | 4,205,684    |
| Farms/Calendar Year .....                                                       | 73,300       | 72,845       | 72,745       | 67,812       |
| Acres of Farmland/Calendar Year (1,000 Acres) .....                             | 25,900       | 25,775       | 25,770       | 25,367       |
| Agricultural Production-Crops/Calendar Year<br>(Dollars in thousands) .....     | \$ 8,720,433 | \$ 8,290,126 | \$ 8,627,695 | \$ 8,963,847 |
| Agricultural Production-Livestock/Calendar Year<br>(Dollars in thousands) ..... | \$ 7,560,945 | \$ 7,520,072 | \$ 7,796,953 | \$ 7,548,137 |
| <b>Economic and Workforce Development:</b>                                      |              |              |              |              |
| Unemployment Claims Filed <sup>(2)</sup> .....                                  | 240,570      | 225,711      | 208,174      | 202,300      |
| Workplace Injuries Reported .....                                               | 33,915       | 33,006       | 33,252       | 32,949       |
| <b>General Education:<sup>(1)</sup></b>                                         |              |              |              |              |
| Pre-kindergarten (handicapped only) through<br>Grade 12 Students .....          | 852,399      | 861,191      | 870,737      | 876,334      |
| School Districts .....                                                          | 332          | 332          | 330          | 331          |
| Charter Schools .....                                                           | 165          | 165          | 164          | 164          |
| Special Education Age 0-21 Child Count .....                                    | 133,742      | 137,601      | 142,270      | 147,605      |
| <b>General Government:</b>                                                      |              |              |              |              |
| Individual Income Tax Payers/Calendar Year .....                                | 2,942,829    | 2,936,859    | 2,985,941    | 3,029,630    |
| Corporate Income Tax Returns/Calendar Year .....                                | 35,613       | 33,872       | 32,879       | 34,469       |
| Sales Tax Permit Holders/Calendar Year .....                                    | 160,000      | 160,000      | 160,000      | 315,000      |
| <b>Health and Human Services:</b>                                               |              |              |              |              |
| Average Monthly Cash Recipients .....                                           | 163,859      | 168,518      | 164,703      | 156,672      |
| Average Monthly Health Care Enrollees .....                                     | 1,191,630    | 1,169,864    | 1,189,240    | 1,170,116    |
| Health Care Providers .....                                                     | 4,533        | 4,582        | 4,805        | 5,101        |
| <b>Higher Education:</b>                                                        |              |              |              |              |
| Full Year Student Equivalents .....                                             | 135,192      | 131,640      | 128,830      | 126,094      |
| Number of Students Graduated .....                                              | 37,427       | 36,846       | 36,128       | 35,969       |
| Square Footage of Buildings .....                                               | 28,473,676   | 28,675,891   | 28,587,383   | 28,550,290   |
| <b>Public Safety and Corrections:</b>                                           |              |              |              |              |
| Incarcerated Inmates .....                                                      | 10,105       | 9,869        | 9,963        | 9,479        |
| Offenders on Supervision .....                                                  | 20,011       | 20,168       | 20,291       | 20,533       |
| Correctional Facilities .....                                                   | 10           | 10           | 10           | 10           |
| Reassignment of Minnesota Certificates of Title .....                           | 1,343,989    | 1,399,009    | 1,341,378    | 1,721,593    |
| Crashes Investigated by State Patrol .....                                      | 25,113       | 28,200       | 29,845       | 29,198       |
| <b>Transportation:</b>                                                          |              |              |              |              |
| Miles of Paved Highways .....                                                   | 29,288       | 29,290       | 29,263       | 29,233       |
| Number of Trunk Highway Bridges .....                                           | 3,022        | 3,017        | 3,033        | 3,036        |
| Acres of Right-of-Way .....                                                     | 256,483      | 256,958      | 256,715      | 256,679      |

<sup>(1)</sup> Current year amounts are estimated.

<sup>(2)</sup> Increase in 2020 due to the Covid-19 pandemic.

Notes: Of the \$24.8 billion in capital assets, including right-to-use capital assets owned by the state as of June 30, 2025, \$16.5 billion (66.4 percent) of the assets represent infrastructure and right of way under the Transportation function. The remaining \$8.3 billion in capital assets are allocated to other functions.  
N/A indicates the information for the current year is not available.

| 2020         | 2021          | 2022          | 2023          | 2024          | 2025          |
|--------------|---------------|---------------|---------------|---------------|---------------|
| 1,483,113    | 984,538       | 1,306,425     | 1,248,268     | 1,343,287     | N/A           |
| 984,538      | 1,008,222     | 996,873       | 984,372       | 951,806       | N/A           |
| 4,204,167    | 4,205,320     | 4,227,726     | 4,229,588     | 4,231,405     | 4,233,232     |
| 67,294       | 66,779        | 66,690        | 66,280        | 64,380        | 64,380        |
| 25,379       | 25,284        | 25,298        | 25,304        | 25,304        | 25,304        |
| \$ 9,721,016 | \$ 10,654,872 | \$ 12,185,480 | \$ 13,862,413 | \$ 12,490,725 | \$ 12,029,802 |
| \$ 6,910,187 | \$ 7,480,650  | \$ 9,358,959  | \$ 10,488,939 | \$ 10,303,750 | \$ 11,818,654 |
| 923,535      | 654,798       | 293,098       | 252,255       | 276,503       | 284,073       |
| 32,461       | 48,477        | 52,031        | 42,331        | 38,482        | 35,088        |
| 877,523      | 878,524       | 874,991       | 858,241       | 855,224       | 858,309       |
| 331          | 330           | 329           | 329           | 329           | 329           |
| 162          | 173           | 180           | 184           | 181           | 175           |
| 152,016      | 149,382       | 151,532       | 158,047       | 158,047       | 171,275       |
| 3,066,503    | 3,119,096     | 3,101,460     | 3,155,882     | 3,143,430     | 3,343,510     |
| 35,057       | 35,340        | 35,743        | 39,030        | 31,389        | 40,464        |
| 315,000      | 315,000       | 345,000       | 388,356       | 413,523       | 432,994       |
| 155,874      | 169,895       | 148,382       | 137,713       | 135,297       | 140,645       |
| 1,158,037    | 1,291,455     | 1,403,022     | 1,502,910     | 1,418,012     | 1,288,040     |
| 5,787        | 5,468         | 5,652         | 5,648         | 5,648         | 5,182         |
| 122,483      | 115,766       | 108,034       | 105,497       | 108,082       | 114,791       |
| 33,893       | 33,540        | 33,648        | 30,918        | 31,750        | 33,657        |
| 28,552,287   | 28,548,068    | 28,567,003    | 28,455,871    | 28,515,840    | 28,502,444    |
| 9,381        | 7,593         | 7,511         | 8,152         | 8,275         | 8,277         |
| 20,444       | 18,701        | 18,887        | 19,288        | 17,972        | 17,776        |
| 10           | 10            | 10            | 10            | 10            | 10            |
| 1,347,515    | 1,010,522     | 1,516,223     | 1,498,322     | 1,524,263     | 1,586,534     |
| 22,976       | 20,757        | 24,545        | 26,275        | 23,339        | 26,049        |
| 29,169       | 29,169        | 29,203        | 29,203        | 29,259        | 29,219        |
| 3,034        | 3,034         | 3,046         | 3,046         | 3,050         | 3,034         |
| 256,679      | 257,223       | 258,698       | 258,968       | 259,002       | 258,823       |

