

## **Disclaimer**

---

This Hennepin County Annual Comprehensive Financial Report is historical information as of December 31, 2023. The information has not been updated for developments subsequent to the date of the independent auditor's report.

The County has taken reasonable security measures to protect the integrity of its website and information posted thereon. However, no web site can fully ensure against infiltration. Absent any unauthorized act that deletes, edits, or somehow manipulates the words or data, this publication represents the presentation of Hennepin County's Annual Comprehensive Financial Report dated December 31, 2023.

---

**This online document has been formatted for two-sided printing**

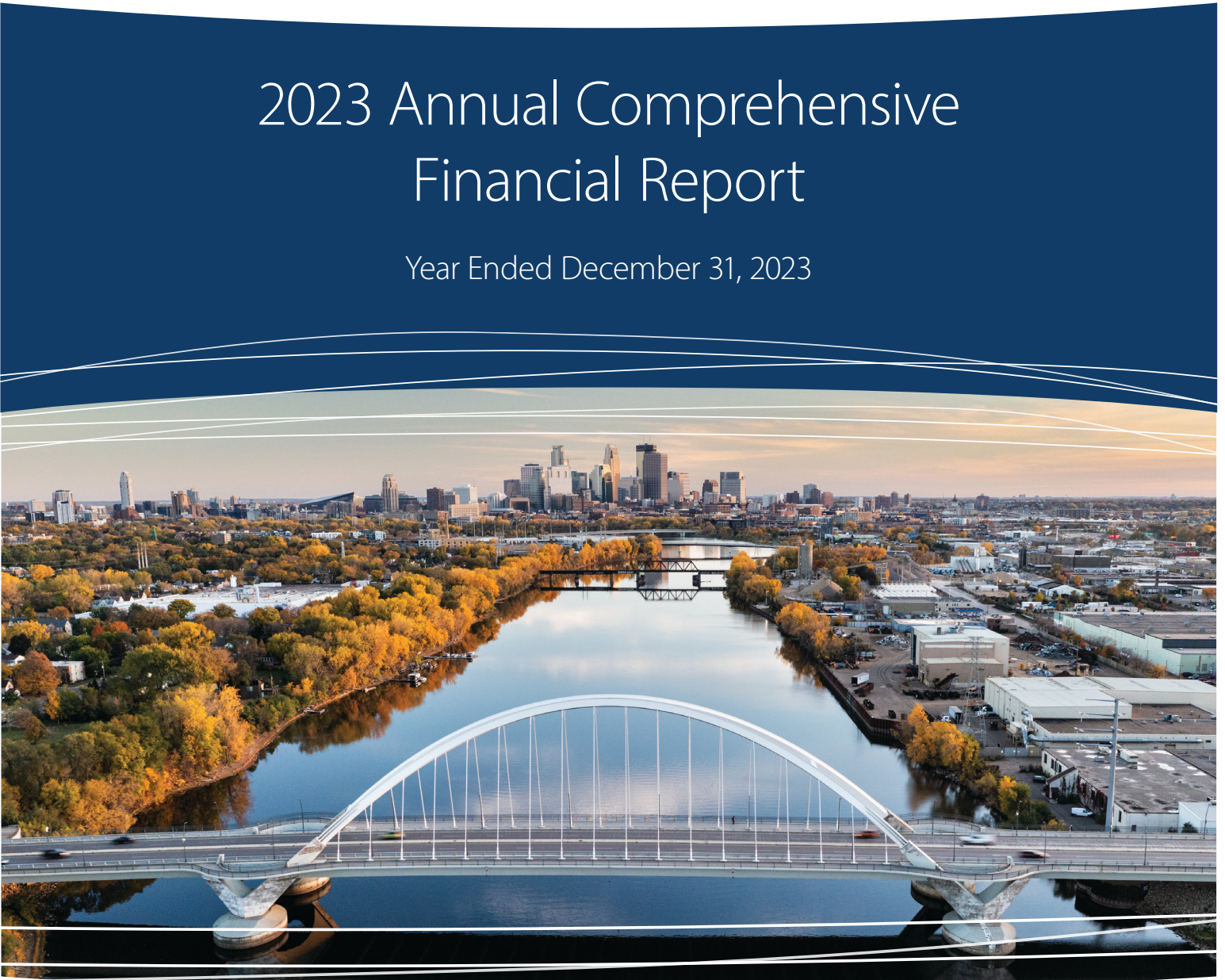
---



HENNEPIN COUNTY  
MINNESOTA

2023 Annual Comprehensive  
Financial Report

Year Ended December 31, 2023



**Hennepin County, Minnesota  
Financial Highlights**

	2023	2022 (Restated)	Percent Change
Government-wide: Assets	\$ 5,001,618,390	\$ 4,992,773,200	0.2%
Deferred Outflows of Resources	365,981,392	510,959,816	-28.4%
Liabilities	(3,404,790,087)	(4,002,719,209)	-14.9%
Deferred Inflows of Resources	(424,939,186)	(58,883,443)	621.7%
Net Position	<u>\$ 1,537,870,509</u>	<u>\$ 1,442,130,364</u>	6.6%
Government-wide: Program Expenses	\$ 4,019,303,252	\$ 3,712,180,839	8.3%
Program Revenues	2,802,214,218	2,601,104,529	7.7%
Net Program Expense	(1,217,089,034)	(1,111,076,310)	9.5%
General Revenues	1,312,829,179	1,168,703,738	12.3%
Change in Net Position	<u>\$ 95,740,145</u>	<u>\$ 57,627,428</u>	
Expense Per Capita	\$ 3,193	\$ 2,946	8.4%

See Management's Discussion and Analysis, which begins on page 15 for explanations of the changes reflected above. The adoption of GASB 96 in 2023 was applied retrospectively to the earliest period presented.

Funds Available for Investment at December 31:			
General Investible Funds	\$ 1,737,371,593	\$ 1,854,232,798	-6.3%
Bond Proceeds/Non-General Investible Funds	30,734,304	30,964,140	-0.7%
Total Investible Funds	<u>\$ 1,768,105,897</u>	<u>\$ 1,885,196,938</u>	-6.2%
Annual Daily Average of General Investible Funds	\$ 2,031,330,107	\$ 2,019,125,565	0.6%
Average Investment Return for All Funds *	4.64%	-3.94%	217.8%
Average Investment Yield for All Funds	2.29%	1.21%	89.3%

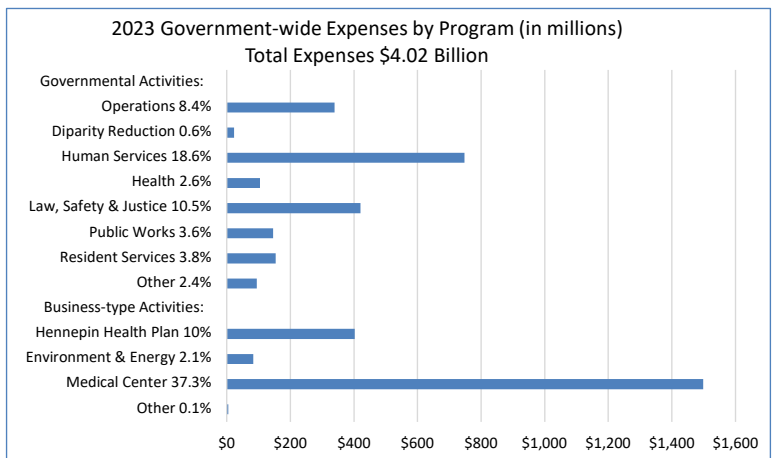
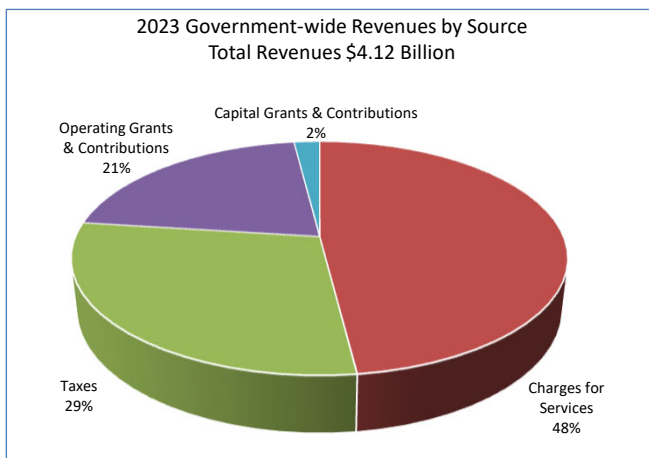
\* Includes unrealized gain and loss on investments. In accordance with the GASB 31, the County has reported investments at fair value. Investment income for 2023 before recording the net change in fair value of investments was \$49,057,507 as compared to \$24,377,573 in 2022.

Total Outstanding Bonds*	\$ 1,463,265,000	\$ 1,435,850,000	1.9%
Average Interest Rate on General Obligation Debt	4.70%	4.47%	5.1%
Net General Obligation Debt Per Capita	\$ 1,063.79	\$ 1,046.61	1.6%
Ratio of Net General Obligation Debt to Property Market Value	0.54%	0.57%	-4.4%
Long-term Bond Ratings:* S&P Global Ratings	AAA	AAA	
Fitch Ratings	AAA	AAA	

\* Excludes revenue bonds issued for the Ballpark Project, which will be repaid with sales tax revenues.

Net Tax Capacity*	\$ 2,672,668,521	\$ 2,336,109,435	14.4%
Tax Capacity Rates:			
City of Minneapolis	34.542%	38.530%	-10.4%
Suburban	34.542%	38.552%	-10.4%
Estimated Market Value*	\$ 233,316,096,000	\$ 206,746,289,000	12.9%

\* Prior year net tax capacity and estimated market value are shown because applicable taxes are collectible in the subsequent year.



# Hennepin County, Minnesota

## Annual Comprehensive Financial Report Year Ended December 31, 2023

### Hennepin County Board of Commissioners

Jeffrey Lunde, 1st District

Irene Fernando, 2nd District

Marion Greene, Chair, 3rd District

Angela Conley, 4th District

Debbie Goettel, 5th District

Vacant, 6th District

Kevin Anderson, 7th District

### Hennepin County Administrator

David Hough





Hennepin County, Minnesota  
2023 Annual Comprehensive Financial Report  
**Table of Contents**

**Introductory Section**

---

- 1 Transmittal Letter
- 11 Organizational Chart
- 12 Principal Officials

**Financial Section**

---

- 13 Independent Auditor's Report
- 17 Management's Discussion and Analysis

**Basic Financial Statements:**

**Government-wide Financial Statements:**

- 32 Statement of Net Position
- 34 Statement of Activities

**Fund Financial Statements:**

- 36 Balance Sheets – Governmental Funds
- 38 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
- 40 Statements of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- 42 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- 43 Statements of Net Position - Proprietary Funds
- 44 Statements of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
- 45 Statement of Cash Flows - Proprietary Funds
- 46 Statement of Fiduciary Net Position - Fiduciary Funds
- 47 Statement of Changes in Fiduciary Net Position – Fiduciary Funds

**Notes to the Basic Financial Statements:**

- 49 Notes to the Basic Financial Statements

**Required Supplementary Information:**

- 99 Schedule of Changes in Total OPEB Liability and Related Ratios
- 100 Schedule of Defined Benefit Pension Plan Contributions
- 101 Schedule of County Proportionate Share of Defined Benefit Pension Plans

**Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:**

- 102 Budgetary Comparisons by Department - General Fund
- 107 Human Services Fund
- 108 Ballpark Sales Tax Fund
- 109 Other Sales Tax Fund
- 110 Housing and Redevelopment Authority Fund
- 111 Regional Railroad Authority Fund

**Notes to Required Supplementary Information:**

- 112 Notes to Required Supplementary Information

Hennepin County, Minnesota  
2023 Annual Comprehensive Financial Report  
**Table of Contents**

**Financial Section – continued**

---

**Supplementary Information – Governmental Funds:**

**Balance Sheets:**

- 123 General Fund
- 124 Special Revenue Funds
- 126 RRA Debt Service Fund
- 127 General Debt Service Fund
- 128 Capital Projects Fund

**Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:**

- 129 General Fund
- 130 RRA Debt Service Fund
- 131 General Debt Service Fund
- 132 Capital Projects Fund

**Schedule of Changes in Long-term Debt:**

- 134 Schedule of Changes in Long-term Debt

**Supplementary Information – Enterprise Funds:**

- 137 Combining Statement of Net Position – Nonmajor Enterprise Funds
- 138 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds
- 139 Combining Statement of Cash Flows – Nonmajor Enterprise Funds
- 140 Schedules of Net Position

**Schedules of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual:**

- 142 Hennepin Health Fund
- 143 Solid Waste Fund
- 144 Medical Center Fund

**Schedules of Cash Flows**

- 146 Enterprise Funds

**Supplementary Information – Other:**

**Internal Service Funds:**

- 150 Combining Statement of Net Position
- 152 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
- 154 Combining Statement of Cash Flows
- 156 Schedules of Net Position
- 158 Schedules of Revenues, Expenses, and Changes in Fund Net Position



Hennepin County, Minnesota  
2023 Annual Comprehensive Financial Report  
**Table of Contents**

**Statistical Section**

---

Page   Table

**Financial Trends – *This section provides information that shows how the County’s financial position has changed over time.***

162	1. Government-wide Net Position
164	2. Government-wide Change in Net Position
166	3. Government-wide Expenses by Function
168	4. Government-wide Revenues
170	5. Fund Balances - Governmental Funds
172	6. Change in Fund Balances - Governmental Funds
174	7. Governmental Fund Expenditures by Function
176	8. Governmental Fund Revenues by Source

**Revenue Capacity – *This section provides information that shows factors affecting the County’s ability to generate its own-source revenues.***

178	9. Property Estimated Market Value
180	10. Property Tax Rates and Levies - Direct and Overlapping Governments
182	11. Principal Taxpayers
184	12. Tax Levies and Collections on Property Located Within the County
186	13. Net Tax Capacity and Taxable Market Value of Property
188	14. Tax Capacity of Taxable Property by Municipality

**Debt Capacity – *This section provides information regarding the County’s current level of outstanding debt and its ability to issue additional debt.***

190	15. Ratios of Outstanding Debt by Type
192	16. Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
193	17. Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
194	18. Direct, Overlapping, and Underlying Levy-supported General Obligation Debt
195	19. Direct, Overlapping, and Underlying Governmental Activities Debt
196	20. Legal Debt Margin Information
198	21. Sales Tax Revenue Bond Coverage
200	22. Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures

**Demographic and Economic Information – *This section provides information regarding the County’s socioeconomic environment and facilitates comparisons over time and among governments.***

201	23. Demographic and Economic Statistics
202	24. Labor Force Size and Unemployment Rate
203	25. Employment Information by Industry
204	26. Principal Employers

**Operating Information – *This section provides information about the County’s operations and resources.***

206	27. Employees by Function/Program
208	28. Operating Indicators
210	29. Capital Asset Statistics by Function/Program
212	30. Selected Per Capita Measures of Financial Condition
214	31. Selected Ratio Measures of Financial Condition



---

# **Introductory Section**

---



# HENNEPIN COUNTY

## MINNESOTA

July 29, 2024

The Honorable Members of the Hennepin County Board of Commissioners and Citizens of Hennepin County:

Minnesota Statutes require all counties to issue an annual report on their financial position and activity prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the state auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Hennepin County (the County) for the fiscal year ended December 31, 2023.

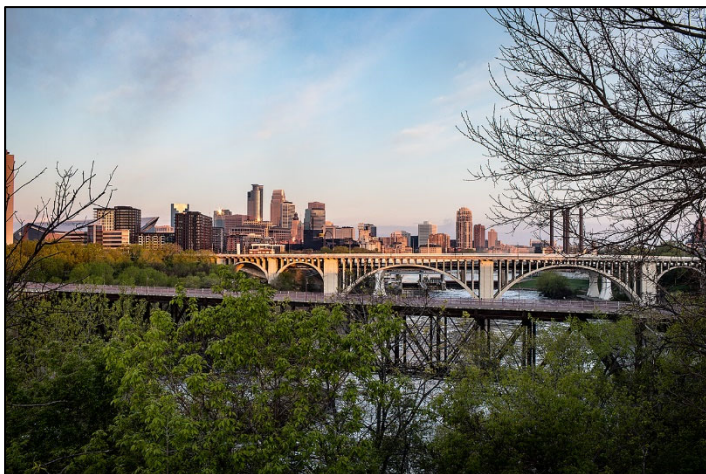
Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is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

RSM US LLP, has issued an unmodified (“clean”) opinion on the County’s financial statements for the year ended December 31, 2023. The independent auditor’s report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are included in a separate Single Audit Report.

A management discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the letter.

## Profile of the Government



The County was established by the territorial legislature of Minnesota in 1852, six years before Minnesota became a state. The County is part of the Twin Cities Metropolitan Area, with the Mississippi River defining its northeastern border. The County is governed by a seven-member Board of Commissioners elected by district for staggered, four-year terms. The County Attorney and Sheriff are also elected officials. County Commissioners are responsible, among other things, for authorizing resolutions, adopting the annual budget, appointing committees, and hiring the County Administrator. The County Administrator is responsible for

carrying out the policies and resolutions of the Board of Commissioners, for overseeing the day-to-day operations of the County, and for recommending department directors to the Board of Commissioners for appointment. The County has received high marks for governmental structure, as well as for integration of social services, superior debt management, technology, and innovative partnerships.

## Profile of the Government – continued

Minneapolis, the most populous city in Minnesota, is one of 45 cities within the County. The County encompasses 611 square miles with 200 lakes larger than 10 acres and numerous parks and trails providing recreational opportunities for residents.

<b>Hennepin County Facts</b>	
<b>Population</b>	<b>1,258,713</b>
<b>Estimated Per Capita Income</b>	<b>\$89,851</b>
<b>Number of Cities</b>	<b>45</b>
<b>2023 Original Budget (Excluding the Medical Center)</b>	<b>\$2.7 billion</b>
<b>Taxable Property Estimated Market Value</b>	<b>\$247.8 billion</b>

## County Services

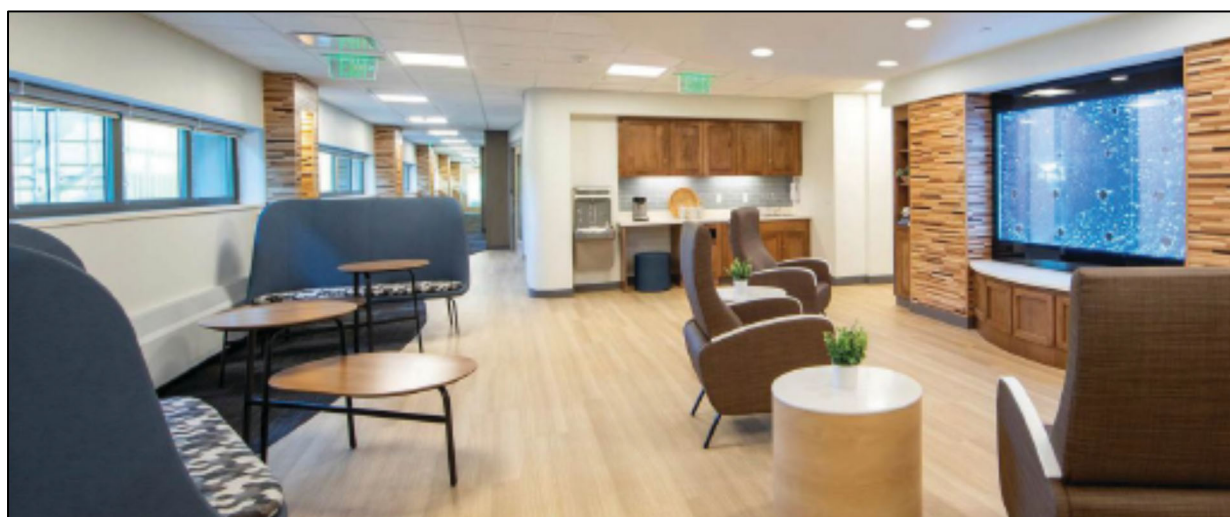
At the end of 2023, 9,309 employees were providing a full range of County services, and an additional 7,349 employees were supporting the activities of the Medical Center blended component unit. The following is a summary of the services each program provides, including 2023 department operating indicators.

### Human Services

*Number of Employees – 3,714*

Human Services and Public Health provides a wide range of required and discretionary financial assistance, social services, and clinical services.

- Serves over one third of County residents, approximately 460,000 people
- Children in out-of-home placement at the end of December – 1,228
- Emergency shelters for adults and children – 9,700 people served
- Public Health Mental Health Center – 15,800 visits
- Public Health Clinic – 21,886 visits
- Health Care for the Homeless – 19,281 people served
- COPE (Emergency Mental Health) – 50,203 calls



*Mental Health Center waiting room. Walk-in behavioral health support is provided.*



## County Services – continued

### Health

*Number of Employees – 406 (excluding the Medical Center blended component unit)*

- NorthPoint Health & Wellness Center – 85,990 clinic and virtual visits.
- Medical Examiner’s Office – 8,839 total cases reported (including referrals) and 1,380 autopsies performed.
- Hennepin Health – 32,849 enrolled in Prepaid Medical Assistance/Minnesota Care programs and 2,170 enrolled in the Special Needs Basic Care program.

Healthcare services available to citizens include basic care, medical services to the indigent, emergency medical services, and investigations of certain deaths. These services are provided through the NorthPoint Health & Wellness Center; Medical Examiner’s Office; Uncompensated Care; Health Administration and Support; Sexual Assault Resources Service; Hennepin Health; and Hennepin Healthcare System, Inc., dba Hennepin County Medical Center (the Medical Center), a blended component unit of the County.



### Law, Safety and Justice

*Number of Employees – 2,332*

- County Attorney’s Office – Evaluated over 14,488 adult and juvenile criminal cases and processed approximately 1,500 civil actions.
- Adult Representation Services – Provided high-quality legal representation to more than 6,600 clients experiencing indigency in parent representation, housing court, guardianship, and civil commitment matters.
- Public Defender – Handled 30,173 adult criminal, juvenile delinquency, and child protection cases in 2023.
- Sheriff’s Office – Answered 703,013 calls for police/fire/medical dispatch services.
- Community Corrections and Rehabilitation – On any given day, approximately 20,700 adults and 900 juveniles are on supervision.

Law, Safety and Justice includes the County’s activities in emergency response, court security and law enforcement; criminal prosecution, legal consulting, and representation for County departments; representation for those experiencing indigency involved in criminal or child protection proceedings; and innovative and client-centered rehabilitation programs. The County departments in this program are Law, Safety and Justice Operations, County Attorney’s Office, Adult Representation Services, Court Functions, Public Defender, Sheriff’s Office, and Community Corrections and Rehabilitation.



*The Sheriff’s Office attended over 500 community events in 2023.*

## County Services – continued

### Public Works

*Number of Employees – 444*

The County transportation system includes:

- 2,214 lane miles of road maintained
- 811 miles of bikeway
- 792 traffic signal systems
- 182 bridges

Public Works connects people to places through planning, designing, engineering, and constructing roads, bridges, and transit lines, while maintaining, operating, and preserving the County's highway system. Public works also manages the solid waste system, delivers clean energy, and protects the environment. In addition, Public Works provides staff support to the Hennepin County Regional Railroad Authority (RRA) blended component unit, and to a special revenue fund for Transportation Sales Tax.



### Resident Services

*Number of Employees – 1,107*

Resident Services departments provide in-person and virtual resident-focused services. Departments include Libraries, Resident and Real Estate Services, Service Centers, Elections, Resident Services Administration, Assessor's Office, and Examiner of Titles.

- The 41 County library locations serve patrons by providing access to library buildings and resources including materials, technology, and staff. In addition to a collection of almost 5 million physical books, CDs and DVDs, the libraries provide access to more than 400,000 eBooks and audiobooks.
- The Resident and Real Estate Services department includes five divisions: County Surveyor, County Recorder/Registrar of Titles, Property Taxation, and Strategy and Support.
- Services relating to driver's licenses, motor vehicles, vital records and DNR registrations are provided at seven Service Center locations in the County.
- Voting services are provided to over one million eligible County voters in over 400 polling places throughout the County.
- The Assessor's Office estimates market values, determines correct classification and applies eligible property tax benefits for every parcel in the County.
- The Examiner of Titles performs legal work, oversees land registration, provides information to the public, issues directives and approves documents for filing, oversees court proceedings post-registration, provides legal advice to the recording office, and holds court hearings.





## County Services – continued

### Disparity Reduction

Number of Employees – 86

The Disparity Reduction line of business co-creates equitable and innovative solutions through community and workplace partnerships to eliminate disparities across the County.

- Purchasing & Contract Services: \$42.6 million was expended during 2023 with small black, indigenous, and people of color (BIPOC) owned businesses, including women-owned businesses. This included all County spending categories, such as construction, goods and biddable services, professional services and human services.

- Disparity Reduction Administration includes three divisions: the Office of the Assistant County Administrator for Disparity Reduction, Broadband and Digital Inclusion, and Workforce Development.

- In 2023, Broadband & Digital Inclusion navigation staff, along with 12 community partners, assisted about 3,000 residents in obtaining digital services, broadband choices, computers, and internet safety training.

- In Workforce Development, the Workforce Leadership Council launched key pilot programs and strategies focused on talent retention, removing barriers to employment, and identifying the role of technology in retaining and attracting talent. During 2023, 210 people were referred



*Navigation sessions foster digital literacy.*

- to the Employment and Training Services for People Exiting Homelessness Pilot Project. Of those referred, 85% enrolled and received employment and training services. Of those enrolled, about 30% obtained either part or full-time employment and another 28% received training/education or paid work experience. Average wage at hire was \$17.63/hour.
- In Outreach & Community Supports, the Trusted Messenger program contracted with 26 organizations to continue the County's commitment to advancing community engagement.
- Education Support Services worked with youth and their families to support educational advocacy, navigation, mentoring, and tutoring. Students engaged with Education Support Services participated in over 9,400 tutoring hours in 2023, supporting an average increase of 1.7 grade equivalencies on the Slosson Oral Reading Test assessment. Students demonstrated an average increase of more than 35% on reassessments in math and reading, as well as more than a 30% increase in confidence after several months of tutoring. For the youngest students and early readers, 97% increased their skills in phonics, with an average improvement of 56% after several months of tutoring. These skills are the foundations of reading, which is critical to future academic success.

## County Services – continued

### Operations

Number of Employees – 1,220

Operations provides legislative direction, administrative support, and general services for the management of County business and programs. This area is comprised of different support and direct-service departments, including the following:



<b>County Board</b>	Establishes all formal policies, executes agreements, and authorizes budgets and staffing as the legislative authority for the County.
<b>County Administration</b>	Implements County Board policies, promotes interests with other agencies and partners, and provides direction to departments to achieve the County's overarching goals.
<b>Strategic Planning &amp; Initiatives</b>	Facilitates and manages enterprise and departmental strategic planning processes, and initiatives to help ensure the successful integration of data, projects, and investments into County-wide strategies.
<b>Budget &amp; Finance</b>	Performs budget preparation and analysis, revenue and expenditure forecasting, legislative analysis, accounting services, treasury and debt management functions, and risk management to monitor and control financial and operational risks for the County.
<b>Communications</b>	Offers strategic and creative services to help County business areas define goals and audiences, and engage effectively with employees, the community, media, and other partners.
<b>Housing &amp; Economic Development</b>	Invests local, regional, County, state, and federal resources in partnership with public and private partners to provide a full range of housing choices, housing rehabilitation, lead-safe housing, access to jobs, and long-term community value.
<b>Facility Services</b>	Identifies capital needs, manages new construction/renovations, operates/maintains buildings, manages all real estate functions, and aligns work to County disparity reduction and climate action goals.
<b>Information Technology Operations</b>	Provides innovative, effective, and timely information technology solutions to County departments, building a technical infrastructure that supports the delivery of services to community partners and citizens in a secure, reliable, and accessible manner.
<b>Emergency Management</b>	Leads County-wide efforts to promote disaster-ready families, foster whole community resilience and increase emergency responder capabilities and integration.
<b>Human Resources</b>	Provides human resource programs and support services, strategies to retain employees, and provides benefits management.
<b>Audit, Compliance &amp; Investigation</b>	Provides independent audit and investigative functions using established standards and best practices to identify and facilitate the mitigation of risk as a service to County management, the Audit Committee, and the County Board.
<b>Operations Administration</b>	Consists of three divisions: Operation Administration, Digital Experience, and Business Information Office. Activities, program and service support, and further the vision and overarching goals of the County.
<b>General County Purposes</b>	Encourages and assists public programs and activities dedicated to cultural enrichment and to educational and technical assistance.

# Budget

## Budget Process

Budgets are adopted on an annual basis consistent with generally accepted accounting principles. Appropriated budgets are adopted for the general, special revenue, debt service, and enterprise funds. All annual appropriations lapse at year-end to the extent that they have not been expended or encumbered. Project-length financial plans are adopted for all capital projects, as well as certain Human Services, HRA, and RRA projects. The budget process is described in more detail in the Notes to Required Supplementary Information on page 111.

## 2023 Original Budget Focus

The 2023 original budget was committed to set policy for both the near term and for years to come. The 2023 Budget totaled \$2.7 billion, with a 3.5% property tax levy increase when compared to 2022. The operating portion of this budget totaled \$2.3 billion, an increase of \$84.9 million from the adjusted 2022 budget. Development of the 2023 budget considered property tax outlook challenges, as well as the important work on organizational priorities of climate action and disparity reduction. Other issues that departments considered included customer service; the uncertainty of federal and state government funding levels; flat to declining non-property tax revenues; innovative, collaborative partnerships and shared service opportunities; reassessment of contracted services; and focused strategies to achieve the County's goal of reducing disparities in education, employment, health, housing, income, justice and transportation. Department decisions support the County's core values of continuous improvement, customer service, diversity and inclusion, employee engagement and workforce development.

## Budget Reporting

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and other governmental funds with appropriated annual budgets, this comparison is presented in the Required Supplementary Information subsection of this report beginning on page 99. The comparison for enterprise funds is presented in the Supplementary Information – Enterprise Funds subsection of this report, which starts on page 135.

# Major Initiatives and Achievements

## Creating and Preserving Affordable Housing

Across the County departments are providing programs to meet the goals of creating and preserving affordable housing for residents.

In 2023, the Hennepin County Housing and Redevelopment Authority (HRA) launched its first designated fund for homeownership assistance, constituting its largest annual investment in homeownership.

The HRA finalized sales of the former Metro and University inns in fall 2023 to Agate Housing and Services and Property Solutions and Services with 30-year forgivable mortgages and deed restriction. Together, the former motels will create a total of 83 affordable housing units to people making 30% of the area median income. Unit rent will be between \$425-\$550 per month.

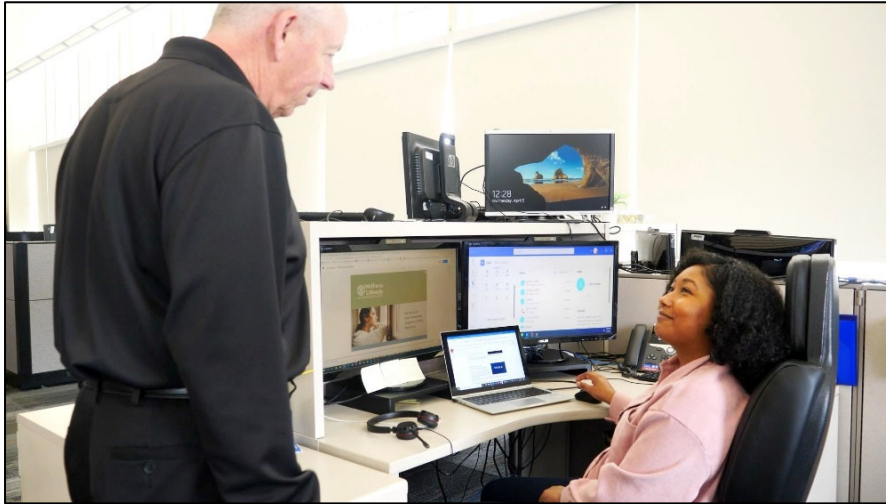


The Streets to Housing model was built using the guidance of people with personal experience of homelessness, who told staff that person-centered flexibility was critical. The program works with single adults, youth, and families who are living in places unfit for human habitation, such as outside, in their vehicles, or in encampments. More than 50% of program participants attained permanent housing in 2023.

## Major Initiatives and Achievements – continued

### 911 and Police Embedded Social Worker Program

In 2023, the 911 and Police Embedded Social Worker Program expanded to include all cities in the County. The program was initially started with six suburban cities and five social workers in 2019, with a goal of



reducing criminal justice system involvement and creating timely access to social services for behavioral health calls. The integration of social workers into emergency response reduces unnecessary law enforcement contacts and raises quality of life for individuals through ongoing stability in their community. As of 2023, the program has expanded to a total of 45 positions available across the County.

## Economic and Financial Condition

Information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the County operates.

Encompassing the City of Minneapolis (the County seat) and several of its northern and western inner-ring suburbs, the County is at the core of one of the largest economic centers in the upper Midwest. The County is home to 22% of the State of Minnesota's population according to the US Census estimate of July 1, 2023. This is a 1.8% decline since the full US Census was conducted in 2020. The County's large economic sectors include trade, transportation and utilities, education and health related entities, professional and business services, government, manufacturing, leisure and hospitality and financial services providing a diverse and strong employment and wage base in the County.

Employment activity in 2023 was relatively stable compared to 2022. The County's 12-month average unemployment rate for 2023 increased to 2.7% compared to the 2022 average unemployment rate of 2.5%. The County's 2023 average unemployment rate of 2.7% was just below the 2.8% State of Minnesota average rate and lower than the 3.6% US 12-month average. Minnesota's economic recovery from the deep 2020 downturn continues, with the State just recovering to pre-pandemic employment levels in September 2023. This improvement still lags the national recovery of jobs post-pandemic, with the US exceeding its pre-pandemic employment levels in June 2022.

The State has a very tight labor market, which remains one of the most constrained in the nation. The unemployment rate does not capture Minnesotans that have left the workforce, including retirements and those who have opted to stay home to care for family members. In December 2023, Minnesota's total labor force was 28,400 below its level at the onset of the pandemic in February 2020. Minnesota's labor force declined by 6,600 in December 2023 alone, the third consecutive month of labor force declines. Minnesota Management and Budget's (MMB) February 2024 Budget and Economic Forecast predicts a subdued trajectory for employment growth statewide through 2027 due to an aging workforce and an increasing number of individuals transitioning into retirement.



## Economic and Financial Condition – continued

With only moderate growth in employment in MMB's February 2024 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 their forecast horizon (2024-2027). The projection is that average wage income per worker will grow by 3.8% in 2024 through 2027. This exceeds forecasted average rates of inflation over the same period of 2.2%, which implies improvements in real wages on average.



Excluding the Medical Center component unit, the County budgeted \$2.68 billion for 2024 to provide essential services and to make strategic investments for the future. The adopted budget focuses on addressing disparity reduction, climate action, and safe communities. While the post-pandemic demand for County-provided services remains high, the budget demonstrates the continued creativity and resilience needed to meet demands.

The budget includes a net property tax levy of \$991.3 million, a 6.5% increase over 2023. The County's 2024 operating budget funds the day-to-day services to residents, with an approved budget amount of \$2.3 billion, a decrease of \$5.4 million from the adjusted 2023 operating budget.

The capital budget for 2024 is \$342.4 million, which is \$118.4 million less than the \$460.8 million 2023 capital budget, as adjusted through June 2023. Debt retirement is budgeted separately. Significant annual decreases or increases in the capital budget are common due to the ever-changing mix of projects, their implementation

schedules, and the changing revenue sources available to fund initiatives. The 2024 decrease primarily relates to the 2023 budget's inclusion of \$100 million for the County's contribution to the METRO Green Line Extension Light Rail Transit project, which does not have a 2024 budget component.

Capital investments occur across the County in support of the services provided by all County lines of business, notably: Public Works; Law, Safety and Justice; Human Services; Resident Services; and Operations.

The County maintains strong financial management and continues to receive the highest possible credit rating. As in past years, the County's long-term general obligation debt received AAA from S&P Global Ratings and AAA from Fitch Ratings.



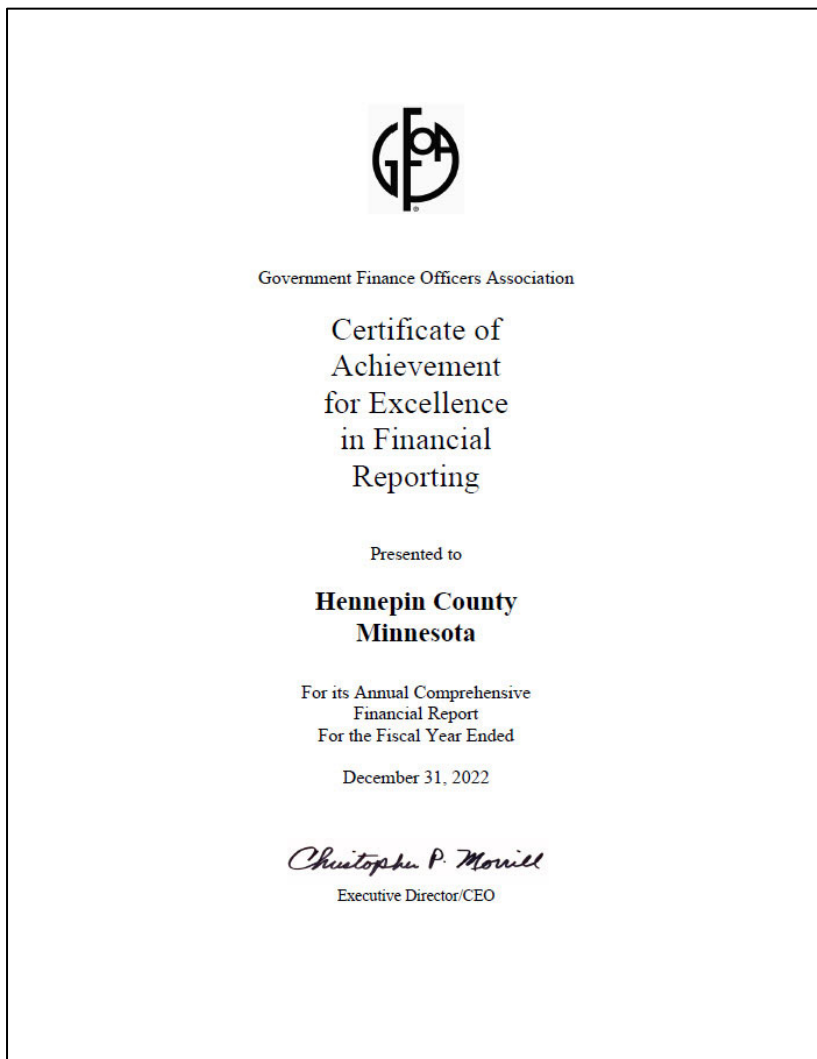
## Financial Reporting Award and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for each of the County's annual comprehensive financial reports for the years 1974 through 2022.

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 the 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.

The preparation of this report could not have been accomplished without the dedicated services of the entire financial staff of the County. We would like to express appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of the County's finances.

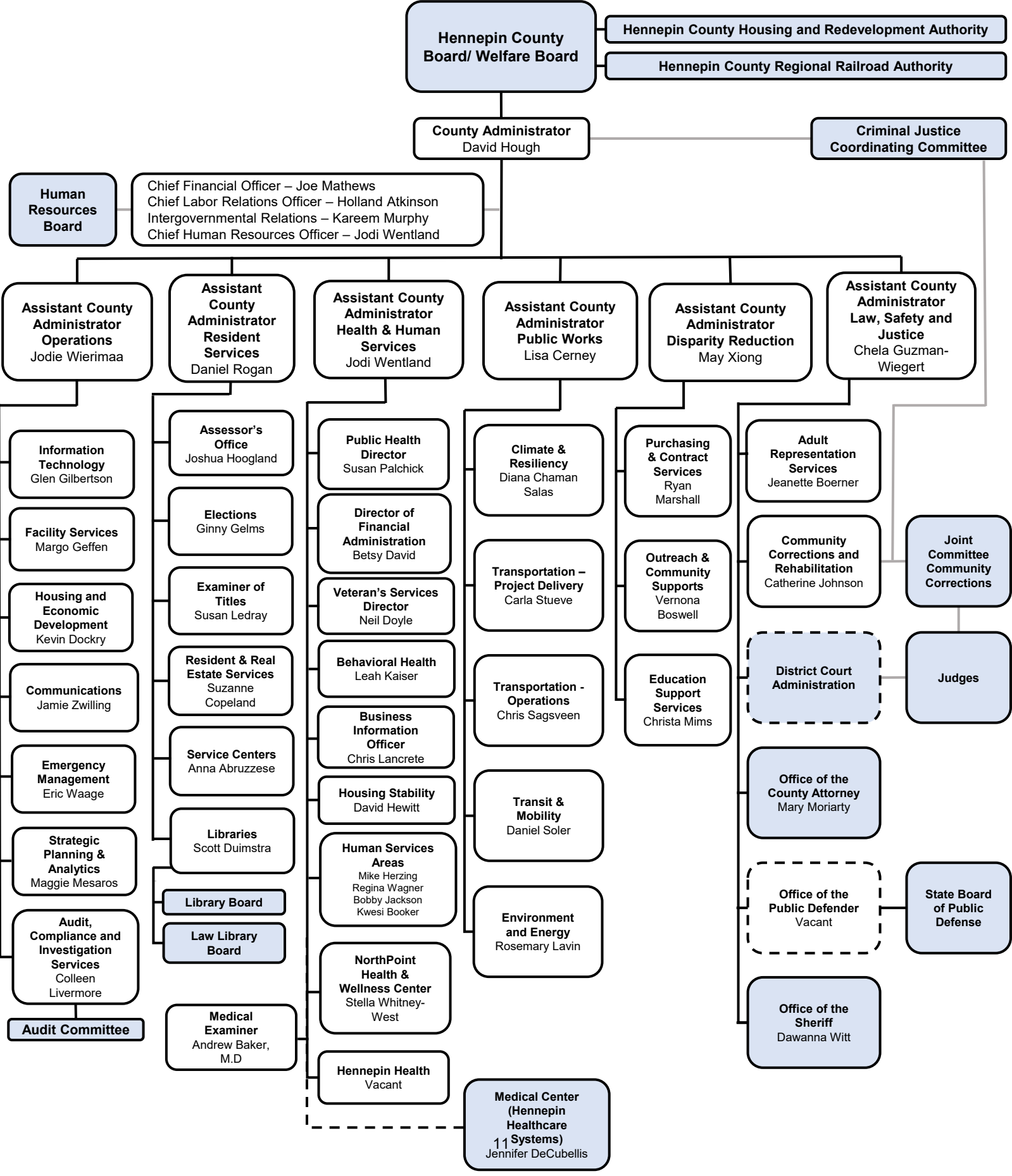


David J. Hough  
County Administrator

Joseph W. Mathews  
Director of Budget and Finance

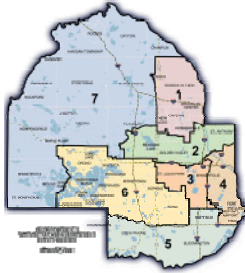


**Organizational Chart on December 31, 2023**





**Principal Officials on December 31, 2023**



**Hennepin County Commissioners:**

- District 1: Jeffrey Lunde
- District 2: Irene Fernando, Chair
- District 3: Marion Greene
- District 4: Angela Conley
- District 5: Debbie Goettel, Vice Chair
- District 6: Vacant
- District 7: Kevin Anderson

- County Administrator: David Hough
- Deputy County Administrator – Health and Human Services: Jodi Wentland
- Assistant County Administrator – Public Works: Lisa Cerney
- Assistant County Administrator – Law, Safety, and Justice: Chela Guzman-Wiegert
- Assistant County Administrator – Resident Services: Daniel Rogan
- Assistant County Administrator – Operations: Jodie Wierimaa
- Assistant County Administrator – Disparity Reduction: May Xiong

**Governmental Activities Programs - Departments and Directors**

**Operations**

- Audit, Compliance and Investigation Services: Colleen Livermore
- Budget and Finance: Joe Mathews
- Communications: Jamie Zwilling
- Emergency Management: Eric Waage
- Facility Services: Margo Geffen
- Housing and Economic Development: Kevin Dockry
- Human Resources: Jodi Wentland
- Information Technology: Glen Gilbertson
- Strategic Planning & Analytics: Maggie Mesaros

**Law Safety and Justice**

- Adult Representation Services: Jeanette Boerner
- Community Corrections and Rehabilitation: Catherine Johnson
- County Attorney's Office: Mary Moriarty
- Public Defender: Vacant
- Sheriff's Office: Dawanna Witt

**Resident Services**

- Assessor's Office: Joshua Hoogland
- Elections: Ginny Gelms
- Examiner of Titles: Susan Ledray
- Libraries: Scott Duimstra
- Resident & Real Estate Services: Suzanne Copeland
- Service Centers: Anna Abruzzese

**Disparity Reduction**

- Education Support Services: Christa Mims
- Outreach & Community Supports: Vernona Boswell
- Purchasing and Contract Services: Ryan Marshall

**Health**

- Medical Examiner: Andrew Baker, M.D.
- NorthPoint Health & Wellness Center: Stella Whitney-West

**Public Works**

- Climate & Resiliency: Diana Chaman Salas
- Transit & Mobility: Daniel Soler
- Transportation – Operations: Chris Sagsveen
- Transportation – Project Delivery: Carla Stueve

**Human Services**

- Access, Aging and Disability Services: Mike Herzing
- Behavioral Health: Leah Kaiser
- Business Information Officer: Chris Lancrete
- Children and Family Services: Kwesi Booker
- Economic Supports, Child Supports, Well-Being: Regina Wagner
- Financial Administration: Betsy David
- Housing Stability: David Hewitt
- Internal Services: Bobby Jackson
- Public Health: Susan Palchick
- Veteran's Services: Neil Doyle

**Business-type Activities Programs - Departments and Directors**

**Hennepin Health Plan**

Hennepin Health: Vacant

**Environment & Energy**

Solid Waste: Rosemary Lavin

**Medical Center**

Hennepin Healthcare Systems: Jennifer DeCubellis



---

# **Financial Section**

---



## Independent Auditor's Report

RSM US LLP

Board of Commissioners  
Hennepin County, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hennepin County, Minnesota (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the County 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 Matters**

As discussed in Note 19 to the basic financial statements, certain balances as of January 1, 2022 have been restated for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

As discussed in Note 11 to the basic financial statements, the December 31, 2022 column of the conduit debt financing note disclosure has been restated to correct errors. Our opinions are 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 County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for 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 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, 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 County'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 County'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.

### ***Report on Summarized Comparative Information***

We have previously audited the County's 2022 basic financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived, as adjusted for the implementation of GASB Statement No. 96 as described in Note 19 of the basic financial statements and the restatement of conduit debt as described in Note 11 of the basic financial statements.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total other postemployment benefits liability and related ratios, schedule of defined benefit pension plan contributions, schedule of County proportionate share of defined benefit pension plans, budgetary comparison schedules, and notes to the required supplementary information 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 GASB 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 GAAS, 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 as of and for the year ended December 31, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, as listed in the table of contents, as of and for the year ended December 31, 2023, is presented for purposes of additional analysis and is 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 for the year ended December 31, 2023 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 GAAS. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole as of and for the year ended December 31, 2023.

The supplementary information, as listed in the table of contents, as of and for the year ended December 31, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022, as adjusted for the implementation of GASB Statement No. 96.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the financial highlights, introductory section and 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.

*RSM US LLP*

Minneapolis, Minnesota  
July 29, 2024





## Management's Discussion and Analysis

This discussion and analysis provides financial statement readers with a financial overview and narrative analysis of the financial position and activities of Hennepin County and its blended component units for the year ended December 31, 2023. The information provided here should be read in conjunction with the *Transmittal Letter* that begins on page 1 and the *Notes to the Basic Financial Statements* on pages 49 to 98.

### GOVERNMENT-WIDE FINANCIAL HIGHLIGHTS

Throughout 2023, the County continued to respond to community needs related to the consequences of the novel coronavirus (COVID-19) pandemic. The state of emergency declared by the County Board in 2020 for COVID-19 was terminated effective May 11, 2023, while authorizing the County Administrator to continue to address the ongoing repercussions of the COVID-19 pandemic. The American Rescue Plan Act's State and Local Fiscal Recovery Fund (ARPA-SLFRF) awarded the County \$245.9 million to combat the health, social and economic effects of the pandemic through the end of the award period in 2024. Half of the ARPA-SLFRF award was advanced to the County in 2021 and the second half was provided in 2022. The County utilized \$104.4 million of the ARPA-SLFRF award in 2023. The unspent \$50.1 million of the ARPA-SLFRF advance is reported as unearned revenue to be used for eligible activities during the remainder of the award period. The County also received pandemic recovery assistance from additional Federal Awards totaling nearly \$20.0 million in 2023, including amounts for emergency rent assistance and for health-related programs.

At December 31, 2023, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$1.54 billion. Of this amount, \$786.3 million was restricted by specific statutory requirements or external commitments. The County's net investment in capital assets was \$1.41 billion. The County's net position increased \$95.7 million during the year, which included a \$99.0 million increase in governmental activities and a \$3.3 million decrease in business-type activities.

The \$99.0 million net position increase in governmental activities primarily related to the \$74.9 million of investment earnings and a \$15.9 million net position increase related to the Regional Railroad Authority due to postponed spending on capital projects.

While the County is required to report a net pension liability and related pension amounts, the County is not legally liable for these amounts. Therefore, the County's actual contributions to pension plans are not impacted by this reporting requirement. The County's net position is reported approximately \$873.9 million lower under the reporting requirements, resulting in the \$656.7 million deficit unrestricted net position for 2023. Only the Minnesota State legislature (the State) has the power to change pension contribution rates. The reported net pension liability is the County's proportionate share of the difference between total pension liability (the present value of projected benefit payments to employees based on their past service) and the fair value of pension assets set aside in a trust run by the State to pay pension benefits. Historically, pension rate increases have been for both employer and employee contributions, and the legislature has at times required special funding from the State. However, for reporting purposes, the net pension liability is measured as if only the employer would bear the burden of a potential future funding shortfall.

As further discussed in the Changes in Net Position section, the \$3.3 million decrease in business-type activities was largely due to the \$34.1 million decrease in net position for the Medical Center blended component unit. This decrease was offset by the \$27.7 million increase in the net position related to Hennepin Health Plan and the \$2.7 million increase in net position related to Environment and Energy.

# Management's Discussion and Analysis

## OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* is intended to serve as an introduction to the County's basic financial statements, which include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

- *The Statement of Net Position* presents the County's assets and deferred outflows, which are equal to the reported liabilities, deferred inflows, and net position. Over time, increases or decreases in net position serve as an indicator of whether the financial position of the County is improving or deteriorating.
- *The Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused postemployment healthcare benefits).

Both of the government-wide financial statements, which are found on pages 32 to 35 of this report, distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the County include:

- Operations
- Disparity Reduction
- Human Services
- Health
- Law, Safety and Justice
- Public Works
- Resident Services
- The Hennepin County Housing and Redevelopment Authority (HRA) blended component unit
- The Hennepin County Regional Railroad Authority (RRA) blended component unit
- Interest on Long-term Debt

The business-type activities of the County include:

- Hennepin Health Plan
- Environment and Energy
- The Medical Center blended component unit
- Other Enterprises

# Management's Discussion and Analysis

## OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

### Fund Financial Statements

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

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information can assist in evaluating the County's near-term financing requirements.

Because 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 doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities. Also, detailed information on the differences in measurement focus, basis of accounting, and financial statement presentation of the fund statements compared to the government-wide statements can be found on pages 50 to 54 of the *Notes to the Basic Financial Statements*.

The County maintains the following governmental fund types: the General Fund, special revenue funds, debt service funds, and capital projects funds. The County has five special revenue funds: Human Services Fund, Ballpark Sales Tax Fund, Other Sales Tax Fund, and the funds for blended component units: the RRA and the HRA. Information is presented separately in the governmental fund statements for each of these funds. The basic governmental fund financial statements can be found on pages 36 to 42.

- **Proprietary funds** provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. They are divided into two different types of funds: enterprise funds and internal service funds.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the County Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The proprietary fund financial statements provide separate information for the Hennepin Health Plan, Solid Waste, and Medical Center enterprise funds, which are considered to be major funds of the County. The Medical Center is a blended component unit. The nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. These funds are also combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 43 to 45 of this report. Individual fund data for the nonmajor enterprise funds, as well as for the internal service funds, is provided in the form of combining statements in the supplementary information section of this report.

# Management's Discussion and Analysis

## OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

### Fund Financial Statements – continued

- **Fiduciary funds** are used to account for assets that the County holds for others, including client trust fund amounts, cash held for inmates, revenues collected on behalf of other governmental units related to property taxes, and other governmental agency amounts that are held in the custody of the County. The County reports two separate fiduciary funds: 1) the Private Purpose Trust Fund and 2) the Custodial Fund. Fiduciary funds are not reflected in government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting method used for fiduciary funds is the same as the method used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 46 to 47 of this report.

The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes can be found on pages 49 to 98 of this report.

**Required and Supplementary Information** beginning on page 99 includes additional information relating to the retiree health and pension plans, certain budget-to-actual comparisons, the *Notes to Required Supplementary Information*, and various other combining statements and summarized comparative schedules.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

As shown in the table below, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$1.54 billion on December 31, 2023. The largest portion of the County's net position reflects the net investment in capital assets (e.g., land, buildings, equipment, roads, and bridges net of any related debt used to acquire those assets that is still outstanding). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The 2022 balances have been restated due to the implementation of GASB Statement No. 96 – see Note 19 for details.

Summary of Net Position  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)
Current assets	\$ 1,175.5	\$ 1,146.8	\$ 554.0	\$ 568.7	\$ 1,729.5	\$ 1,715.5
Noncurrent Assets:						
Other assets	387.2	385.8	117.8	102.9	505.0	488.7
Net capital assets	2,214.5	2,213.1	552.6	575.3	2,767.1	2,788.4
Total Assets	3,777.2	3,745.7	1,224.4	1,246.9	5,001.6	4,992.6
Deferred Outflows of Resources	240.1	327.0	125.9	184.0	366.0	511.0
Other liabilities	332.8	401.4	257.7	284.4	590.5	685.8
Long-term liabilities	2,206.1	2,531.6	608.2	785.2	2,814.3	3,316.8
Total Liabilities	2,538.9	2,933.0	865.9	1,069.6	3,404.8	4,002.6
Deferred Inflows of Resources	280.9	41.2	144.1	17.7	425.0	58.9
Net Position:						
Net investment in capital assets	1,090.5	1,162.2	317.7	321.9	1,408.2	1,484.1
Restricted	563.3	509.3	223.0	180.6	786.3	689.9
Unrestricted (deficit)	(456.3)	(573.0)	(200.4)	(158.9)	(656.7)	(731.9)
Total Net Position	\$ 1,197.5	\$ 1,098.5	\$ 340.3	\$ 343.6	\$ 1,537.8	\$ 1,442.1

# Management's Discussion and Analysis

## GOVERNMENT-WIDE FINANCIAL ANALYSIS – CONTINUED

### Changes in Net Position

As shown in the Changes in Net Position table on the following page, the County's total net position increased \$95.7 million during 2023, a 6.6% increase. The increase included a \$99.0 million increase in governmental activities and a \$3.3 million decrease in business-type activities.

As discussed in the Financial Highlights, the activities that primarily contributed to the \$99.0 million increase in **governmental activities'** net position included:

- A significant increase in **investment earnings** totaling \$74.9 million, including \$42.2 million in investment income and realized gains.
- A \$15.9 million net position increase related to the **Regional Railroad Authority** due to postponed spending on capital projects.
- The **HRA Fund's** fund balance increased \$4.8 million, largely due to postponed activities for approved projects.
- **Property taxes** revenue increases were primarily due to the 3.5% property tax levy increase.
- Increases in the **operating grants and contributions** revenues were largely due to the continuation of Federal funding that was received specifically to mitigate the impact of COVID-19. In addition, increases in capital project activities in 2023 and the availability of partner revenues, including State Aid, contributed to additional grant and contributions revenue for Public Works.
- Increases in **sales tax** revenue related to the new sales taxes implemented on October 1, 2023. The new sales taxes included 0.75% Sales Tax Metro Area Transportation and 0.25% Sales Tax Metro Area Housing.

The \$3.3 million **business-type activities** decrease in net position was primarily due to the Medical Center blended component unit's \$34.1 million decrease in net position. The Medical Center decrease related largely to the full accrual of the actuarial estimate of pension liabilities, which was offset by the \$27.7 million increase in net position for Hennepin Health that was driven by the low medical utilization, reduced administrative expenses and \$5.8 million in reported investment earnings due to favorable market conditions. Additionally, the Environment and Energy function experienced a \$2.7 million increase in net position largely due to the \$2.5 million in reported investment earnings for 2023.

# Management's Discussion and Analysis

## GOVERNMENT-WIDE FINANCIAL ANALYSIS – CONTINUED

### Changes in Net Position – continued

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 148.6	\$ 140.4	\$ 1,841.9	\$ 1,772.6	\$ 1,990.5	\$ 1,913.0
Operating grants and contributions	654.8	515.1	129.6	98.5	784.4	613.6
Capital grants and contributions	27.3	74.4	-	-	27.3	74.4
General Revenues:						
Property taxes	958.4	948.3	0.3	-	958.7	948.3
Sales tax	215.2	209.2	-	-	215.2	209.2
Wheelage tax	20.1	19.7	-	-	20.1	19.7
Other taxes	2.8	3.9	4.7	5.3	7.5	9.2
Grants and contributions	36.6	44.3	-	-	36.6	44.3
Investment earnings	74.9	(61.9)	-	-	74.9	(61.9)
Total Revenues	<u>2,138.7</u>	<u>1,893.4</u>	<u>1,976.5</u>	<u>1,876.4</u>	<u>4,115.2</u>	<u>3,769.8</u>
<b>EXPENSES</b>						
Operations	339.0	327.5	-	-	339.0	327.5
Disparity reduction	22.7	12.9	-	-	22.7	12.9
Human services	748.1	671.4	-	-	748.1	671.4
Health	104.4	88.8	-	-	104.4	88.8
Law, safety and justice	420.4	402.0	-	-	420.4	402.0
Public works	145.7	123.5	-	-	145.7	123.5
Resident Services	154.3	124.2	-	-	154.3	124.2
HRA	43.5	20.9	-	-	43.5	20.9
RRA	9.8	5.0	-	-	9.8	5.0
Interest on long-term debt	41.2	29.1	-	-	41.2	29.1
Hennepin Health Plan	-	-	402.8	422.2	402.8	422.2
Environment and energy	-	-	83.7	87.3	83.7	87.3
Medical Center	-	-	1,498.8	1,392.6	1,498.8	1,392.6
Other enterprises	-	-	5.1	4.7	5.1	4.7
Total Expenses	<u>2,029.1</u>	<u>1,805.3</u>	<u>1,990.4</u>	<u>1,906.8</u>	<u>4,019.5</u>	<u>3,712.1</u>
Increase (Decrease) in Net Position Before Transfers	109.6	88.1	(13.9)	(30.4)	95.7	57.7
Transfers	(10.6)	(11.8)	10.6	11.8	-	-
Increase (Decrease) in Net Position	99.0	76.3	(3.3)	(18.6)	95.7	57.7
Net Position – Beginning	1,098.5	1,022.2	343.6	362.2	1,442.1	1,384.4
Net Position – Ending	<u>\$ 1,197.5</u>	<u>\$ 1,098.5</u>	<u>\$ 340.3</u>	<u>\$ 343.6</u>	<u>\$ 1,537.8</u>	<u>\$ 1,442.1</u>

# Management's Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the County's governmental fund statements is to provide information on near-term inflows, near-term outflows, and balances of net resources. Such information is useful in assessing the County's financing requirements. In the governmental funds in particular, unassigned fund balance serves as a measure of available net resources.

The County's governmental funds reported combined ending fund balances of \$1.02 billion, which is an increase of \$46.8 million from the prior year's ending balances. The 17.4% of total governmental fund balance, or \$177.6 million, that is included in the unassigned (residual) classification for the General Fund, has not been restricted, committed, or assigned to specific purposes. The remainder of fund balance in the governmental funds is either in non-spendable form or is classified as restricted, committed, or assigned based on the spending constraints that are in place.

**Governmental Fund Revenues.** The table on the following page presents the revenues reported in the governmental funds by source, as well as increases or decreases from the prior year. Revenues that changed significantly from the prior year are explained below:

- **Property taxes** revenue increased \$7.7 million, primarily due to the 3.5% property tax levy increase.
- Ballpark and Other **Sales tax** revenues increased \$2.8 million from prior year. The sales tax collections continued to improve due to an increase in economic activities related to continued recovery from the COVID-19 pandemic.
- **Other taxes** decreased \$1.1 million due to lower mortgage registration tax as a result of slower activity in the real estate market in 2023 compared to 2022.
- **Intergovernmental** revenues increased \$36.8 million and remained higher than historical levels due to the continuation of Federal funding that was received specifically to mitigate the impact of COVID-19 on County residents.
- **Investment earnings** allocable to the governmental funds were \$79.3 million compared to the \$64.7 million investment loss in 2022 that was driven by unrealized losses. Governmental fund investment income for 2023 was \$42.2 million and the net change in fair value of investments (unrealized gains) totaled \$37.1 million due to more favorable market conditions.
- **Opioid settlement** revenues totaled \$2.1 million in 2023, a decrease of \$6.2 million from 2022 resulting from delayed receipt of settlement amounts that the County now expects to receive in 2024. The County receives payments subject to the Minnesota State-Subdivision Memorandum of Agreement, which provides that opioid settlement funds shall not be considered funds of the State or any participating local government until such time as each distribution is made. The receipts from the national opioid pharmaceutical lawsuit settlements are a portion of an estimated \$61.4 million that is expected to be received by the County over a 15-year period for use on eligible costs relating to the impacts of opioid addiction.

# Management’s Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS – CONTINUED

### Governmental Fund Revenues – continued

	Revenues Classified by Source Governmental Funds (in millions)					
	2023		2022		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Revenues by Source:						
Property taxes	\$ 963.8	45.8%	\$ 956.1	50.1%	\$ 7.7	0.8%
Sales tax	212.0	10.1%	209.2	11.0%	2.8	1.3%
Wheelage tax	20.1	1.0%	19.7	1.0%	0.4	2.0%
Other taxes	2.8	0.1%	3.9	0.2%	(1.1)	-28.2%
Intergovernmental	651.6	31.0%	614.8	32.2%	36.8	6.0%
Investment earnings (losses)	79.3	3.8%	(64.7)	-3.4%	144.0	222.6%
Charges for services	135.8	6.5%	129.7	6.8%	6.1	4.7%
Opioid settlements	2.1	0.1%	8.3	0.4%	(6.2)	100.0%
Fines and forfeits	0.3	0.0%	0.3	0.0%	-	0.0%
Licenses and permits	8.0	0.4%	7.6	0.4%	0.4	5.3%
Other	24.7	1.2%	24.6	1.3%	0.1	0.4%
Total Revenues	<u>\$ 2,100.5</u>	<u>100%</u>	<u>\$ 1,909.5</u>	<u>100%</u>	<u>\$ 191.0</u>	<u>10.0%</u>

**Governmental Fund Expenditures.** The table on the following page presents expenditures by function as well as increases or decreases from the prior year. In 2023, governmental fund expenditures increased \$209.2 million compared to the 2022 expenditures. Expenditures that changed significantly from the prior year are explained below:

- Expenditures for **Disparity Reduction** increased \$14.2 million primarily due to an expected \$2.9 million increase in staffing costs due to filling vacant positions, a \$6.4 million increase in contracted spending relating to community programs, and a \$1.7 million increase from the addition of the Outreach and Community Supports program resulting from the County’s reorganization in 2023.
- Expenditures for **Human Services** increased \$81.2 million in 2023 compared to 2022. Of this amount, a \$45.8 million increase in personal services expenditures was primarily due to filling 289 vacant positions, standard salary increases, and a \$5.3 million increase in healthcare insurance costs. Additionally, a \$31.0 million increase in contracted services related to healthcare and emergency shelter spending. These increases are largely related to the ongoing consequences of the COVID-19 pandemic.
- **Health** expenditures increased \$17.7 million in 2023, primarily related to the \$11.5 million increase in the County’s support of the Medical Center’s uncompensated healthcare costs. Additionally, personal services relating to expected salary and staffing increased \$4.0 million and capital outlay for NorthPoint Health and Wellness Center medical equipment increased \$1.7 million.
- Expenditures for **Law, Safety and Justice** increased \$28.3 million. The increase was largely due to a \$11.1 million and \$10.3 million increases in personal services in the Sheriff’s Office and in the Community Corrections and Rehabilitation, respectively. The increase in the Sheriff’s Office was due to \$3.4 million in additional union negotiated pay raises and \$2.6 million in overtime costs, along with general pay increases and higher health insurance costs. The Community Corrections and Rehabilitation increase was primarily due to \$1.3 million in additional workers’ compensation payments and \$1.2 million of increased health insurance costs, along with general cost of living adjustments and wage increases.



# Management’s Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS – CONTINUED

### Governmental Fund Expenditures – continued

- **HRA** expenditures increased \$12.2 million in 2023, primarily due to spending that was in response to the lingering consequences of the COVID-19 pandemic.
- **RRA** expenditures increased \$4.8 million. This change primarily related to returning to regular contributions to Metropolitan Council for transit projects in 2023 from an unexpected \$6.7 million decrease in contributions in 2022.
- Expenditures for **Debt Service Principal Retirement** increased \$28.1 million, primarily related to an optional early redemption of Series 2017A bonds totaling \$39.9 million, offset by the scheduled reduction in overall debt service principal payments in 2023.
- **Intergovernmental** expenditures decreased \$5.7 million, which was primarily due to the termination of previously required County financial support for metropolitan transit operations. The legislative action resulted in a \$6.3 million reduction in expenditures.
- Expenditures for **Capital Projects** increased \$14.0 million due to improved conditions for construction/acquisition related to approved projects that were previously postponed due to the lingering economic consequences of the COVID-19 pandemic.

	Governmental Funds (in millions)					
	2023		2022 (Restated)		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Expenditures by Function:						
Operations	\$ 305.4	14.2%	\$ 310.7	15.9%	\$ (5.3)	-1.7%
Disparity reduction	22.7	1.1%	8.5	0.4%	14.2	100.0%
Human services	731.5	33.8%	650.3	33.1%	81.2	12.5%
Health	98.8	4.6%	81.1	4.1%	17.7	21.8%
Law, safety and justice	379.8	17.6%	351.5	18.0%	28.3	8.1%
Public works	70.7	3.3%	68.6	3.5%	2.1	3.1%
Resident services	124.7	5.8%	118.4	6.0%	6.3	5.3%
HRA	32.0	1.5%	19.8	1.0%	12.2	61.6%
RRA	9.5	0.4%	4.7	0.2%	4.8	102.1%
Debt service						
Principal retirement	116.0	5.4%	87.9	4.5%	28.1	32.0%
Interest and fiscal charges	68.3	3.2%	66.4	3.4%	1.9	2.9%
Intergovernmental	16.7	0.8%	22.4	1.1%	(5.7)	-25.4%
Capital projects	181.4	8.3%	167.4	8.6%	14.0	8.4%
<b>Total Expenditures</b>	<b>\$ 2,157.5</b>	<b>100%</b>	<b>\$ 1,957.7</b>	<b>100%</b>	<b>\$ 199.8</b>	<b>10.2%</b>

### Fund Balances in Governmental Funds

The **General Fund** is the County’s primary operating fund. At the end of 2023, total fund balance for the General Fund was \$304.3 million and unassigned fund balance was \$177.6 million. Comparing the unassigned fund balance and total fund balance to total fund expenditures can be used as a measure of liquidity. The General Fund unassigned fund balance represents 17.4% of the total governmental fund balances and represents 20.3% of the total General Fund expenditures. In 2022, the unassigned fund balance represented 16.1% of total governmental fund balances and 19.8% of General Fund expenditures. The General Fund ended the year with an increase of \$68.8 million in fund balance. This increase was largely due to the \$70.6 million of investment gains allocable to the General Fund while reporting investments at fair value, which included \$35.7 million in unrealized gains.

# Management's Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

### Fund Balances in Governmental Funds – continued

The \$7.1 million fund balance decrease in the **Human Services Fund** was primarily due to a \$1.6 million and \$3.9 million decrease in fees for service revenue and property tax revenues, respectively. The fees for service revenue decreased largely due to lower caseloads, higher nonbillable activity, and a decrease in the number of clients eligible for Medical Assistance after continuous coverage provisions related to the COVID-19 pandemic expired and eligibility renewals resumed in 2023. The decrease in property tax revenue was primarily due to higher delinquent taxes than budgeted and increased property tax rebates.

The **Ballpark Sales Tax Fund's** fund balance decreased \$7.9 million primarily due to transfers to the Debt Service Fund to support the \$39.9 million in optional early redemption of Series 2017A bonds. This outflow was offset by unspent sales tax proceeds that are restricted for future ballpark debt service, MN Ballpark Authority operating costs, County contributions to MN Ballpark Authority capital improvements, youth sport activities, and extended operating hours at County libraries.

Fund balance in the **Other Sales Tax Fund** increased \$9.7 million largely due to new State Aid funding provided in conjunction with the State's enactment of two new sales taxes, a 0.75% sales tax for metropolitan area transportation and a 0.25% sales tax for metropolitan area affordable housing. Unspent State Aid is restricted for transportation and affordable housing projects.

The **HRA Fund's** fund balance increased \$4.8 million, largely due to postponed activities for approved projects.

The \$15.9 million fund balance increase in the **RRA Fund** primarily related to the \$12.1 million in contractual/contributions savings due to the postponed contracted spending on capital projects.

The **RRA Debt Service Fund's** fund balance increased \$0.3 million primarily due to a statutory requirement for properties taxes to be levied in an amount equal to 105% of amount needed to pay principal and interest due on the outstanding bonds.

The **General Debt Service Fund** balance increased \$6.8 million, related to the decrease in scheduled debt payments.

The **Capital Projects Fund** had a net fund balance decrease of \$44.4 million due to the expected variances in project expenditures and the timing of debt issuance in support of those expenditures.

### General Fund Variances Between the Final Budget and Actual Results

The General Fund 2023 budget changed significantly between the time of original approval and the time the amended budget was finalized. The expenditure budget increased \$50.9 million, primarily due to the provision of \$100.4 million of additional budget for the increase in pandemic response activities funded by ARPA-SLFRF. Significant variances between the final budget and actual revenues, included:

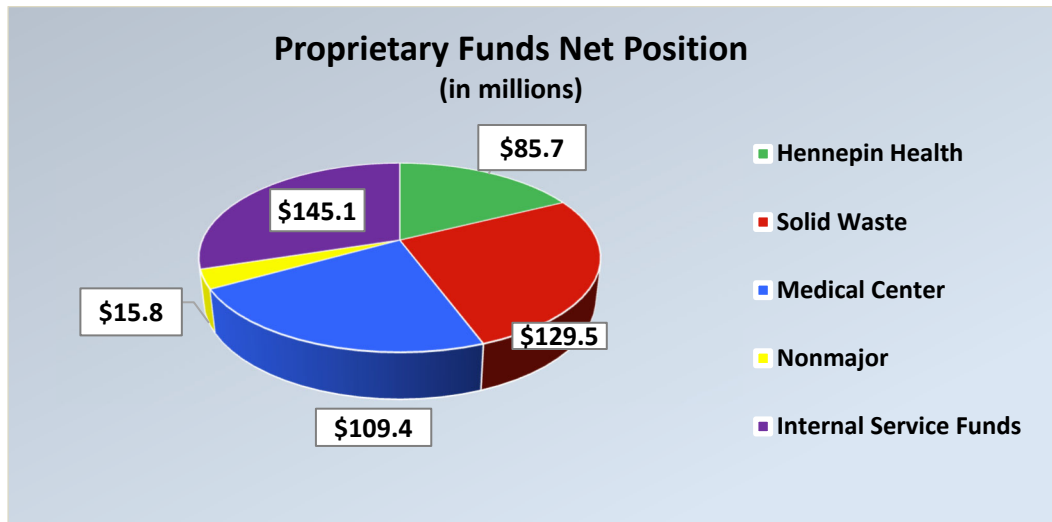
- Investment earnings were \$53.6 million higher than budgeted largely due to the net change in fair value of investments (unrealized gains) due to more favorable market conditions.
- Intergovernmental revenues were \$36.8 million higher than budgeted due to the receipt of \$14.1 million of one-time Public-Aid-Safety from the State, and a \$16.3 million unexpected payment for health reinvestment initiative to NorthPoint Health & Wellness Center from Hennepin Health Plan.
- Actual charges for services revenues were \$13.3 million lower than budget primarily due to the \$8.7 million decrease in charges for services for NorthPoint Health & Wellness Center. The decrease was largely due to the increased number of uninsured patients and the reduced overall number of patient visits.

# Management’s Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS – CONTINUED

**Proprietary Funds** provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. They are divided into two different types of funds: enterprise funds and internal service funds.

Year-end net position for the proprietary funds is shown in the chart below:



*Enterprise Funds’* total net position decreased \$3.3 million during 2023, primarily due to:

- A \$34.1 million **Medical Center Fund** decrease in net position largely related to the \$16.0 million full accrual of the actuarial estimate of pension liabilities, along with increased staffing costs for filled positions, premium pay related to staffing shortages, and the patient acuity driving a longer length of stay that further increased the cost of patient care.
- A \$27.7 million net position increase in the **Hennepin Health Fund** that was mainly driven by low medical utilization, reduced administrative expenses, and \$5.8 million in reported investment earnings.
- A **Solid Waste Fund** net position increase of \$2.8 million, primarily due to the \$2.5 million of allocated investment earnings.

*Internal Service Funds’* total net position decreased by \$8.8 million. The decrease was primarily related to the \$7.0 million net position decrease in the Information Technology Fund, largely due to a \$6.6 million increase in personal costs after filling 43 vacancies.

### Fiduciary Funds

As previously noted, the County reports two separate fiduciary funds. The fiduciary funds’ net position totaled \$105.1 million, a 43.7% increase from the prior year. This is primarily due to the \$32.9 million in taxes receivables recorded, but not yet received that are restricted for other governments.

# Management's Discussion and Analysis

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As shown in the following table, the County's net capital assets for both governmental and business-type activities totals approximately \$2.77 billion at year-end. Additional information on the County's capital assets can be found in Note 5 on pages 64 to 66 of this report.

	Governmental Activities		Business-type Activities		Total	
	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)
Art & historical treasures	\$ 5.3	\$ 5.3	\$ 1.1	\$ 1.0	\$ 6.4	\$ 6.3
Land	102.1	109.9	56.7	56.7	158.8	166.6
Construction in progress	134.0	171.5	18.1	16.2	152.1	187.7
Buildings	1,065.0	1,016.7	815.8	805.4	1,880.8	1,822.1
Equipment	181.5	180.3	429.2	402.2	610.7	582.5
Software	18.4	18.4	8.4	8.4	26.8	26.8
Library books and other materials	36.1	36.5	-	-	36.1	36.5
Leasehold improvements	14.6	14.6	28.6	28.9	43.2	43.5
Land improvements	34.4	33.5	1.9	1.9	36.3	35.4
Infrastructure	1,862.8	1,823.8	-	-	1,862.8	1,823.8
Right to use leased buildings	41.5	43.7	15.8	15.8	57.3	59.5
Right to use leased equipment	1.6	0.9	17.8	17.8	19.4	18.7
Right to use software subscriptions	14.4	8.9	40.8	33.6	55.2	42.5
Total Capital Assets	3,511.7	3,464.0	1,434.2	1,387.9	4,945.9	4,851.9
Less: accumulated depreciation and amortizations	(1,297.3)	(1,250.9)	(881.6)	(812.7)	(2,178.9)	(2,063.6)
Total Capital Assets, Net	\$ 2,214.4	\$ 2,213.1	\$ 552.6	\$ 575.2	\$ 2,767.0	\$ 2,788.3
Percent change from prior year	0.1%		-3.9%		-0.8%	

**Governmental** activities' net capital assets did not increase significantly, the change was a \$1.3 million increase related to software subscriptions.

**Business-type** activities' net capital assets decreased \$22.6 million, primarily related to the activities of the Medical Center blended component unit, which included the increases in equipment and software subscriptions offset by the accumulated depreciation and amortizations.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Debt Administration

As shown in the following table, **G.O. bonds** increased \$14.5 million during 2023. In governmental activities, \$100.0 million of nontaxable G.O bonds were issued at a premium of \$12.1 million. This increase was offset by the scheduled principal payments and premium amortizations that reduced governmental activities' G.O. bond liabilities.

**Revenue bonds** decreased \$49.1 million during 2023, primarily due to the \$39.9 million in optional early redemption with the remaining decrease related to the regular scheduled principal payments and amortizations.

**Lease and Subscription payables** decreased \$13.5 million primarily due to scheduled lease payments, and to lease agreement modifications/terminations.

# Management's Discussion and Analysis

## CAPITAL ASSET AND DEBT ADMINISTRATION - continued

### Debt Administration - continued

	Hennepin County's Outstanding Debt (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)
G.O. bonds	\$ 1,477.0	\$ 1,454.6	\$ 196.4	\$ 204.3	\$ 1,673.4	\$ 1,658.9
Revenue bonds	50.0	99.1	-	-	50.0	99.1
Lease and Subscription Payables	37.9	41.0	38.1	48.5	76.0	89.5
	<u>\$ 1,564.9</u>	<u>\$ 1,594.7</u>	<u>\$ 234.5</u>	<u>\$ 252.8</u>	<u>\$ 1,799.4</u>	<u>\$ 1,847.5</u>

In 2023, the General Debt Service Fund received \$94.3 million of levy support, as budgeted. State law limits the amount of levy supported debt that counties can issue to an amount equal to 3.0% of the estimated market value of property. The County's \$1.34 billion outstanding net levy supported debt is significantly below the \$7.00 billion statutory limit. The County's credit ratings on long-term G.O. bonds as of December 31, 2023 were:

S&P Global Ratings	AAA
Fitch Ratings	AAA

Additional information on the County's long-term debt can be found in Notes 9 and 10 on pages 71 to 74 of this report and on the Schedule of Changes in Long-term Debt, located on pages 134-135.

### ECONOMIC FACTORS

According to the State's February 2024 Budget and Economic Forecast, the overall economic outlook is projected to end with a surplus of \$3.72 billion for the State for the next biennium. While spending estimates remain largely unchanged since the November forecast, tax collections, especially corporate tax collection revenues, are expected to be higher, which is largely driven by higher-than-expected corporate profits for the forecast period. As in the November forecast, the State expects revenues to exceed spending through FY 2027. The U.S. economic outlook is also improved, as driven by the robust real growth domestic product (GDP) increase in late 2023, the State's forecast now projects a real GDP growth of 2.4% in 2024, 1.6% in 2025, and 1.7% in 2026, and 1.8% in 2027. The forecast for Consumer Price Index remained essentially unchanged from 2.7% in November to 2.8% in February. The State's report notes that federal monetary and fiscal policy, as well as geopolitical conflict pose risk to the budget projections and overall economic outlook. In September 2023, the State's payroll employment surpassed its pre-pandemic level and unemployment dropped to 2.9% in December 2023. Minnesota's payroll employment is expected to expand by 1.5% in 2024, or 45,300 jobs. From 2025 to 2027 the State's employment growth is expected to average 0.3%, or about 8,500 jobs per year. The State's forecast notes that the primary limitation on Minnesota's employment growth is an aging labor force.

The County's 12-month average unemployment rate (not seasonally adjusted) for 2023 was 2.7%, an increase from the 2022 average of 2.5%. The County's average unemployment rate is slightly lower than the State's rate of 2.8% and significantly lower than the national 3.6% 12-month non-seasonally adjusted average.

# Management's Discussion and Analysis

## NEXT YEAR'S BUDGET

Excluding blended component units, the 2023 County budget of \$2.68 billion, with a net property tax levy of \$991.3 million, which was a 6.5% increase over the 2023 budget. The operating portion of the budget totals \$2.33 billion, a decrease of \$5.4 million, or 0.2% from the adjusted 2023 operating budget.

The 2024 budget includes funding for a total of 9,928.3 full-time equivalent employees. The budgeted property tax revenues for 2023 of \$977.2 million increased \$59.6 million due to a 6.5% levy increase from the 2023 budgeted property tax revenue of \$917.6 million. Budgeted Sales Tax revenues and Other Taxes revenues increased by \$37.6 million to \$251.1 million due to anticipated higher economic and sales activities during a continuing recovery from the disruptions caused by the COVID-19 pandemic. Budgeted Federal revenues for 2024 increased \$25.6 million from the 2023 adjusted budget of \$244.5 million. Eighty-one percent of budgeted federal revenues support Health and Human Services programs. The budget for the State revenues increased \$25.6 million, primarily related to the expected increase in State grants and Medical Assistance reimbursement from the State. Budgeted investment earnings for 2024 increased \$21.3 million in expectation of more favorable market conditions. The budget for the fees for services revenue decreased \$56.6 million, largely due to an overall anticipated decline in enrollment related to the termination of the Federal Health Emergency related to the COVID-19 pandemic and the projected lower premium base rates for Hennepin Health. The 2024 budgeted bond proceeds decreased \$21.9 million from the 2023 adjusted budget, which is due to the anticipated fluctuating mix of funding streams for capital projects. Furthermore, the budget for the local revenues decreased \$7.9 million due to changes in activities and funding streams in the Capital Improvement budget.

The 2024 capital budget is \$342.4 million, which is a \$118.0 million decrease compared to the adjusted 2023 budget of \$461.0 million. While the significant increases/decreases in the capital project budgets are routinely expected due to the mix of projects, implementation schedules and evolving revenue streams, the \$118.0 million decrease for 2024 is largely due to the \$88.0 million decrease in annual investments related to light rail transit projects.

The 2024 County budget does not yet reflect all potential fiscal consequences and ongoing management challenges relating to the economic aftershocks of the COVID-19 pandemic. The impact of the pandemic, which began in late March 2020, will continue to impact the County's 2024 operations and financial performance. The County, like many other government entities, will continue spending ARPA-SLFRF advances in 2024 on pandemic-related costs that are within restrictions imposed by the Award. While management believes that the financial disruptions caused by the pandemic are transitory, there is significant uncertainty regarding the ultimate impact of the pandemic on the County's financial position, results of operations, and cash flows.

## REQUESTS FOR INFORMATION

This financial report is designed to provide an overview for those interested in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hennepin County Office of Budget and Finance, A-2301 Government Center, Minneapolis, MN 55487-0231, or readers may call (612) 348-5125, or email [OBF.Internet@hennepin.us](mailto:OBF.Internet@hennepin.us). The County's Annual Comprehensive Financial Reports can also be found at [www.hennepin.us/financial-reports](http://www.hennepin.us/financial-reports).

---

# **Basic Financial Statements**

---







Hennepin County, Minnesota

**Statement of Net Position**

December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Current Assets:</b>			
Cash and investments . . . . .	\$ 964,405,655	\$ 254,391,001	\$ 1,218,796,656
Receivables, net . . . . .	196,168,057	263,968,529	460,136,586
Internal balances . . . . .	(3,582,364)	3,582,364	-
Prepaid items . . . . .	14,001,532	16,313,085	30,314,617
Inventories . . . . .	3,675,507	15,737,445	19,412,952
Notes receivable and other receivables . . . . .	851,379	-	851,379
Total Current Assets	<u>1,175,519,766</u>	<u>553,992,424</u>	<u>1,729,512,190</u>
<b>Noncurrent Assets:</b>			
Cash and investments . . . . .	50,112,232	23,838,818	73,951,050
Restricted cash and investments . . . . .	312,317,975	89,979,769	402,297,744
Land held for resale . . . . .	2,700,000	-	2,700,000
Notes receivable and other receivables . . . . .	22,081,203	3,999,164	26,080,367
Capital assets, nondepreciable . . . . .	241,414,328	75,953,291	317,367,619
Capital asset, net of accumulated depreciation and amortization . . . . .	1,972,980,115	476,729,305	2,449,709,420
Total Noncurrent Assets	<u>2,601,605,853</u>	<u>670,500,347</u>	<u>3,272,106,200</u>
Total Assets	<u>3,777,125,619</u>	<u>1,224,492,771</u>	<u>5,001,618,390</u>
<b>Deferred Outflows of Resources:</b>			
Pension-related . . . . .	217,780,800	118,940,916	336,721,716
Postemployment healthcare related . . . . .	16,787,972	6,938,569	23,726,541
Deferred charge on debt refunding . . . . .	5,533,135	-	5,533,135
Total Deferred Outflows of Resources	<u>240,101,907</u>	<u>125,879,485</u>	<u>365,981,392</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 4,017,227,526</u>	<u>\$ 1,350,372,256</u>	<u>\$ 5,367,599,782</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>Current Liabilities:</b>			
Accounts and contracts payable . . . . .	\$ 116,004,954	\$ 68,555,887	\$ 184,560,841
Accrued interest payable . . . . .	4,903,348	-	4,903,348
Accrued liabilities . . . . .	54,171,234	159,922,622	214,093,856
Unearned revenue . . . . .	59,763,326	36,390	59,799,716
Workers' compensation claims . . . . .	4,200,000	5,442,000	9,642,000
Lease and subscription payables . . . . .	4,291,598	13,361,326	17,652,924
Revenue bonds . . . . .	8,030,000	-	8,030,000
General obligation bonds . . . . .	69,584,743	8,350,257	77,935,000
Compensated absences . . . . .	11,810,000	2,033,577	13,843,577
Total Current Liabilities	<u>332,759,203</u>	<u>257,702,059</u>	<u>590,461,262</u>
<b>Noncurrent Liabilities:</b>			
Workers' compensation claims . . . . .	9,250,000	7,923,882	17,173,882
Lease and subscription payables . . . . .	33,620,166	24,787,525	58,407,691
Revenue bonds . . . . .	41,943,258	-	41,943,258
General obligation bonds . . . . .	1,407,434,328	188,090,480	1,595,524,808
Net pension . . . . .	502,127,872	320,787,189	822,915,061
Postemployment healthcare benefits . . . . .	109,579,034	20,490,257	130,069,291
Compensated absences . . . . .	102,155,483	46,139,351	148,294,834
Total Noncurrent Liabilities	<u>2,206,110,141</u>	<u>608,218,684</u>	<u>2,814,328,825</u>
Total Liabilities	<u>2,538,869,344</u>	<u>865,920,743</u>	<u>3,404,790,087</u>

Hennepin County, Minnesota

**Statement of Net Position**

December 31, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<i>Continued from previous page</i>			
<b>Deferred Inflows of Resources:</b>			
Lease-related . . . . .	9,673,723	-	9,673,723
Pension-related . . . . .	254,744,461	132,967,102	387,711,563
Postemployment healthcare related . . . . .	16,462,987	11,090,913	27,553,900
Total Deferred Inflows of Resources	<u>280,881,171</u>	<u>144,058,015</u>	<u>424,939,186</u>
<b>Net Position:</b>			
Net investment in capital assets . . . . .	1,090,537,356	317,747,025	1,408,284,381
Restricted for:			
Grant and donor restrictions . . . . .	10,144,515	206,820	10,351,335
Debt service . . . . .	62,178,617	-	62,178,617
Statutory requirements relating to:			
Housing and redevelopment . . . . .	52,420,942	-	52,420,942
Regional Railroad Authority . . . . .	90,124,781	-	90,124,781
Metropolitan health plan . . . . .	-	85,390,320	85,390,320
Solid waste management . . . . .	-	64,481,264	64,481,264
Transportation . . . . .	300,960,041	-	300,960,041
Youth sports . . . . .	33,796,125	-	33,796,125
County Recorder technology and other . . . . .	13,717,787	-	13,717,787
Medical Center expendable . . . . .	-	46,595,048	46,595,048
Medical Center nonexpendable . . . . .	-	26,399,037	26,399,037
Unrestricted (deficit) . . . . .	(456,403,153)	(200,426,016)	(656,829,169)
Total Net Position	<u>1,197,477,011</u>	<u>340,393,498</u>	<u>1,537,870,509</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<u>\$ 4,017,227,526</u>	<u>\$ 1,350,372,256</u>	<u>\$ 5,367,599,782</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Activities**

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Program Expenses			
	All Other Direct Expenses	Direct Depreciation and Amortization Expenses	Total Direct Expenses	Indirect Expenses
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
Operations .....	\$ 376,171,315	\$ 11,103,098	\$ 387,274,413	\$ (48,346,784)
Disparity Reduction .....	22,710,965	-	22,710,965	-
Human Services .....	726,696,065	4,896,291	731,592,356	16,410,266
Health .....	99,615,887	2,266,722	101,882,609	2,556,278
Law, Safety and Justice .....	396,951,231	7,947,210	404,898,441	15,445,163
Public Works .....	112,076,207	30,484,437	142,560,644	3,111,342
Resident Services .....	131,309,997	12,428,158	143,738,155	10,484,417
Housing and Redevelopment Authority .....	42,607,127	799,531	43,406,658	130,552
Regional Railroad Authority .....	9,476,228	138,612	9,614,840	208,766
Interest on Long-term Debt .....	41,240,482	-	41,240,482	-
Total Governmental Activities	<u>1,958,855,504</u>	<u>70,064,059</u>	<u>2,028,919,563</u>	<u>-</u>
<b>Business-type Activities:</b>				
Hennepin Health Plan .....	401,986,022	821,774	402,807,796	-
Environment and Energy .....	73,244,409	10,469,992	83,714,401	-
Medical Center .....	1,436,950,958	61,855,019	1,498,805,977	-
Other Enterprises .....	3,349,916	1,705,599	5,055,515	-
Total Business-type Activities	<u>1,915,531,305</u>	<u>74,852,384</u>	<u>1,990,383,689</u>	<u>-</u>
Total	<u>\$ 3,874,386,809</u>	<u>\$ 144,916,443</u>	<u>\$ 4,019,303,252</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Program Revenues			Net Revenue (Expense) and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 20,778,110	\$ 136,819,012	\$ -	\$ (181,330,507)	\$ -	\$ (181,330,507)
-	12,785,813	-	(9,925,152)	-	(9,925,152)
54,915,367	365,866,262	-	(327,220,993)	-	(327,220,993)
25,844,636	25,775,372	1,021,885	(51,796,994)	-	(51,796,994)
16,559,558	45,848,948	-	(357,935,098)	-	(357,935,098)
6,591,785	65,018,926	21,827,099	(52,234,176)	-	(52,234,176)
21,127,376	1,843,486	-	(131,251,710)	-	(131,251,710)
2,303,010	70,348	1,598,860	(39,564,992)	-	(39,564,992)
473,791	772,068	2,844,261	(5,733,486)	-	(5,733,486)
-	-	-	(41,240,482)	-	(41,240,482)
<u>148,593,633</u>	<u>654,800,235</u>	<u>27,292,105</u>	<u>(1,198,233,590)</u>	<u>-</u>	<u>(1,198,233,590)</u>
424,734,106	5,750,322	-	-	27,676,632	27,676,632
75,043,827	8,520,090	-	-	(150,484)	(150,484)
1,336,672,421	115,318,202	-	-	(46,815,354)	(46,815,354)
5,489,277	-	-	-	433,762	433,762
<u>1,841,939,631</u>	<u>129,588,614</u>	<u>-</u>	<u>-</u>	<u>(18,855,444)</u>	<u>(18,855,444)</u>
<u>\$ 1,990,533,264</u>	<u>\$ 784,388,849</u>	<u>\$ 27,292,105</u>	<u>(1,198,233,590)</u>	<u>(18,855,444)</u>	<u>(1,217,089,034)</u>
General Revenues:					
Property taxes			958,383,810	261,246	958,645,056
Sales tax			215,208,804	-	215,208,804
Wheelage tax			20,096,378	-	20,096,378
Other taxes			2,765,762	4,692,910	7,458,672
Grants & contributions not restricted to specific programs			36,563,432	-	36,563,432
Unrestricted investment earnings			74,856,837	-	74,856,837
Transfers			(10,644,960)	10,644,960	-
Total General Revenues and Transfers			<u>1,297,230,063</u>	<u>15,599,116</u>	<u>1,312,829,179</u>
Change in Net Position			98,996,473	(3,256,328)	95,740,145
Net Position - Beginning, as Restated			1,098,480,538	343,649,826	1,442,130,364
Net Position - Ending			<u>\$ 1,197,477,011</u>	<u>\$ 340,393,498</u>	<u>\$ 1,537,870,509</u>

**Governmental Funds - Balance Sheets**

December 31, 2023

With Summarized Comparative Totals for December 31, 2022

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
<b>ASSETS</b>				
Cash and investments . . . . .	\$ 374,111,451	\$ 206,588,294	\$ -	\$ -
Delinquent taxes receivable, net . . . . .	7,482,354	2,462,830	-	-
Due from other governmental agencies . . . . .	14,388,300	75,145,534	8,269,915	33,514,264
Accrued investment interest . . . . .	8,411,279	-	-	-
Interfund receivable . . . . .	3,019,801	2,586,905	-	-
Other receivable . . . . .	10,134,599	944,559	-	-
Prepaid items . . . . .	2,496,142	506,403	-	-
Inventories . . . . .	2,889,487	-	-	-
Land held for resale . . . . .	-	-	-	-
Lease receivables . . . . .	9,912,188	-	-	-
Notes receivable, net . . . . .	1,189,292	-	-	-
Restricted cash and investments . . . . .	5,648,832	-	40,548,664	270,596,314
<b>Total Assets</b>	<b>\$ 439,683,725</b>	<b>\$ 288,234,525</b>	<b>\$ 48,818,579</b>	<b>\$ 304,110,578</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and contracts payable . . . . .	\$ 28,321,446	\$ 35,621,223	\$ 55,723	\$ 3,150,537
Accrued liabilities . . . . .	26,213,314	12,829,419	-	-
Interfund payable . . . . .	9,420,879	377,631	-	-
Unearned revenue . . . . .	50,532,169	162,943	-	-
<b>Total Liabilities</b>	<b>114,487,808</b>	<b>48,991,216</b>	<b>55,723</b>	<b>3,150,537</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes . . . . .	6,174,754	2,106,730	-	-
Unavailable revenue - intergovernmental . . . . .	5,031,887	11,299,365	-	20,197,427
Lease related . . . . .	9,673,723	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>20,880,364</b>	<b>13,406,095</b>	<b>-</b>	<b>20,197,427</b>
<b>Fund Balances:</b>				
Nonspendable . . . . .	7,434,349	506,403	-	-
Restricted . . . . .	40,043,324	15,566,383	48,762,856	280,762,614
Committed . . . . .	-	209,764,428	-	-
Assigned . . . . .	79,232,031	-	-	-
Unassigned . . . . .	177,605,849	-	-	-
<b>Total Fund Balances</b>	<b>304,315,553</b>	<b>225,837,214</b>	<b>48,762,856</b>	<b>280,762,614</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 439,683,725</b>	<b>\$ 288,234,525</b>	<b>\$ 48,818,579</b>	<b>\$ 304,110,578</b>

The notes to the financial statements are an integral part of these statements.



Housing and Redevelopment Authority (HRA)	Regional Railroad Authority (RRA)	RRA Debt Service	General Debt Service	Capital Projects	Totals	
					2023	2022
\$ 44,583,184	\$ 89,284,574	\$ 1,042,557	\$ 14,590,243	\$ 44,281,109	\$ 774,481,412	\$ 799,717,446
147,237	273,294	-	816,796	11,978	11,194,489	7,889,371
-	716,015	-	-	27,785,058	159,819,086	104,017,854
-	-	-	-	-	8,411,279	5,781,591
-	-	-	-	-	5,606,706	12,371,472
48,852	119,373	-	3,000,000	22,412	14,269,795	11,433,944
34,043	-	-	-	-	3,036,588	2,554,375
-	-	-	-	-	2,889,487	2,365,670
2,700,000	-	-	-	-	2,700,000	2,700,000
-	-	-	-	-	9,912,188	9,152,431
5,226,102	-	-	6,605,000	-	13,020,394	13,627,137
1,245,110	579,961	-	1,172,997	-	319,791,878	311,505,797
<u>\$ 53,984,528</u>	<u>\$ 90,973,217</u>	<u>\$ 1,042,557</u>	<u>\$ 26,185,036</u>	<u>\$ 72,100,557</u>	<u>\$ 1,325,133,302</u>	<u>\$ 1,283,117,088</u>
\$ 1,529,543	\$ 1,493,063	\$ -	\$ 1,711,959	\$ 37,621,125	\$ 109,504,619	\$ 85,113,764
-	-	-	-	-	39,042,733	35,710,114
-	-	-	-	-	9,798,510	8,673,111
-	57,659	-	-	7,030,644	57,783,415	150,738,494
<u>1,529,543</u>	<u>1,550,722</u>	<u>-</u>	<u>1,711,959</u>	<u>44,651,769</u>	<u>216,129,277</u>	<u>280,235,483</u>
124,237	232,594	-	693,596	10,978	9,342,889	6,963,771
-	774,957	-	6,605,000	27,495,468	71,404,104	15,066,696
-	-	-	-	-	9,673,723	9,055,793
<u>124,237</u>	<u>1,007,551</u>	<u>-</u>	<u>7,298,596</u>	<u>27,506,446</u>	<u>90,420,716</u>	<u>31,086,260</u>
34,043	-	-	-	-	7,974,795	6,944,609
52,296,705	88,414,944	1,042,557	17,174,481	-	544,063,864	536,130,889
-	-	-	-	-	209,764,428	222,408,168
-	-	-	-	-	79,232,031	49,452,252
-	-	-	-	(57,658)	177,548,191	156,859,427
<u>52,330,748</u>	<u>88,414,944</u>	<u>1,042,557</u>	<u>17,174,481</u>	<u>(57,658)</u>	<u>1,018,583,309</u>	<u>971,795,345</u>
<u>\$ 53,984,528</u>	<u>\$ 90,973,217</u>	<u>\$ 1,042,557</u>	<u>\$ 26,185,036</u>	<u>\$ 72,100,557</u>	<u>\$ 1,325,133,302</u>	<u>\$ 1,283,117,088</u>

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position**

December 31, 2023

Total governmental fund balances (page 35)	\$ 1,018,583,309
Amounts reported for governmental activities in the statement of net position are different because:	
<b>Capital assets</b> used in governmental activities are not financial resources and, therefore, are not reported in the funds. (The capital assets of the internal service funds that serve governmental activities are included in a separate reconciling item.)	2,148,558,200
<b>Certain assets</b> are not available to pay for current-period expenditures and, therefore, are not reported as revenues in the current period, but instead are deferred in the funds.	80,746,993
<b>Internal service funds</b> are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds that primarily serve governmental activities are included in governmental activities in the statement of net position. This reconciling item includes the adjustment to eliminate internal service fund surpluses and deficits.	159,643,204
<b>Net pension and postemployment healthcare benefit liabilities</b> and related deferred inflows and deferred outflows are not reported in the funds because the liabilities are not due and payable in the current period.	(645,780,389)
<b>Long-term liabilities</b> and related deferred outflows are not reported in the funds because the liabilities are not due and payable in the current period.	(1,564,274,306)
Net position of governmental activities (page 33)	\$ <u>1,197,477,011</u>

The notes to the financial statements are an integral part of this statement.



**Governmental Funds - Statements of Revenues, Expenditures, and Changes in Fund Balances**

For the Year Ended December 31, 2023

With Summarized Comparative Totals for the Year Ended December 31, 2022

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
<b>REVENUES</b>				
Property taxes	\$ 548,255,983	\$ 272,003,222	\$ -	\$ -
Sales tax	-	-	48,589,823	163,458,338
Wheelage tax	20,096,378	-	-	-
Other taxes	2,593,344	127,761	-	-
Intergovernmental	252,269,144	364,854,784	-	9,381,360
Investment earnings (losses)	70,561,312	(104,512)	2,686,637	-
Charges for services	84,758,957	49,644,651	-	-
Opioid settlements	-	2,054,398	-	-
Fines and forfeits	310,224	-	-	-
Licenses and permits	5,862,568	2,166,787	-	-
Other	19,819,744	3,103,929	-	-
<b>Total Revenues</b>	<b>1,004,527,654</b>	<b>693,851,020</b>	<b>51,276,460</b>	<b>172,839,698</b>
<b>EXPENDITURES</b>				
Current:				
Operations	174,618,891	-	2,501,855	-
Disparity reduction	22,743,059	-	-	-
Human services	-	731,481,852	-	-
Health	98,758,897	-	-	-
Law, safety and justice	379,807,463	-	-	-
Public works	70,104,523	-	-	610,119
Resident Services	124,712,984	-	-	-
Housing and Redevelopment Authority	-	-	-	-
Regional Railroad Authority	-	-	-	-
Debt service:				
Principal retirement	3,662,314	1,460,921	-	-
Interest and fiscal charges	282,860	343,240	-	-
Intergovernmental	-	-	-	16,674,514
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>874,690,991</b>	<b>733,286,013</b>	<b>2,501,855</b>	<b>17,284,633</b>
Excess (Deficiency) of Revenues Over Expenditures	129,836,663	(39,434,993)	48,774,605	155,555,065
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	5,075,000	31,558,452	-	-
Transfers out	(70,444,634)	-	(56,640,034)	(145,846,742)
Leases and subscriptions	4,326,641	764,014	-	-
Sale of capital assets	-	-	-	-
Debt premiums	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(61,042,993)</b>	<b>32,322,466</b>	<b>(56,640,034)</b>	<b>(145,846,742)</b>
Net Change in Fund Balances	68,793,670	(7,112,527)	(7,865,429)	9,708,323
Fund Balances - Beginning	235,521,883	232,949,741	56,628,285	271,054,291
Fund Balances - Ending	\$ 304,315,553	\$ 225,837,214	\$ 48,762,856	\$ 280,762,614

The notes to the financial statements are an integral part of these statements.

	Housing and Redevelopment Authority	Regional Railroad Authority	RRA Debt Service	General Debt Service	Capital Projects	Totals	
						2023	2022 (Restated)
\$	17,420,964	\$ 22,027,839	\$ 9,065,455	\$ 94,343,741	\$ 674,184	\$ 963,791,388	\$ 956,102,037
	-	-	-	-	-	212,048,161	209,171,559
	-	-	-	-	-	20,096,378	19,719,096
	-	-	-	44,263	394	2,765,762	3,905,780
	71,961	-	-	2,182,412	22,848,906	651,608,567	614,843,696
	1,598,860	2,844,261	-	280,462	1,432,938	79,299,958	(64,707,357)
	1,074,972	363,925	-	-	-	135,842,505	129,742,262
	-	-	-	-	-	2,054,398	8,277,173
	-	-	-	-	-	310,224	343,762
	-	-	-	-	-	8,029,355	7,622,674
	1,228,038	109,866	-	-	378,102	24,639,679	24,524,663
	<u>21,394,795</u>	<u>25,345,891</u>	<u>9,065,455</u>	<u>96,850,878</u>	<u>25,334,524</u>	<u>2,100,486,375</u>	<u>1,909,545,345</u>
	-	-	-	-	128,306,410	305,427,156	310,669,335
	-	-	-	-	-	22,743,059	8,495,784
	-	-	-	-	-	731,481,852	650,206,736
	-	-	-	-	-	98,758,897	81,109,305
	-	-	-	-	-	379,807,463	351,488,211
	-	-	-	-	-	70,714,642	68,594,218
	-	-	-	-	-	124,712,984	118,447,166
	32,026,315	-	-	-	-	32,026,315	19,811,239
	-	9,476,228	-	-	-	9,476,228	4,691,634
	-	-	4,570,000	106,332,100	-	116,025,335	87,896,143
	-	-	4,223,100	63,411,680	-	68,260,880	66,382,418
	-	-	-	-	-	16,674,514	22,431,184
	-	-	-	-	181,409,491	181,409,491	167,417,372
	<u>32,026,315</u>	<u>9,476,228</u>	<u>8,793,100</u>	<u>169,743,780</u>	<u>309,715,901</u>	<u>2,157,518,816</u>	<u>1,957,640,745</u>
	(10,631,520)	15,869,663	272,355	(72,892,902)	(284,381,377)	(57,032,441)	(48,095,400)
	-	-	-	-	100,000,000	100,000,000	130,350,000
	-	-	-	-	-	-	(83,832,587)
	15,404,692	-	-	79,646,534	127,846,732	259,531,410	175,945,001
	-	-	-	-	-	(272,931,410)	(175,945,001)
	-	-	-	-	-	5,090,655	8,104,555
	-	-	-	-	-	-	13,374
	-	-	-	-	12,129,750	12,129,750	9,042,464
	<u>15,404,692</u>	<u>-</u>	<u>-</u>	<u>79,646,534</u>	<u>239,976,482</u>	<u>103,820,405</u>	<u>63,677,806</u>
	4,773,172	15,869,663	272,355	6,753,632	(44,404,895)	46,787,964	15,582,406
	47,557,576	72,545,281	770,202	10,420,849	44,347,237	971,795,345	956,212,939
\$	<u>52,330,748</u>	<u>\$ 88,414,944</u>	<u>\$ 1,042,557</u>	<u>\$ 17,174,481</u>	<u>\$ (57,658)</u>	<u>\$ 1,018,583,309</u>	<u>\$ 971,795,345</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2023

Net change in governmental fund balances (page 39)	\$ 46,787,964
Amounts reported for governmental activities in the statement of activities are different because:	
<b>Capital outlays</b> are reported by governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	12,222,047
The net effect of <b>capital asset disposals, sales, and donations</b> is to decrease net position in the Statement of Activities. These amounts are not reported in the governmental funds because they do not affect current financial resources. Governmental funds only report proceeds from the sale of capital assets.	(11,243,603)
<b>Revenues</b> in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	58,716,526
The issuance of <b>long-term debt</b> (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of the issuance and repayment of long-term debt.	19,968
<b>Expenses</b> reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds (i.e. interest on long-term debt, the amortization of long-term debt discount, and certain pension and post-employment healthcare expenses).	2,311,079
The net revenue of certain activities of <b>internal service funds</b> is reported with governmental activities.	(9,817,508)
Change in net position of governmental activities (page 35)	\$ <u>98,996,473</u>

The notes to the financial statements are an integral part of this statement.

**Statements of Net Position - Proprietary Funds**

December 31, 2023

With Summarized Comparative Totals for December 31, 2022

	Business-type Activities - Enterprise Funds						2023 Internal Service Funds
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Totals		
					2023	2022 (Restated)	
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>							
<b>Current Assets:</b>							
Cash and cash equivalents.....	\$ 121,192,601	\$ 48,632,752	\$ 76,994,038	\$ 7,571,610	\$ 254,391,001	\$ 294,371,723	\$ 232,562,572
Interfund receivable.....	-	-	9,798,510	41,421	9,839,931	7,224,279	2,788,632
Other receivable.....	35,245,219	9,636,059	218,731,520	355,731	263,968,529	254,930,835	2,473,408
Inventories.....	-	3,622,141	12,105,626	9,678	15,737,445	14,782,647	786,020
Prepaid items.....	159,335	4,949	16,148,801	-	16,313,085	9,709,906	10,964,944
Total Current Assets	156,597,155	61,895,901	333,778,495	7,978,440	560,249,991	581,019,390	249,575,576
<b>Noncurrent Assets:</b>							
Investments.....	-	-	23,838,818	-	23,838,818	14,491,382	-
Restricted cash and cash equivalents.....	500,000	17,220,382	22,352,166	-	40,072,548	32,094,502	-
Restricted investments.....	-	-	49,907,221	-	49,907,221	48,741,369	-
Notes receivable and other.....	-	1,776,244	2,222,920	-	3,999,164	7,615,286	-
Capital assets, nondepreciable.....	-	11,150,843	63,817,356	985,092	75,953,291	73,937,835	7,050,826
Capital assets, net of accumulated depreciation and amortization.....	1,304,693	89,564,010	378,931,144	6,929,458	476,729,305	501,355,187	58,785,417
Total Noncurrent Assets	1,804,693	119,711,479	541,069,625	7,914,550	670,500,347	678,235,561	65,836,243
Total Assets	158,401,848	181,607,380	874,848,120	15,892,990	1,230,750,338	1,259,254,951	315,411,819
<b>Deferred Outflows of Resources:</b>							
Pension related.....	1,820,305	1,374,610	115,746,001	-	118,940,916	176,145,933	-
Postemployment healthcare related.....	76,490	80,137	6,781,942	-	6,938,569	7,956,803	455,013
Total Deferred Outflows of Resources	1,896,795	1,454,747	122,527,943	-	125,879,485	184,102,736	455,013
<b>Total Assets and Deferred Outflows</b>	<b>\$ 160,298,643</b>	<b>\$ 183,062,127</b>	<b>\$ 997,376,063</b>	<b>\$ 15,892,990</b>	<b>\$ 1,356,629,823</b>	<b>\$ 1,443,357,687</b>	<b>\$ 315,866,832</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>							
<b>Current Liabilities:</b>							
Interfund payable.....	\$ 2,019,118	\$ -	\$ 4,238,449	\$ -	\$ 6,257,567	\$ 12,371,235	\$ 2,179,192
Accounts and contracts payable.....	5,948,221	8,526,853	54,000,272	80,541	68,555,887	54,947,845	6,500,335
Accrued expenses.....	56,179,854	336,807	103,405,961	-	159,922,622	189,138,567	15,128,501
Unearned revenue.....	-	36,390	-	-	36,390	-	1,979,911
Current portion of:							
Workers' compensation claims.....	-	-	5,442,000	-	5,442,000	4,961,000	4,200,000
Lease and subscription payables.....	701,363	-	12,659,963	-	13,361,326	14,649,061	358,545
General obligation bonds.....	-	1,832,347	6,517,910	-	8,350,257	7,907,861	1,186,756
Compensated absences.....	140,000	130,000	1,763,577	-	2,033,577	1,680,000	11,810,000
Total Current Liabilities	64,988,556	10,862,397	188,028,132	80,541	263,959,626	285,655,569	43,343,240
<b>Noncurrent Liabilities, Net of Current Portion:</b>							
Workers' compensation claims.....	-	-	7,923,882	-	7,923,882	11,694,515	9,250,000
Lease and subscription payables.....	329,803	-	24,457,722	-	24,787,525	33,854,448	220,406
General obligation bonds.....	-	34,080,528	154,009,952	-	188,090,480	196,440,737	12,781,035
Net pension.....	5,468,485	4,965,167	310,353,537	-	320,787,189	486,664,458	-
Postemployment healthcare benefits.....	427,146	688,132	19,374,979	-	20,490,257	24,176,896	2,626,371
Compensated absences.....	1,162,484	1,256,722	43,720,145	-	46,139,351	43,449,387	102,155,483
Total Noncurrent Liabilities	7,387,918	40,990,549	559,840,217	-	608,218,684	796,280,441	127,033,295
Total Liabilities	72,376,474	51,852,946	747,868,349	80,541	872,178,310	1,081,936,010	170,376,535
<b>Deferred Inflows of Resources:</b>							
Pension related.....	2,191,040	1,620,063	129,155,999	-	132,967,102	7,758,922	-
Postemployment healthcare related.....	67,282	99,056	10,924,575	-	11,090,913	10,012,929	393,835
Total Deferred Inflows of Resources	2,258,322	1,719,119	140,080,574	-	144,058,015	17,771,851	393,835
<b>Net Position:</b>							
Net investment in capital assets.....	273,527	64,801,978	244,756,970	7,914,550	317,747,025	321,910,766	51,289,501
Restricted for:							
Statutory requirements relating to:							
Hennepin health plan.....	85,390,320	-	-	-	85,390,320	57,672,157	-
Solid waste management.....	-	64,481,264	-	-	64,481,264	56,949,370	-
Medical Center expendable.....	-	-	46,595,048	-	46,595,048	43,080,760	-
Medical Center nonexpendable.....	-	-	26,399,037	-	26,399,037	22,791,169	-
Brownfield assessment and cleanup.....	-	206,820	-	-	206,820	178,580	-
Unrestricted (deficit).....	-	-	(208,323,915)	7,897,899	(200,426,016)	(158,932,976)	93,806,961
Total Net Position	85,663,847	129,490,062	109,427,140	15,812,449	340,393,498	343,649,826	145,096,462
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 160,298,643</b>	<b>\$ 183,062,127</b>	<b>\$ 997,376,063</b>	<b>\$ 15,892,990</b>	<b>\$ 1,356,629,823</b>	<b>\$ 1,443,357,687</b>	<b>\$ 315,866,832</b>

The notes to the financial statements are an integral part of these statements.

**Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds**

For the Year Ended December 31, 2023

With Summarized Comparative Totals for the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds						
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Total		2023 Internal Service Funds
					2023	2022 (Restated)	
<b>OPERATING REVENUES</b>							
Net charges for services.....	\$ 424,734,106	\$ 75,043,827	\$ 1,336,672,421	\$ 5,489,277	\$ 1,841,939,631	\$ 1,772,612,865	\$ 300,082,021
Intergovernmental.....	-	-	97,432,902	-	97,432,902	111,637,816	-
<b>Total Operating Revenues</b>	<b>424,734,106</b>	<b>75,043,827</b>	<b>1,434,105,323</b>	<b>5,489,277</b>	<b>1,939,372,533</b>	<b>1,884,250,681</b>	<b>300,082,021</b>
<b>OPERATING EXPENSES</b>							
Personal services.....	14,659,281	10,611,188	1,003,572,019	2,280,622	1,031,123,110	974,029,814	254,251,457
Commodities.....	33,657	268,817	354,634,979	314,099	355,251,552	307,735,435	12,706,398
Contractual services.....	377,791,636	50,484,411	65,306,124	555,909	494,138,080	512,118,985	43,257,422
Depreciation and amortization.....	821,774	10,469,992	61,855,019	1,705,599	74,852,384	67,767,050	13,882,163
Other.....	9,445,652	3,754,838	7,352,072	191,841	20,744,403	26,119,171	4,506,605
<b>Total Operating Expenses</b>	<b>402,752,000</b>	<b>75,589,246</b>	<b>1,492,720,213</b>	<b>5,048,070</b>	<b>1,976,109,529</b>	<b>1,887,770,455</b>	<b>328,604,045</b>
Operating Income (Loss)	21,982,106	(545,419)	(58,614,890)	441,207	(36,736,996)	(3,519,774)	(28,522,024)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Property taxes.....	-	261,246	-	-	261,246	-	-
Intergovernmental.....	-	5,982,082	-	-	5,982,082	6,074,194	-
Investment earnings (losses).....	5,750,322	2,538,008	17,885,300	-	26,173,630	(23,987,204)	1,560,624
Interest expense.....	(55,796)	(1,106,415)	(6,085,764)	-	(7,247,975)	(6,547,507)	(454,890)
Gain (Loss) on capital asset disposal.....	-	-	-	(7,445)	(7,445)	(973,826)	1,055,721
Other.....	-	(4,383,370)	2,057,540	-	(2,325,830)	(1,540,507)	-
Settlements.....	-	-	-	-	-	-	4,000,000
<b>Total Nonoperating Revenues (Expenses)</b>	<b>5,694,526</b>	<b>3,291,551</b>	<b>13,857,076</b>	<b>(7,445)</b>	<b>22,835,708</b>	<b>(26,974,850)</b>	<b>6,161,455</b>
Income (Loss) Before Contributions	27,676,632	2,746,132	(44,757,814)	433,762	(13,901,288)	(30,494,624)	(22,360,569)
Capital contributions.....	-	-	10,644,960	-	10,644,960	11,833,278	167,967
Transfers in.....	-	-	-	-	-	-	13,400,000
<b>Net Contributions and Transfers</b>	<b>-</b>	<b>-</b>	<b>10,644,960</b>	<b>-</b>	<b>10,644,960</b>	<b>11,833,278</b>	<b>13,567,967</b>
Change in Net Position	27,676,632	2,746,132	(34,112,854)	433,762	(3,256,328)	(18,661,346)	(8,792,602)
Total Net Position - Beginning	57,987,215	126,743,930	143,539,994	15,378,687	343,649,826	362,311,172	153,889,064
<b>Total Net Position - Ending</b>	<b>\$ 85,663,847</b>	<b>\$ 129,490,062</b>	<b>\$ 109,427,140</b>	<b>\$ 15,812,449</b>	<b>\$ 340,393,498</b>	<b>\$ 343,649,826</b>	<b>\$ 145,096,462</b>

The notes to the financial statements are an integral part of these statements.



**Statement of Cash Flows - Proprietary Funds**

For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds					
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users. . . . .	\$ 410,645,150	\$ 74,957,973	\$ 1,281,494,595	\$ 5,436,705	\$ 1,772,534,423	\$ 294,350,585
Operating grants. . . . .	-	-	148,102,162	-	148,102,162	-
Payments to suppliers for goods and services. . . . .	(377,625,316)	(49,896,018)	(408,826,734)	(874,945)	(837,223,013)	(55,900,132)
Payments to employees for services. . . . .	(14,319,236)	(10,316,066)	(1,000,176,900)	(2,280,622)	(1,027,092,824)	(247,982,280)
Other operating disbursements. . . . .	(9,445,652)	(3,754,838)	(30,971,460)	(191,841)	(44,363,791)	(4,506,605)
Net Cash Provided (Used) by Operating Activities	9,254,946	10,991,051	(10,378,337)	2,089,297	11,956,957	(14,038,432)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Other taxes. . . . .	-	261,246	-	-	261,246	-
Net grants and contributions. . . . .	-	293,114	3,026,405	-	3,319,519	-
Transfers in. . . . .	-	-	-	-	-	13,400,000
Interfund loans. . . . .	(7,019,575)	-	-	-	(7,019,575)	(401,359)
Settlements. . . . .	-	-	-	-	-	4,000,000
Net Cash Provided (Used) by Noncapital Financing Activities	(7,019,575)	554,360	3,026,405	-	(3,438,810)	16,998,641
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets. . . . .	(374,081)	(3,877,731)	(18,708,104)	(1,044,135)	(24,004,051)	(15,030,143)
Lease and subscription payments. . . . .	(406,162)	-	(9,948,496)	-	(10,354,658)	(817,801)
Interest paid. . . . .	(55,796)	(1,106,415)	(6,085,764)	-	(7,247,975)	(454,892)
Debt issuance cost and principal payments. . . . .	-	(1,778,259)	(6,129,602)	-	(7,907,861)	(1,215,038)
Net Cash Provided (Used) by Capital and Related Financing Activities	(836,039)	(6,762,405)	(40,871,966)	(1,044,135)	(49,514,545)	(17,517,874)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income (loss). . . . .	5,750,322	2,538,008	2,954,097	-	11,242,427	1,560,624
Purchase of investments. . . . .	-	-	(5,217,705)	-	(5,217,705)	-
Sale of investments. . . . .	-	-	2,969,000	-	2,969,000	-
Net Cash Provided (Used) by Investing Activities	5,750,322	2,538,008	705,392	-	8,993,722	1,560,624
Net increase in cash and cash equivalents	7,149,654	7,321,014	(47,518,506)	1,045,162	(32,002,676)	(12,997,041)
Cash and cash equivalents at beginning of year	114,542,947	58,532,120	146,864,710	6,526,448	326,466,225	245,559,613
Cash and Cash Equivalents at End of Year	\$ 121,692,601	\$ 65,853,134	\$ 99,346,204	\$ 7,571,610	\$ 294,463,549	\$ 232,562,572
<b>CASH COMPONENTS:</b>						
Cash and cash equivalents. . . . .	\$ 121,192,601	\$ 48,632,752	\$ 76,994,038	\$ 7,571,610	\$ 254,391,001	\$ 232,562,572
Restricted cash and cash equivalents. . . . .	500,000	17,220,382	22,352,166	-	40,072,548	-
Cash and Cash Equivalents at End of Year	\$ 121,692,601	\$ 65,853,134	\$ 99,346,204	\$ 7,571,610	\$ 294,463,549	\$ 232,562,572
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss). . . . .	\$ 21,982,106	\$ (545,419)	\$ (58,614,890)	\$ 441,207	\$ (36,736,996)	\$ (28,522,024)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization. . . . .	821,774	10,469,992	61,855,019	1,705,599	74,852,384	13,882,163
(Increase) decrease in:						
Receivables and prepaid items. . . . .	(1,872,570)	(155,387)	(11,254,276)	(52,572)	(13,334,805)	(1,789,349)
Inventories. . . . .	-	(145,847)	(809,420)	469	(954,798)	34,922
Increase (decrease) in:						
Accounts payable and accrued expenses. . . . .	(11,970,351)	1,084,862	(19,646,469)	(5,406)	(30,537,364)	5,299,854
Unearned revenue. . . . .	-	36,390	-	-	36,390	(3,045,191)
Net pension liability. . . . .	(2,572,218)	(2,017,597)	(161,287,454)	-	(165,877,269)	-
Deferred outflows. . . . .	883,670	785,359	56,554,222	-	58,223,251	48,923
Deferred inflows. . . . .	1,982,535	1,478,698	122,824,931	-	126,286,164	52,270
Net Cash Provided (Used) by Operating Activities	\$ 9,254,946	\$ 10,991,051	\$ (10,378,337)	\$ 2,089,297	\$ 11,956,957	\$ (14,038,432)
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Contributions of capital assets. . . . .	\$ -	\$ -	\$ 10,644,960	\$ -	\$ 10,644,960	\$ 167,967
Gain (loss) on disposal of capital assets. . . . .	-	-	-	(7,445)	(7,445)	1,055,721
Increase (decrease) in fair value of investments. . . . .	2,655,118	1,095,845	12,478,719	-	16,229,682	1,131,971
Transfer of G.O. Bonds and related capital assets. . . . .	-	-	-	-	-	95,032

The notes to the financial statements are an integral part of this statement.

**Statement of Fiduciary Net Position - Fiduciary Funds**

December 31, 2023

	Private Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and investments . . . . .	\$ 603,651	\$ 100,197,000
Receivables, net . . . . .	-	32,887,287
Total Assets	<u>\$ 603,651</u>	<u>\$ 133,084,287</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Liabilities:</b>		
Accounts and contracts payable . . . . .	\$ -	\$ 29,824
Due to other governments. . . . .	-	28,606,595
Total Liabilities	<u>-</u>	<u>28,636,419</u>
<b>Net Position</b>		
Restricted for individuals, organizations, and other governments. .	603,651	104,447,868
Total Net Position	<u>603,651</u>	<u>104,447,868</u>
Total Liabilities and Net Position	<u>\$ 603,651</u>	<u>\$ 133,084,287</u>

The notes to the financial statements are an integral part of these statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**

For the Year Ended December 31, 2023

	Private Purpose Trust Fund	Custodial Fund
<b>ADDITIONS</b>		
Property taxes collected for other governments. . . . . \$	-	\$ 2,659,492,043
Fees collected for other governments. . . . .	-	139,846,499
Other additions for other governments. . . . .	-	139,468,136
Forfeitures collected for entities. . . . .	-	1,009,515
Collections for individual beneficiaries . . . . .	3,292,417	43,141,920
<b>Total Additions</b>	<b>3,292,417</b>	<b>2,982,958,113</b>
<b>DEDUCTIONS</b>		
Property tax distributions to other governments. . . . .	-	2,659,492,043
Fees distributed to other governments. . . . .	-	139,846,499
Other distributions to other governments. . . . .	-	107,685,858
Forfeiture distributions to entities. . . . .	-	1,065,023
Beneficiary payments to individuals. . . . .	3,090,090	43,141,920
<b>Total Deductions</b>	<b>3,090,090</b>	<b>2,951,231,343</b>
Change in Net Position	202,327	31,726,770
Total Net position - Beginning	401,324	72,721,098
Total Net Position - Ending	<b>\$ 603,651</b>	<b>\$ 104,447,868</b>

The notes to the financial statements are an integral part of these statements.



**Notes to the Basic Financial Statements**

December 31, 2023

<b>INDEX TO NOTES</b>	<b>PAGE</b>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	50
2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS .....	59
3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS .....	60
4. RESTRICTED CASH AND INVESTMENTS .....	63
5. CAPITAL ASSETS .....	64
6. REVENUES AND RECEIVABLES .....	67
7. COMMITMENTS .....	70
8. INTERFUND BALANCES AND ACTIVITY .....	71
9. LONG-TERM OBLIGATIONS .....	71
10. DEBT SERVICE REQUIREMENTS .....	73
11. HOUSING AND REDEVELOPMENT AUTHORITY CONDUIT FINANCING .....	75
12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS .....	76
13. PROPERTY TAX ABATEMENTS .....	77
14. RISK MANAGEMENT .....	77
15. SELF-INSURED EMPLOYEE HEALTH PLANS .....	79
16. CONTINGENCIES .....	80
17. OTHER EMPLOYEE BENEFITS .....	81
18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS ...	88
19. NEW ACCOUNTING PRONOUNCEMENTS .....	96
20. SUBSEQUENT EVENTS .....	98

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. The Financial Reporting Entity

Hennepin County (the County) was established in 1852 as an organized county having powers, duties, and privileges granted counties by Minnesota Statutes. The County is governed by a seven-member Hennepin County Board of Commissioners (County Board) elected from districts within the County. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the activities of the County and its blended component units. While legally separate entities, the blended component units discussed below are included as part of the primary government, due to their governance structure and the significance of their operational and financial relationships with the County. Each component unit has a December 31 year end.

The Hennepin County Regional Railroad Authority (RRA) provides for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for the public welfare. The County commissioners comprise the entire RRA board, a financial benefit or burden relationship exists, and management of the County has operational responsibility for the RRA. The RRA is included in the County's governmental funds as a blended component unit, and separately issued financial statements can be obtained from the RRA.

The Hennepin County Housing and Redevelopment Authority (HRA) provides for the development of housing, the expanding of the tax base, increasing jobs, and industrial and commercial development. The county commissioners comprise the entire HRA board, a financial benefit or burden relationship exists, and management of the County has operational responsibility for the HRA. The HRA is included in the County's governmental funds as a blended component unit, and separately issued financial statements can be obtained from the HRA.

Hennepin Healthcare System, Inc. d.b.a. Hennepin County Medical Center (the Medical Center) is included in the County's financial statements as a blended component unit. The Medical Center is a County proprietary fund that includes the Medical Center's blended component units, the Hennepin Health Foundation and the Hennepin Healthcare Research Institute. The Medical Center engages in the organization and delivery of healthcare and related services to the general public and conducts related programs and research. The Medical Center is a Level 1 trauma center that functions as a principal crisis and emergency treatment center, and as a teaching and research institution. The County is the sole corporate member of the Medical Center and has ownership and governing rights and obligations, including the review and approval of the annual capital and operating budgets and the annual health service plan. Land and buildings used by the Medical Center are owned by the County and leased to the Medical Center. Separately issued Medical Center financial statements can be obtained from the Medical Center.

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The annual financial report includes two separate sets of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differs between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the following sections.

##### ➤ Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the County using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the County's net position.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

##### ➤ Government-wide Financial Statements – continued

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's various functions where elimination would distort the direct costs and program revenues reported for the functions concerned.

Both of the government-wide financial statements distinguish between functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The structure of these two statements is further described in the following two paragraphs.

*Statement of Net Position* – This statement is designed to display the financial position of the County and its blended component units. The County reports all capital assets, including infrastructure, and all long-term liabilities, such as long-term debt. The net position of the County is reported in three categories 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Restrictions reported are those imposed by parties outside the County, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed. Internal service funds have been consolidated into the governmental activities that they primarily benefit.

*Statement of Activities* – This statement demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are allocated based on the annual County-wide Cost Allocation Plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are reported as general revenues. Just as the Statement of Net Position includes all capital assets, the Statement of Activities includes all depreciation expense. In the Statement of Activities, the operations of internal service funds have been consolidated into the governmental activities that they primarily benefit.

##### ➤ Fund Financial Statements

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. All individual funds considered major are reported as separate columns in the fund financial statements. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

##### ➤ Fund Financial Statements – continued

**Governmental Funds.** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues, including property tax revenues, to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, including liabilities related to leases and subscription-based information technology arrangements (subscriptions), as well as expenditures related to claims and judgments, pensions, and other postemployment benefits, are recorded only when payment is due. Capital asset acquisitions, including the contractual right to use lease and subscription assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financings through leases and subscriptions are reported as other financing sources.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes when levied for; other taxes when collected by merchants; and investment earnings, charges for services, and intergovernmental revenue when eligibility requirements are met. Changes in the fair value of investments are recognized in investment earnings (losses) at the end of each year. Fines, forfeitures, licenses, and permit revenues are recorded when cash is received by the County because they are generally not measurable until actually received. Grants received in advance of incurring eligible expenditures are recorded as unearned revenue (a liability).

The County reports the following governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. The fund is used to account for revenues and expenditures necessary to carry out basic governmental functions relating to areas such as operations; disparity reduction; health; law, safety and justice, and public works.

*Special revenue funds* are governmental funds that account for revenue sources that are legally restricted (by parties outside the County as well as those imposed by the County) to expenditure for specific purposes other than major capital projects. The County reports five major special revenue funds.

- The *Human Services Fund* is used to account for specific state and federal revenues, opioid settlement revenues, property taxes levied for human services, and expenditures for financial, social and public health services.
- The *Ballpark Sales Tax Fund* is used to account for the inflows of cash from taxpayers and transfers to other funds for repayment of Ballpark related bonds, Minnesota Ballpark Authority operating costs, and other expenditures allowed under legislation.
- The *Other Sales Tax Fund* is used to account for the proceeds of the Metro Area Transportation, the Metro Area Housing, and the Transportation sales taxes. Local Affordable Housing Aid and other related revenues are also included, along with expenditures for eligible purposes.
- The *Housing and Redevelopment Authority Fund*, a blended component unit, is used to account for property taxes levied by the HRA and expenditures relating to the development of housing, the expanding of the tax base, increasing jobs, and industrial and commercial development.
- The *Regional Railroad Authority Fund*, a blended component unit, is used to account for property taxes levied by the RRA and expenditures relating to the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for public welfare.



## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

##### ➤ Fund Financial Statements – continued

##### Governmental Funds – continued.

*Debt Service Funds* account for the servicing of general long-term debt not being financed by proprietary funds. Debt service funds include the *General Debt Service Fund*, used to account for County levy supported bonds, as well as revenue bonds, and the *Regional Railroad Authority Debt Service Fund*, used to account for debt issued by the RRA.

*The Capital Projects Fund* accounts for the acquisition of certain capital assets or the construction of major capital projects not being financed by proprietary funds, such as construction costs of libraries, roads, bridges, and other construction and improvement projects.

The County considers the following funds to be major funds for public interest reasons: Ballpark Sales Tax, HRA, RRA, RRA Debt Service, and General Debt Service.

**Proprietary Funds.** The proprietary funds use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following proprietary funds:

*Enterprise Funds* are proprietary funds used to account for those operations that are financed and operated in a manner similar to private business or where the County Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Data from two nonmajor funds are combined into a single aggregate presentation. Individual fund data for each of the nonmajor enterprise funds is provided in the form of combining statements in the Supplementary Information – Enterprise Funds section of this report. The major enterprise funds of the County include:

- The *Hennepin Health Fund* provides health care coverage to County residents who are enrolled in Minnesota health care programs, including a Prepaid Medical Assistance Plan, MinnesotaCare, and Special Needs Basic Care. Hennepin Health is a nonprofit, state-certified health maintenance organization that contracts with the Minnesota Department of Human Services.
- The *Solid Waste Fund* is used to account for the management of the solid waste system pursuant to Hennepin County Ordinance 15 and Minnesota Statutes, sections 473.811 and 400.08. Fund activities include the resource recovery facilities, transfer stations, recycling and household hazardous waste programs, and the environmental response fund program. All money received by the Solid Waste Fund is restricted for the purposes of providing solid waste activities, functions, and facilities.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

##### ➤ Fund Financial Statements – continued

##### Proprietary Funds – continued

##### *Enterprise Funds – continued*

- The *Medical Center Fund*, a blended component unit, is used to account for the integrated system that includes the Medical Center, Level 1 trauma center services, a large outpatient clinic and specialty center, a network of primary care clinics, and more. In furtherance of its charitable purpose, the Medical Center provides a wide variety of benefits to the community, including community-based social service programs such as free clinics, health screenings, training for emergency service personnel, crisis intervention, and transportation to and from the hospital campus. Additionally, a large number of health-related education programs are provided for the benefit of the community, including health enhancements and wellness, classes on specific conditions, medical education, telephone information services, and other programs designed to improve the general standard of the health in the community. The Medical Center also provides medical care without charge or at reduced cost to certain residents of the community through the provision of charity care.

*Internal Service Funds* account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, or to other governmental units, on a cost-reimbursement basis.

- The *Fleet Services Fund* is used to account for the costs of purchasing, operating, and replacing all automotive and other fleet equipment used by departments.
- The *Information Technology (IT) Fund* is used to account for the costs of data processing and data processing equipment leasing services provided to departments. The fund is also used to account for central services costs, such as receiving and distribution, mail handling, printing, document imaging, and other services.
- The *Energy Center Fund* is used to account for the costs of operating the Energy Center, which provides heat and air conditioning primarily to County-owned facilities.
- The *Self Insurance Fund* is used to account for workers' compensation and tort liabilities, and for amounts relating to building and contents property insurance retentions.
- The *Employee Health Plan Self Insurance Fund* is used to account for the County's self-insured health and dental benefit plans.
- The *Other Employee Benefits Fund* is used to account for earned and unused compensated absences for governmental funds.

**Fiduciary Funds.** The County reports two separate Fiduciary Funds in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, the *Private Purpose Trust Fund* and the *Custodial Fund*. The Fiduciary Funds are used to account for assets that the County holds for others, including clients' trust funds, inmates' funds, revenues collected on behalf of other governmental units related to taxes, and other governmental agency's funds that are held in the custody of the County. The Fiduciary Funds use the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position

**Cash and Investments.** The County maintains an investment pool for cash and investments. Each fund's portion of the pool is reported as "cash" or "restricted cash." For County funds that receive investment earnings, the allocation of those earnings is based on average monthly balances of cash and investments. Investments are stated at fair value or at cost. The fair value of investments is based on quoted market prices or inputs other than quoted prices that are observable for the investment, either directly or indirectly. Certain money market funds that have a maturity of one year or less at the time of purchase are reported at amortized cost. Certain nonparticipating interest-earning contracts (repurchase agreements) that have a maturity of one year or less at the time of purchase are reported at cost. State law authorizes the County to invest in the following instruments: U.S. government and agency issues; repurchase agreements; reverse repurchase agreements; certificates of deposit; money market funds; general obligations of state, local, and housing finance agencies that are rated "A" or better by a national bond rating service; revenue obligations of any state or local government that are rated "AA" or better by a national bond rating service; bankers acceptances; commercial paper; futures contracts; guaranteed investment contracts; options; and shares of certain investment companies. The Medical Center also holds investments separately from the pool.

**Receivables.** Taxes receivable are reported net of the allowance for uncollectible delinquent taxes, which is an estimate based on historical collection experience. All other receivables are reported net of any allowance for uncollectible accounts based on collection experience and management's evaluation of the current status of existing receivables. Receivable amounts relating to intergovernmental revenues are generally reimbursement based, with no allowance for uncollectible accounts necessary. The portion of all receivables not included in the allowance and not collected within 60 days are generally offset by deferred inflows of resources in the governmental fund financial statements.

**Interfund Receivables and Payables.** Transactions between funds that are representative of lending/borrowing arrangements, as well as unpaid amounts of interfund services provided and used that are outstanding at the end of the year are referred to as "interfund receivables/payables." Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Inventories and Prepaid Items.** All inventories are reported at cost using the first-in, first-out consumption method. Expenditures or expenses are recognized in the funds when inventories are consumed. The County does not hold any inventories for resale. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Governmental fund inventories and prepaid items are offset by nonspendable constraint of fund balance. The cost of prepaid items is reported as expenditures/expenses when consumed, rather than when purchased.

**Land Held for Resale** represents property purchases made by the HCHRA with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or estimated net realizable value and are reported as noncurrent assets when sale is not anticipated within one year.

**Capital Assets.** Capital assets are reported in proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalization thresholds are:

- \$5,000 for equipment,
- \$40,000 for intangible right-to-use leased equipment,
- \$250,000 for improvements, software, and IT subscriptions, and
- \$500,000 for land, buildings, intangible right-to-use leased buildings and infrastructure.
- All library collection items are capitalized.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position**

**Capital Assets – continued.** With the exception of intangible right-to-use lease and subscription assets, capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In governmental funds, capital outlay and capital projects expenditures include expenditures for capital assets, as well as for items that are capital in nature but do not qualify for financial reporting as capital assets under the County’s capitalization policy. The costs of maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized (e.g., road overlays). In proprietary funds, outlays for capital assets are capitalized as the projects are constructed. Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings	20-50 years
Leasehold improvements	Remaining lease term
Land improvements	10-25 years
Infrastructure	50-90 years
Equipment	3-20 years
Library books and materials	7 years
Software	3-8 years
Intangible right-to-use leased assets (buildings and equipment)	Expected lease term
Intangible right-to use IT subscription assets	Expected subscription term

**Single-Employer Postemployment Healthcare Benefit Program** The County’s defined benefit postemployment benefit (OPEB) plan, also referred to as the retiree healthcare program, provides OPEB to all eligible employees. The plan is a single employer defined benefit plan administered by the County. In the government-wide and the proprietary fund Statements of Net Position, postemployment healthcare benefit obligations are reported as liabilities.

**Employee Compensated Absences.** It is the County’s policy to permit employees to accumulate earned but unused compensated absences. Under certain conditions, employees are compensated upon termination of employment for their accumulated unpaid vacation, paid time off, and sick leave up to a maximum number of hours. The County has chosen the option of using an Internal Service Fund to account for the cost and liquidation of the governmental funds’ compensated absences. As a result, the County reports the estimated earned and unused benefits on a full accrual basis.

**Pensions.** For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA’s fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. PERA’s investments are reported at fair value.

**Long-Term Obligations.** In the government-wide and the proprietary fund Statements of Net Position, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premiums and discounts, which are deferred and amortized over the life of the bonds using the interest method. Bond issuance costs are expensed in the period the related bonds are issued. In governmental funds, the proceeds from the issuance of debt and debt premiums are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs and debt principal payments are reported as expenditures. In governmental funds, an expenditure and other financing source are reported in the initial commencement period of a County lessee lease or IT subscription. Lease and subscription payments are accounted for consistent with principles for debt service payments on long-term debt.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position – continued

**Deferred Outflows/Inflows of Resources.** In addition to assets, the Statements of Net Position include a section for deferred outflows of resources. This separate element represents a consumption of net assets that applies to a future period and so will not be recognized as an expense until then. The County has three items that meet the criterion, including certain amounts related to pension plans, postemployment healthcare, and debt refunding. In addition to liabilities, the Statements of Net Position include a section for deferred inflows of resources. This separate element represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County's deferrals of certain pension and postemployment healthcare expenses are in this category, along with deferred amounts related to lease receivables. The governmental funds' unavailable revenue items are also in this category and are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Leases and Subscriptions.** The County is a lessee for the noncancellable lease of buildings and equipment, and the County is a subscriber for noncancellable subscription-based IT arrangements. The County recognizes lease and subscription liabilities and right-to-use lease and subscription assets in the government-wide and proprietary fund financial statements. The County recognizes the liabilities with initial individual values exceeding the thresholds provided in Note 1C. At the commencement of leases and subscriptions, the County measures the liabilities at the present value of payments expected to be made during the agreement term. Subsequently, liabilities are reduced by the principal portion of lease and subscription payments made. The intangible right-to-use lease and subscription assets are initially measured using the amount of the liability, adjusted for payments made at or before the agreement commencement date, plus certain initial direct costs. Subsequently, the lease and subscription assets are amortized on a straight-line basis over the expected agreement term. Key estimates and judgments related to leases where the County is a lessee and related to the County's subscriptions include how the County determines 1) the discount rate it uses to discount the expected payments to present value, 2) the agreement term, and 3) payment amounts. The County uses the interest rate charged as the discount rate. When the interest rate charged is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate. The agreement term includes the noncancellable period of the agreement. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. Lease and subscription assets are reported with other capital assets. Lease and subscription liabilities are reported with long-term debt on the statement of net position.

The County is a lessor for the noncancellable lease of land, buildings, and radio towers. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments related to leases where the County is a lessor include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. The County monitors changes in circumstances that would require remeasurement of its lease and remeasures the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## Notes to the Basic Financial Statements

December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position – continued

**Fund Balance and Net Position.** In the governmental fund financial statements, fund balance is reported in the following classifications that are based on the spending constraints placed on the resources:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory, prepaids, and endowment).
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, or higher levels of government) or imposed by law through enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County Board as approved or rescinded in a County Board Resolution.
- Assigned fund balance – amounts constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. As adopted in 2010 on County Board Resolution 10-0431R2, the County Board, County Administrator, Deputy County Administrator, and the Director of the Office of Budget and Finance have the authority to assign fund balance.
- Unassigned fund balance – amounts included in the residual classification for the General Fund that have not been restricted, committed, or assigned to specific purposes, and deficit fund balances of the other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is used first. When an expenditure is incurred for which unrestricted fund balance is to be used, committed amounts are used first, followed by assigned, and then unassigned.

In the enterprise fund and government-wide financial statements, the net investment in capital assets portion is reported separately. Restricted net position is reported for amounts that are legally restricted by outside parties to be used for a specific purpose or imposed by law through enabling legislation. The unrestricted component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows that are not included in the determination of the other two components of net position.

#### D. Summarized Comparative Data, Reclassifications, and Use of Estimates

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements and footnotes to provide an understanding of certain changes in the County's financial position and operations. Other 2022 amounts have been reclassified in order to be consistent with the current year's presentation. See also footnote 19 relating to the adoption of GASB Statement No. 96, Subscription-based IT Arrangements.

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

**Notes to the Basic Financial Statements**

December 31, 2023

**2. RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position** – The basic financial statements include a reconciliation of the governmental fund balance sheet to the Statement of Net Position.

**The capital assets element of that reconciliation consists of the following:**

Capital assets used in governmental activities (note that the capital assets of the internal service funds that serve governmental activities are included in a separate reconciling item.) .....	\$ 3,330,540,187
Accumulated depreciation related to governmental activities .....	<u>(1,181,981,987)</u>
Total Capital Assets Reconciliation Item	<u>\$ 2,148,558,200</u>

**The long-term liabilities element of that reconciliation consists of the following:**

General obligation (G.O.) bonds payable .....	\$ (1,266,824,263)
Net G.O. premiums and discounts (to be amortized as interest expense) .....	(210,194,808)
Revenue bonds .....	(42,215,000)
Revenue bond premiums (to be amortized as interest expense) .....	(7,758,258)
Lease and subscription payables .....	(37,911,764)
Accrued interest payable .....	(4,903,348)
Deferred charge on debt refunding .....	5,533,135
Total Long-Term Liabilities Reconciliation Item	<u>\$ (1,564,274,306)</u>

**Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities** – The basic financial statements include a reconciliation of the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities.

**The details of one element of that reconciliation, the amount by which capital outlays exceeded depreciation, follow:**

Capital outlay .....	\$ 68,403,943
Less depreciation expense .....	<u>(56,181,896)</u>
Total Capital Outlays and Depreciation Reconciliation Item	<u>\$ 12,222,047</u>

**The reconciling item relating to long-term debt consists of the following:**

Issuance of debt .....	\$ (105,090,655)
Bond premiums .....	(12,129,750)
Principal repayments – G.O. debt .....	64,677,138
Principal repayments – Ballpark revenue bonds .....	47,440,000
Principal repayments – lease and subscription payables .....	5,123,235
Total Long-term Debt Reconciliation Item	<u>\$ 19,968</u>

**The reconciling item relating to expenses consists of the following:**

Changes in accrued interest on long-term debt .....	\$ 593,475
Changes in pension liabilities and related deferred outflows and inflows of resources .....	(27,752,499)
Changes in OPEB liabilities and related deferred outflows and inflows of resources .....	3,043,180
Amortization of bond premiums and discounts and deferred amounts of refundings .....	26,426,923
Total Long-term Debt Reconciliation Item	<u>\$ 2,311,079</u>

## Notes to the Basic Financial Statements

December 31, 2023

### 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

#### A. Deposits with Financial Institutions and Investments – Excluding Those Held Separately by the Medical Center

**Deposits with Financial Institutions.** It is the County’s policy to follow Minnesota Statute 118A.03, which states that to the extent that funds deposited are in excess of available federal deposit insurance, the County must require the financial institution to furnish collateral security, an irrevocable standby letter of credit, or a corporate surety bond. All collateral must be placed in safekeeping in a restricted account at a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned/controlled by the financial institution furnishing the collateral. At year end, the bank balance was \$21,583,940. The bank balance was covered by either federal depository insurance, surety bonds, an irrevocable standby letter of credit, or by collateral held by the County’s agent in the County’s name. The carrying amount of deposits at year end was \$14,087,071. County and fiduciary cash and investments are pooled.

**Management of Investment Risk.** At December 31, 2023, the County had the following investments:

<u>Investments</u>	<u>Carrying Value</u>	<u>Effective Duration in Years</u>
U.S. government and agency	\$ 1,614,428,439	1.40
Repurchase agreements	55,000,000	0.01
Money market funds	31,827,942	0.12
Municipal securities	6,143,546	0.08
Total fair value	<u>\$ 1,707,399,927</u>	
Effective duration		1.32

**Interest Rate Risk.** Through its investment policy, the County manages exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio to six years or shorter. It is the County’s practice to generally ensure that investments can be held to maturity if necessary.

**Credit Risk.** While the County’s investments in the bonds of U.S. government and agencies are not required by Minnesota law to be rated, these investments generally carry the following ratings: AA+ by S&P Global Ratings (S&P) or Aaa by Moody’s Investors Service (Moody’s) or AAA by Fitch Ratings (Fitch), with the exception of \$46,366,500 of certain unrated U.S. government and agency issues. The County’s investments in money market funds were rated AAAm by S&P or Aaa-mf by Moody’s or AAmmf by Fitch. The municipal security investment was rated Aaa by Moody’s. The County’s general investment policy is to apply the prudent-investor rule: investments are made as a prudent investor would be expected to act. County policy allows investment in all instruments authorized by State law (detailed in Note 1), with the exception of banker’s acceptances, guaranteed investment contracts, and shares of investment companies.

**Concentration of Credit Risk.** The County primarily invests in U.S. government and agency issues and, therefore, places no limit on the amount that may be invested in any one issuer. More than 5.0% of the fair value of the County’s total investments is in each of the following: 46.0% Federal Home Loan Bank, 18.0% Federal Home Loan Mortgage Corporation, and 16.0% Federal Farm Credit Banks Funding Corporation.

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The County purchases securities in such a manner that the securities are registered in the County’s name, are in the possession of the County’s trustee or are held by a custodial bank for the County under a tri-party agreement.



**Notes to the Basic Financial Statements**

December 31, 2023

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – CONTINUED****A. Deposits with Financial Institutions and Investments – Excluding Those Held Separately by the Medical Center – continued**

**Investment Income, Realized Gains and Losses, and Unrealized Gains and Losses.** Cash from funds is pooled for deposit and investment purposes. Certain funds also hold non-pooled deposits and investments, with the related investment earnings reported in those funds. In accordance with legal restrictions, investment earnings from pooled deposits and investments are recorded in the funds shown in the table below. Investment earnings are allocated based on average monthly cash and investment balances. The net change in the fair value of investments is reported as a component of total investment earnings. A detail, by fund type, of this activity for 2023 is as follows:

<u>Fund</u>	<u>Investment Income and Realized Gains and Losses</u>	<u>Net Change in the Fair Value of Investments</u>	<u>Total Investment Earnings (Losses)</u>
<b>Governmental Funds:</b>			
General	\$ 34,813,533	\$ 35,747,779	\$ 70,561,312
Special Revenue:			
Human Services	172,277	(276,789)	(104,512)
Ballpark Sales Tax	2,686,637	-	2,686,637
Housing and Redevelopment	945,189	653,671	1,598,860
Regional Railroad	1,821,334	1,022,927	2,844,261
Debt Service	280,462	-	280,462
Capital Projects	1,432,938	-	1,432,938
	<u>42,152,370</u>	<u>37,147,588</u>	<u>79,299,958</u>
<b>Proprietary Funds:</b>			
Enterprise:			
Hennepin Health	3,095,204	2,655,118	5,750,322
Solid Waste	1,442,163	1,095,845	2,538,008
Medical Center	1,939,117	5,028,889	6,968,006
Internal Service	428,653	1,131,971	1,560,624
	<u>6,905,137</u>	<u>9,911,823</u>	<u>16,816,960</u>
Total	<u>\$ 49,057,507</u>	<u>\$ 47,059,411</u>	<u>\$ 96,116,918</u>

A summary comparing the results of stating investments at fair value follows:

	<u>2023</u>	<u>2022</u>
Investment income and realized gains and losses	\$ 49,057,507	\$ 24,377,573
Net change in the fair value of investments	47,059,411	(102,880,638)
Total Investment Earnings (Losses)	<u>\$ 96,116,918</u>	<u>\$ (78,503,065)</u>

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year are included as a change in the fair value of investments in the current year.

**Fair Value Measurements.** The County categorizes its fair value measurements within the fair value hierarchy established by GAAP based on the priority of the valuation inputs in a three-level fair value hierarchy. In instances where the County does not have a readily determinable fair value, the County is permitted to establish fair value by using the observable or determinable value.

**Notes to the Basic Financial Statements**

December 31, 2023

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – CONTINUED**

**A. Deposits with Financial Institutions and Investments – Excluding Those Held Separately by the Medical Center – continued**

**Fair Value Measurements – continued.** The three levels of the fair value hierarchy are described below:

- Level 1: Inputs for quoted prices (unadjusted) for the identical investment in active markets that the County can directly observe and access on the date of measurement, December 30, 2023 (the last active market day of the year).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the investment but perhaps not on the date of measurement or can be determined by third parties such as a pricing service using accepted methodologies. The Level 2 investments were valued by a pricing service that uses matrix pricing.
- Level 3: Inputs that are unobservable for an investment.

The following table summarizes financial investments according to the fair value hierarchy and observable or determinable value, as of December 31, 2023. Investments that have a maturity of one year or less at the time of purchase, and that are allowed to be reported at cost, are excluded from the table below.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury Bills	\$ 113,145,990	\$ -	\$ -	\$ 113,145,990
U.S. Treasury Notes	77,038,150	-	-	77,038,150
U.S. Agency Debentures	-	1,424,244,299	-	1,424,244,299
Municipal Securities	-	6,143,546	-	6,143,546
	<b>\$ 190,184,140</b>	<b>\$ 1,430,387,845</b>	<b>\$ -</b>	<b>\$ 1,620,571,985</b>

**B. Investments Held Separately by the Medical Center**

**Management of Investment Risk.** County investment policies do not apply to certain investments held separately by the Medical Center, therefore, that investment information is provided separately from the County's investment information.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The Medical Center limits exposure to interest rate risk by establishing separate pools of investments for shorter-term versus longer-term investment maturities (based on underlying securities) and by utilizing fixed income investment options.

*Credit Risk.* At December 31, 2023, the Medical Center investments included \$25,010,878 of fixed income mutual funds rated AAA - BB by Moody's and \$48,735,161 of unrated equity mutual funds.

*Concentration of Credit Risk.* The Medical Center's investment policy does not limit the investment choices or the amount of any investment that they may invest in. As of December 31, 2023, less than 5.0% of the Medical Center's investments were invested in securities of any one issuer, excluding securities issued or guaranteed by the U.S. government, mutual funds, and external investment pools or other pooled investments.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Medical Center will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The Medical Center's investment policy does not limit the investment choices.

**Notes to the Basic Financial Statements**

December 31, 2023

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – CONTINUED**

**B. Investments Held Separately by the Medical Center – continued**

**Investment Income.** In addition to the Medical Center’s investment income from the pooled investments discussed in Note 3A, the Medical Center earned investment income from non-pooled investments totaling \$10,917,294.

**Fair Value Measurements.** The following table summarizes the Medical Center’s financial investments according to the fair value hierarchy and observable or determinable value, as of December 31, 2023.

<u>Investments</u>	<u>Fair Value Measurements at Report Date Using:</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds – fixed income	\$ 25,010,878	\$ -	\$ -
Mutual funds – equities	48,735,161	-	-
Total Investments	<u>\$ 73,746,039</u>	<u>\$ -</u>	<u>\$ -</u>

**4. RESTRICTED CASH AND INVESTMENTS**

Assets are reported as restricted based on externally enforceable constraints on how they may be used. Restrictions indicate the asset may only be used for a specific purpose that is narrower than the purpose of the fund or funds indicated by the column heading. Cash and investment restrictions are shown below.

Governmental Funds:

- \$5,648,832 of General Fund cash is restricted by agreements related to library donations.
- \$40,548,664 of Ballpark Sales Tax Fund cash and \$1,172,997 of General Debt Service Fund cash is restricted for purposes specified by Minnesota Statutes, section 473.757.
- \$270,596,314 of Other Sales Tax Fund cash is restricted for purposes specified by Minnesota Statutes, section 297A.993.
- \$1,245,110 of HRA cash is restricted for specific housing projects and held by the Minnesota Housing Finance Agency.
- \$579,961 of RRA restricted cash is restricted because it is held for a separate legal entity.

Proprietary Funds:

- \$500,000 Hennepin Health cash restricted by Minnesota Statutes, section 62D.041 for protection in the event of insolvency.
- \$17,220,382 Solid Waste Fund Environmental Response Program cash restricted for purposes specified by Minnesota Statutes, section 383B.81.
- \$72,259,387 Medical Center cash and investments restricted for purposes specified by donors and grantors.

**Notes to the Basic Financial Statements**

December 31, 2023

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023 (Restated)	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2023
<b>Governmental Activities:</b>				
<b>Non-depreciable capital assets:</b>				
Art & historical treasures	\$ 5,311,594	\$ 2,739	\$ -	\$ 5,314,333
Land	109,866,870	1,423,503	(9,191,306)	102,099,067
Construction in progress	171,508,033	62,766,683	(100,273,788)	134,000,928
	<u>286,686,497</u>	<u>64,192,925</u>	<u>(109,465,094)</u>	<u>241,414,328</u>
<b>Depreciable capital assets:</b>				
Buildings	1,016,666,449	54,101,794	(5,817,750)	1,064,950,493
Equipment	180,285,580	14,588,226	(13,330,911)	181,542,895
Software	18,427,653	-	-	18,427,653
Library books and materials	36,526,378	5,552,461	(6,020,288)	36,058,551
Leasehold improvements	14,634,716	-	-	14,634,716
Land improvements	33,526,684	880,320	-	34,407,004
Infrastructure	1,823,801,274	41,008,830	(2,036,418)	1,862,773,686
	<u>3,123,868,734</u>	<u>116,131,631</u>	<u>(27,205,367)</u>	<u>3,212,794,998</u>
<b>Less accumulated depreciation:</b>				
Buildings	481,230,901	19,764,979	(2,529,358)	498,466,522
Equipment	126,863,071	13,588,256	(13,214,898)	127,236,429
Software	18,427,651	-	-	18,427,651
Library books and materials	21,905,667	5,151,222	(6,020,288)	21,036,601
Leasehold improvements	14,634,717	-	-	14,634,717
Land improvements	24,666,464	1,563,087	-	26,229,551
Infrastructure	556,949,444	24,397,531	(1,868,598)	579,478,377
	<u>1,244,677,915</u>	<u>64,465,075</u>	<u>(23,633,142)</u>	<u>1,285,509,848</u>
<b>Intangible right-to-use assets:</b>				
Leased buildings	43,676,463	260,044	(2,476,614)	41,459,893
Leased equipment	872,457	700,834	-	1,573,291
Software subscriptions	8,926,770	5,521,133	-	14,447,903
	<u>53,475,690</u>	<u>6,482,011</u>	<u>(2,476,614)</u>	<u>57,481,087</u>
<b>Less accumulated amortization:</b>				
Leased buildings	4,536,406	2,645,231	-	7,181,637
Leased equipment	129,425	238,489	-	367,914
Software subscription	1,521,307	2,715,264	-	4,236,571
	<u>6,187,138</u>	<u>5,598,984</u>	<u>-</u>	<u>11,786,122</u>
Depreciable capital assets, net	<u>1,926,479,371</u>	<u>52,549,583</u>	<u>(6,048,839)</u>	<u>1,972,980,115</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 2,213,165,868</u>	<u>\$ 116,742,508</u>	<u>\$ (115,513,933)</u>	<u>\$ 2,214,394,443</u>

Within governmental activities, land valued at \$1,423,503 was transferred from the HRA (blended component unit) function to the Operations function during 2023.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**5. CAPITAL ASSETS – continued**

Capital asset activity for the year ended December 31, 2023 was as follows (continued):

	Balance January 1, 2023	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2023
<b>Business-type Activities:</b>				
<b>Non-depreciable capital assets:</b>				
Art & historical treasures	\$ 992,519	\$ 126,967	\$ -	\$ 1,119,486
Land	56,749,593	-	-	56,749,593
Construction in progress	16,195,723	4,019,804	(2,131,315)	18,084,212
	<u>73,937,835</u>	<u>4,146,771</u>	<u>(2,131,315)</u>	<u>75,953,291</u>
<b>Depreciable capital assets:</b>				
Buildings	805,404,671	11,811,192	(1,410,278)	815,805,585
Equipment	402,201,404	28,111,198	(1,123,947)	429,188,655
Software	8,436,892	-	-	8,436,892
Leasehold improvements	28,916,278	310,003	(629,161)	28,597,120
Land improvements	1,893,908	-	-	1,893,908
	<u>1,246,853,153</u>	<u>40,232,393</u>	<u>(3,163,386)</u>	<u>1,283,922,160</u>
<b>Less accumulated depreciation:</b>				
Buildings	466,821,398	28,447,877	(370,854)	494,898,421
Equipment	300,235,897	23,794,795	(959,339)	323,071,353
Software	6,202,654	814,966	-	7,017,620
Leasehold improvements	19,514,181	1,811,119	(629,160)	20,696,140
Land improvements	1,893,908	-	-	1,893,908
	<u>794,668,038</u>	<u>54,868,757</u>	<u>(1,959,353)</u>	<u>847,577,442</u>
<b>Intangible right-to-use assets:</b>				
Leased buildings	15,756,593	-	-	15,756,593
Leased equipment	17,805,932	-	-	17,805,932
Software subscriptions	33,610,267	7,193,769	-	40,804,036
	<u>67,172,792</u>	<u>7,193,769</u>	<u>-</u>	<u>74,366,561</u>
<b>Less accumulated amortization:</b>				
Leased buildings	3,003,225	1,537,439	(192,705)	4,347,959
Leased equipment	6,800,237	6,952,222	(3,811,668)	9,940,791
Software subscriptions	8,199,258	11,493,966	-	19,693,224
	<u>18,002,720</u>	<u>19,983,627</u>	<u>(4,004,373)</u>	<u>33,981,974</u>
Depreciable capital assets, net	<u>501,355,187</u>	<u>(27,426,222)</u>	<u>2,800,340</u>	<u>476,729,305</u>
Business-type activities capital assets, net	<u>575,293,022</u>	<u>(23,279,451)</u>	<u>669,025</u>	<u>552,682,596</u>
<b>Total Capital Assets, Net</b>	<u>\$ 2,788,458,890</u>	<u>\$ 93,463,057</u>	<u>\$ (114,844,908)</u>	<u>\$ 2,767,077,039</u>

Depreciation and amortization expenses for each governmental function, including the relevant Internal Service Fund amounts, are shown in a separate column in the government-wide statement of activities. The governmental activities programs' depreciation and amortization expenses, excluding the Internal Service Funds' amounts, are Operations \$8,206,138; Human Services \$3,181,155; Health \$2,039,912; Law, Safety and Justice \$4,645,837; Public Works \$25,288,843; Resident Services \$11,881,868, RRA \$138,612 and HRA \$799,531.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**5. CAPITAL ASSETS – continued**

Of the capital assets shown in governmental activities in the table on the previous page, the RRA and HRA blended component units' capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023 (Restated)	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2023
<b>RRA:</b>				
<b>Capital assets not being depreciated:</b>				
Land (including rail corridor)	\$ 23,080,460	\$ -	\$ -	\$ 23,080,460
<b>Capital assets being depreciated:</b>				
Buildings	3,290,383	-	-	3,290,383
Less accumulated depreciation	1,167,273	138,612	-	1,305,885
	2,123,110	(138,612)	-	1,984,498
RRA Capital Assets, Net	\$ 25,203,570	\$ (138,612)	\$ -	\$ 25,064,958
<b>HRA:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 13,319,018	\$ -	\$ (9,191,306)	\$ 4,127,712
<b>Capital assets being depreciated:</b>				
Buildings	16,266,717	-	(3,313,155)	12,953,562
Less accumulated depreciation	3,265,192	799,531	(500,146)	3,564,577
Total capital assets being depreciated, net	13,001,525	(799,531)	(2,813,009)	9,388,985
HRA Capital Assets, Net	\$ 26,320,543	\$ (799,531)	\$ (12,004,315)	\$ 13,516,697

**6. REVENUES AND RECEIVABLES**

**Receivables** as of year-end for the County's funds, including the applicable allowances for uncollectible accounts, are as follows:

Fund	Delinquent Taxes Receivable	Due from Other Government Agencies	Accrued Investment Interest	Other Receivable	Allowance for Uncollectibles	Total Net Receivables
General	\$9,746,458	\$ 14,388,300	\$8,411,279	\$ 10,134,599	\$ (2,264,104)	\$ 40,416,532
Human Services	3,617,720	75,145,534	-	944,559	(1,154,890)	78,552,923
Ballpark Sales Tax	-	8,269,915	-	-	-	8,269,915
Other Sales Tax	-	33,514,264	-	-	-	33,514,264
HRA	217,050	-	-	48,852	(69,813)	196,089
RRA	400,705	716,015	-	119,373	(127,411)	1,108,682
General Debt Service	1,199,659	-	-	3,000,000	(382,863)	3,816,796
Capital Projects	16,664	27,785,058	-	22,412	(4,686)	27,819,448
Hennepin Health	-	-	-	35,507,590	(262,371)	35,245,219
Solid Waste	-	-	-	9,636,059	-	9,636,059
Medical Center	-	-	-	286,457,379	(67,725,859)	218,731,520
Nonmajor Enterprise	-	-	-	355,731	-	355,731
Internal Service	-	-	-	2,473,408	-	2,473,408
Total	\$15,198,256	\$159,819,086	\$8,411,279	\$348,699,962	\$(71,991,997)	\$460,136,586

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**6. REVENUES AND RECEIVABLES – continued**

**Receivable (continued).** Property tax liens attach on the first Monday of the year following property assessment. Tax levies are certified to the county auditor five business days after December 20 of the year the property is assessed. The taxes levied are payable in the following year in two equal installments. The amounts and due dates for taxes on real property are half on or before May 15 and the balance on or before October 15. Personal property taxes are due in one installment on May 15. The amount of the allowance for uncollectible delinquent taxes is an estimate based on historical collection experience. Estimated uncollectible delinquent taxes total \$4,003,767 in the governmental funds.

Gross Medical Center patient service revenues are recorded at established rates when services are provided, with contractual adjustments deducted to arrive at net patient service revenue. The Medical Center has agreements with third-party payors, which provide for reimbursement to the Medical Center at amounts that differ from established rates. Payment arrangements include prospectively determined rates per discharge, discounted charges, per diem payments, and risk-sharing contracts. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue included in charges for service in the accompanying Statements of Revenues, Expenses and Changes in Net Position consists of the following:

	<u>2023</u>
Gross patient charges	\$ 3,399,855,018
Deductions from gross patient charges	(2,015,232,888)
Intergovernmental transfers	38,164,028
Uncompensated care reimbursements from County General Fund	37,500,000
Provision for bad debts	<u>(171,049,014)</u>
Net patient service revenue	<u>\$ 1,289,237,144</u>

Patient accounts receivable, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the services provided, adjusted by an estimate made for contractual adjustments or discounts provided to third-party payors. Patient accounts receivable due directly from the patient are carried at the original charge for the services provided less amounts covered by third-party payors, discounts applied for uninsured patients, and an estimated allowance for doubtful receivables based on a review of outstanding amounts. The Medical Center has an agreement with the County whereby the County pays for a portion of the services provided to the County's residents who are uninsured and unable to pay. Management determines the allowance for doubtful receivables by identifying potentially uncollectible accounts, using historical experience applied to an aging of accounts and by taking into account current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad-debt expense when received.

The Medical Center's gross 2023 patient charges and related year-end receivables by payor category as a percent of totals were approximately as follows:

	<u>Accounts Receivable</u>	<u>Gross Charges</u>
Commercial/other	36%	20%
Medicaid	34	44
Medicare	18	29
Self-pay	12	7
	<u>100%</u>	<u>100%</u>

## Notes to the Basic Financial Statements

December 31, 2023

### 6. REVENUES AND RECEIVABLES – CONTINUED

**Notes Receivable and Other Receivables.** The County reports the following notes receivable and other receivables:

- Notes receivable relating to lead abatement totaling \$1,210,325 are reported in the General Fund at \$1,189,292 after netting a \$21,033 allowance for uncollectible amounts.
- Lease receivables are reported in the General Fund at \$9,912,188. Deferred inflows of resources associated with these leases totaling \$9,673,723 will be recognized as revenue over the remaining lease periods. The General Fund leases land, buildings, and radio towers to third parties with various terms and interest rates. Lease revenue totaling \$851,651 and interest revenue totaling \$210,044 were recognized during 2023 related to the leases.
- Notes receivable of \$6,320,469 relating to transit-oriented development and community asset transition fund loans are reported in the HRA Fund at \$5,226,102 after netting a \$1,094,367 allowance for uncollectible amounts.
- Notes receivable of \$6,605,000 are reported in the General Debt Service Fund relating to the County's provision of assistance to the Minnehaha Watershed District in obtaining more favorable financing terms. The County issued G.O. bonds and loaned the proceeds to the Watershed District. The Watershed levies property taxes for repayment.
- Repayments of principal and interest relating to the \$1,776,244 of Solid Waste Fund Brownfield Cleanup Revolving Loans are used to provide additional loans for this purpose.
- Other receivables of \$2,222,920 are reported in the Medical Center Fund, including those related to the Hennepin Health Foundation.

**Opioid Settlements.** The County is a participating government in opioid settlements with pharmaceutical manufacturers, distributors, and pharmacy chains. The County will receive payments subject to the Minnesota State-Subdivision Memorandum of Agreement, which provides that opioid settlement funds shall not be considered funds of the State or any participating local government until such time as each distribution is made. Therefore, the County does not report receivables related to the settlements. The county is expecting to receive approximately \$61,359,039 over the next 15 years, and the revenues will be recognized in the year distribution is made. For the year ended December 31, 2023, the county received \$2,054,398 related to the settlements. Unspent opioid settlement revenues will be restricted for future eligible costs relating to the impacts of opioid addiction.

**Forgivable Loans and Deferred Long-term Loans Receivable.** Given the nature of the County's forgivable and deferred long-term loans receivable detailed below and the uncertainty of loan repayments at the time of origination the loans in the programs described below are all fully reserved, resulting in a net carrying value of zero.

The County's Housing and Economic Development department administers the following loan programs:

- A total of \$11,713,946 is outstanding at year-end for 580 single-family home rehabilitation projects funded under the federal **Community Development Block Grant (CDBG)** deferred loan program. The original terms of these loans generally range from 10 to 50 years, and all such loans will be forgiven and become grants if the homeowners remain in their homes for the full term of the loan.
- The **Home Investments Partnership (HOME)** federal program focuses on meeting affordable housing needs by funding certain rental housing development and home ownership activities. As of December 31, 2023, there are 361 HOME loans outstanding, with original terms ranging from 20 to 30 years. Loans totaling \$8,956,267 are underwritten with no interest payments and will be forgiven at the end of the loan period if all program conditions are met. Loans totaling \$33,541,660 are written so that both interest and principal payments are deferred for the full term of the loans if all program conditions are met and are expected to be repaid or refinanced with extended terms at their due date.



## Notes to the Basic Financial Statements

December 31, 2023

### 6. REVENUES AND RECEIVABLES – CONTINUED

#### Forgivable Loans and Deferred Long-term Loans Receivable – continued.

The HRA is the administrator of the following loan programs:

- The **Affordable Housing Incentive Fund Program** assists municipalities, government and nonprofit agencies, private and nonprofit housing developers, and lenders in the development of affordable housing. As of December 31, 2023, there are 119 loans outstanding, with original terms ranging from 10 to 55 years. Loans totaling \$22,625,854 are underwritten with no interest payments and will be forgiven at the end of the loan period if all program conditions are met. Loans totaling \$47,658,757 are written so that both interest and principal payments are deferred for the full term of the loans if all program conditions are met and are expected to be repaid or refinanced with extended terms at their due date.
- Three **Supportive Housing Program** loans have original terms ranging from 40 to 50 years. Loans totaling \$3,445,021 provide targeted capital assistance to client-focused housing. They are similarly deferred for the full term of the loans. These loans are expected to be repaid or refinanced with extended terms at their due date.
- The **Equitable Housing Recovery Program** increases affordable multifamily housing production, increases properties supporting affordable housing along the housing continuum, and provides homebuyer assistance to targeted populations that were disproportionately impacted by the COVID-19 public health emergency. As of December 31, 2023, there are 10 loans outstanding, with original terms ranging from 50 to 55 years. Loans totaling \$869,250 are underwritten with no interest payments and will be forgiven at the end of the loan period if all program conditions are met. Loans totaling \$13,392,827 are written so that both interest and principal payments are deferred for the full term of the loans if all program conditions are met and are expected to be repaid or refinanced with extended terms at their due date.
- The **Single Room Occupancy Program** assists housing operators in the provision of affordable rent to the County's most vulnerable populations. As of December 31, 2023, there are two loans outstanding, with original terms at 30 years. The loans total \$9,400,000 at origination are underwritten with no interest payments and will be forgiven by the end of the loan period if all program conditions are met.

### 7. COMMITMENTS

**Light Rail, Commuter Rail, and Bus Rapid Transit.** Commitments for the capital costs of light rail and bus rapid transit projects will be paid from future property tax revenues received by the RRA, as well as debt with debt service paid from future RRA Fund property tax revenues. As of December 31, 2023, the RRA has committed to expend \$149,600,000 for the Bottineau (METRO Blue Line Extension) light rail transit project capital costs. As of December 31, the RRA has contributed \$50,773,772 to the project. The total remaining commitment is \$98,826,228. The RRA has also committed to expend \$12,790,000 for the Orange Line bus rapid transit project capital costs. As of December 31, the RRA has contributed \$4,750,000 to the project. The total remaining commitment is \$8,040,000.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**7. COMMITMENTS – CONTINUED**

Separately from the RRA commitments above, the County has also made funding commitments to the capital costs of light rail and bus rapid transit projects. Commitments will be supported by the 0.5% transportation sales and use tax and \$20 per motor vehicle excise tax revenues received by the County (“transportation sales tax”), as well as debt with debt service supported by transportation sales tax receipts. As of December 31, 2023, the County has committed to expend:

- \$892,892,368 for the Southwest (METRO Green Line Extension) light rail transit project capital costs. As of December 31, the County has contributed \$785,147,584 to the project. The total remaining commitment is \$107,744,784; and
- \$530,100,000 for the Bottineau (METRO Blue Line Extension) light rail transit project capital costs. As of December 31, the County has contributed \$24,067,637 to the project. The total remaining commitment is \$506,032,363; and
- \$24,868,488 for the Orange Line bus rapid transit project capital costs. As of December 31, the County has contributed \$21,479,489 to the project. The total remaining commitment is \$3,388,999.

**Solid Waste Facilities.** The County is obligated under service agreements to make certain payments and supply solid waste to seven solid waste facilities. Payments are being made from Solid Waste Fund user charges, and future expenses are expected to be \$31,397,023 in 2024, \$28,315,518 in 2025, and \$3,167,172 in 2026.

**8. INTERFUND BALANCES AND ACTIVITY**

The County has chosen the option of using an Internal Service Fund to account for the cost and liquidation of the governmental funds’ compensated absences. As a result, the County reports these estimated future benefit costs in the fund statements on a full accrual basis. Interfund liabilities are reported in the governmental funds for the amounts to be paid to the internal service fund in future years for these benefits.

**Interfund Balances** on December 31, 2023 consisted of the following:

<b>Fund Due From</b>	<b>Fund Due To</b>	<b>Purpose</b>	<b>Amount</b>
<b>Between Funds Within Governmental Activities:</b>			
Internal Service	General	Compensated absences benefits	\$ 1,981,081
Internal Service	Human Services	Compensated absences benefits	198,111
<b>Between Funds Within Business-type Activities:</b>			
Medical Center	Nonmajor Enterprise	Radio communications services	41,421
<b>Between Governmental Activities and Business-type Activities:</b>			
General	Medical Center	Support of uncompensated Care, Medical services, investment earnings	9,420,879
Human Services	Medical Center	Medical Services	377,631
Hennepin Health	General	Risk-share arrangement	562,015
Hennepin Health	Human Services	Risk-share arrangement	1,457,103
Medical Center	General	Legal services, public safety	476,705
Medical Center	Human Services	Human services	931,691
Medical Center	Internal Service	Provision of heat to buildings, vehicle rental, technology services	2,788,632
			<b>\$18,235,269</b>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**8. INTERFUND BALANCES AND ACTIVITY – CONTINUED**

Interfund transfers during 2023 consisted of the following:

<b>Fund Transferred From</b>	<b>Fund Transferred To</b>	<b>Purpose</b>	<b>Amount</b>
General	Human Services	Pandemic recovery programs	\$ 31,558,452
General	HRA	Pandemic recovery programs	15,404,692
General	Capital Projects	Pandemic recovery programs	10,081,490
Ballpark Sales Tax	General	Sales tax support of youth sports	5,075,000
Ballpark Sales Tax	General Debt Service	Sales tax support of Ballpark debt service	51,565,034
Transportation Sales Tax	Capital Projects	Sales tax support of transportation projects	117,765,242
Transportation Sales Tax	General Debt Service	Support of transportation debt service	28,081,500
General	Internal Service	Support increased health insurance costs	10,000,000
General	Internal Service	Support compensated absences costs	3,400,000
			<b>\$272,931,410</b>

**9. LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended December 31, 2023 are as follows:

	<b>Beginning Balance (Restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
G.O. bonds – levy supported RRA limited authority	\$ 816,356,402	\$100,000,000	\$(47,432,139)	\$868,924,263	\$ 51,564,743
G.O. bonds	86,235,000	-	(4,570,000)	81,665,000	4,720,000
G.O. bonds – non-levy supported	328,910,000	-	(12,675,000)	316,235,000	13,300,000
Unamortized premiums	223,107,598	12,129,750	(25,042,540)	210,194,808	-
G.O. bonds	1,454,609,000	112,129,750	(89,719,679)	1,477,019,071	69,584,743
Sales tax revenue bonds	89,655,000	-	(47,440,000)	42,215,000	8,030,000
Unamortized premiums	9,484,059	-	(1,725,801)	7,758,258	-
Revenue bonds	99,139,059	-	(49,165,801)	49,973,258	8,030,000
G.O. & revenue bonds	1,553,748,059	112,129,750	(138,885,480)	1,526,992,329	77,614,743
Lease payables	33,683,505	960,878	(4,791,687)	29,852,696	2,255,520
Subscription payables	7,295,209	4,977,190	(4,213,331)	8,059,068	2,036,078
Compensated absences	108,229,280	19,514,237	(13,778,034)	113,965,483	11,810,000
Governmental Activities Total	1,702,956,053	137,582,055	(161,668,532)	1,678,869,576	93,716,341
<b>Business-type Activities:</b>					
G.O. bonds Solid Waste	37,691,134	-	(1,778,259)	35,912,875	1,832,347
G.O. bonds Medical Center	166,657,464	-	(6,129,602)	160,527,862	6,517,910
G.O. bonds – levy supported	204,348,598	-	(7,907,861)	196,440,737	8,350,257
Compensated absences	45,129,387	5,906,897	(2,863,356)	48,172,928	2,033,577
Lease payables	27,569,394	-	(5,348,607)	22,220,787	4,334,754
Subscription payables	20,934,115	6,362,631	(11,368,682)	15,928,064	9,026,572
Business-type Activities Total	297,981,494	12,269,528	(27,488,506)	282,762,516	23,745,160
Government-wide Total	\$2,000,937,547	\$149,851,583	\$(189,157,038)	\$1,961,632,092	\$117,461,501

## Notes to the Basic Financial Statements

December 31, 2023

### 9. LONG-TERM OBLIGATIONS – CONTINUED

The Schedule of Changes in Long-term Debt (page 134) provides additional detail on bonds. Long-term liabilities of the internal service funds are included in governmental activities. An internal service fund is used to liquidate the governmental fund long-term obligation for compensated absences and postemployment healthcare.

### 10. DEBT SERVICE REQUIREMENTS

**General obligation (G.O.) bonds** are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year. The County issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities included in the County's annual five-year capital improvement program. During the year, \$100,000,000 of series 2023A G.O. bonds were issued to finance the County's capital improvements.

**Sales tax revenue bonds** are issued when sales tax revenue is the sole source of funding pledged to pay debt service. Pledged revenue derived from a 0.15% Hennepin County sales tax is used to pay the debt service of the County's Ballpark Revenue Bonds. The revenue bonds were issued for the construction of Target Field in Minneapolis, the home of the Minnesota Twins. Target Field is owned by the Minnesota Ballpark Authority, which is not a County agency or component unit. At year-end, \$53,208,250 of total remaining Ballpark Revenue Bond principal and interest was expected to be paid from future sales tax collections through 2032. Excluding \$39,945,000 of optionally redeemed principal, the principal and interest paid during the current year totaled \$11,977,750 and pledged net sales tax revenues received were \$48,252,175.

To the extent that sales tax revenues are available each year after payment of debt service, other allowable payments may occur. In addition to use for debt service and for sales tax collection fees, the sales tax revenues may be used 1) to pay for certain operating costs of the Ballpark Authority, 2) to establish and annually fund a reserve fund for capital improvements to the Ballpark, and 3) to make certain expenditures and grants for youth activities and amateur sports and extended library hours.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**10. DEBT SERVICE REQUIREMENTS – CONTINUED**

Annual debt service requirements for G.O. bonds, and for sales tax revenue bonds, as of December 31 are as follows:

	<u>G.O. Bonds</u>		<u>Sales Tax Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
<b>Governmental Activities:</b>					
2024	\$ 69,584,743	\$ 63,024,955	\$ 8,030,000	\$ 2,110,750	\$ 142,750,448
2025	71,743,536	59,671,353	8,570,000	1,709,250	141,694,139
2026	75,054,020	56,142,763	-	1,280,750	132,477,533
2027	78,458,734	52,445,200	-	1,280,750	132,184,684
2028	78,906,808	48,628,193	-	1,280,750	128,815,751
2029-33	357,320,855	188,263,641	25,615,000	3,331,000	574,530,496
2034-38	411,073,100	91,782,536	-	-	502,855,636
2039-43	124,682,467	13,324,075	-	-	138,006,542
	<u>1,266,824,263</u>	<u>573,282,716</u>	<u>42,215,000</u>	<u>10,993,250</u>	<u>1,893,315,229</u>
<b>Business-type Activities:</b>					
2024	8,350,257	5,801,950	-	-	14,152,207
2025	8,811,464	5,553,790	-	-	14,365,254
2026	9,145,980	5,292,171	-	-	14,438,151
2027	9,436,266	5,020,636	-	-	14,456,902
2028	9,728,193	4,740,397	-	-	14,468,590
2029-33	53,419,145	19,178,721	-	-	72,597,866
2034-38	60,796,899	10,757,134	-	-	71,554,033
2039-43	36,752,533	2,145,791	-	-	38,898,324
	<u>196,440,737</u>	<u>58,490,590</u>	<u>-</u>	<u>-</u>	<u>254,931,327</u>
	<u>\$1,463,265,000</u>	<u>\$ 631,773,306</u>	<u>\$ 42,215,000</u>	<u>\$ 10,993,250</u>	<u>\$2,148,246,556</u>

The interest on variable rate debt is computed using the interest rate effective at December 31. The interest rates on the County's variable rate debt are set by the remarketing agent and are reset weekly. The standby bond purchase agreement that supports the general obligation bonds of variable rate series 2017B expires October 1, 2026. If renewal or substitution efforts are unsuccessful and the bonds are mandatorily redeemed under the terms of the liquidity facility, 2026 debt service for governmental activities' G.O. bond principal will be \$118,814,020 rather than the \$75,054,020 shown in the table on the previous page for the year 2026. The standby bond purchase agreement that supports the general obligation bonds of variable rate series 2018B expires October 30, 2026. If renewal or substitution efforts are unsuccessful and the bonds are mandatorily redeemed under the terms of the liquidity facility, 2026 debt service for governmental activities' G.O. bond principal will be \$171,139,020 rather than the \$75,054,020 shown in the table on the previous page for the year 2026.

**Notes to the Basic Financial Statements**

December 31, 2023

**10. DEBT SERVICE REQUIREMENTS – CONTINUED**

**Commercial paper.** Taxable commercial paper may be issued by the County to be used as a liquidity instrument pursuant to the County Board-authorized \$250,000,000 commercial paper program. Under the same Board-authorized program, tax-exempt commercial paper may also be issued to provide short-term financing of the adopted capital improvement plan. During 2023, tax-exempt commercial paper was issued as shown below:

<u>Date of Issuance</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
May 9, 2023	\$ 35,000,000	3.20%	July 11, 2023
July 11, 2023	\$ 35,000,000	3.15%	August 10, 2023
August 10, 2023	\$ 35,000,000	3.35%	September 7, 2023

In addition, taxable commercial paper was issued as shown below for working capital needs:

<u>Date of Issuance</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
February 27, 2023	\$ 50,000,000	4.76%	May 5, 2023
March 16, 2023	\$ 75,000,000	5.00%	May 10, 2023

**Lease Payables.** As of December 31, the County had 41 equipment/vehicle leases and 16 building leases with remaining liabilities. These liabilities are discounted at rates ranging from 0.41% to 9.05%. Annual debt service requirements relating to the minimum lease payments are as follows:

	<b>Governmental Activities:</b>		<b>Business-type Activities</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,255,520	\$ 551,040	\$ 4,334,754	\$ 587,387
2025	2,275,994	504,440	4,170,873	586,080
2026	2,369,057	455,166	3,976,945	473,238
2027	2,344,152	404,461	2,052,887	357,477
2028	2,295,925	357,161	1,503,219	265,678
2029-2033	8,612,995	1,270,641	6,095,590	440,809
2034-2038	4,386,178	702,787	86,519	48
2039-2043	2,670,470	402,010	-	-
2044-2048	2,642,405	122,829	-	-
	<u>\$ 29,852,696</u>	<u>\$ 4,770,535</u>	<u>\$ 22,220,787</u>	<u>\$2,710,717</u>

**Subscription Payables.** During and prior to 2023, the County entered into 53 subscription-based IT arrangements for software, which are discounted at rates ranging from 0.2% to 3.6%. Annual debt service requirements related to the minimum subscription payments are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,036,078	\$ 136,547	\$ 9,026,572	\$ 218,056
2025	1,713,467	107,039	4,260,394	102,649
2026	1,212,896	77,480	2,201,756	39,996
2027	1,003,683	58,161	439,342	6,996
2028	841,125	41,230	-	-
2029-2033	1,251,819	77,602	-	-
	<u>\$ 8,059,068</u>	<u>\$ 498,059</u>	<u>\$ 15,928,064</u>	<u>\$ 367,697</u>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**11. HOUSING AND REDEVELOPMENT AUTHORITY CONDUIT FINANCING**

In support of housing, the HRA has issued, or acted as an agent for, various debt instruments (e.g., revenue bonds, refunding bonds, notes) for which the HRA has no legal obligation to make principal and interest payments. These conduit financings do not constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation. Conduit financings are special limited obligations of the HRA payable solely from amounts pledged by the agencies shown in the table below. Previously reported conduit financing agreements were restated to correct outstanding balances as of December 31, 2022 and to add two conduit financing agreements that had not been included in error. Correction of the errors resulted in an increase of the total outstanding balance of the conduit debt financing agreements of \$65,416,667 as of December 31, 2022.

<u>Conduit Financing, Agreement Date</u>	<u>Agreement(s) Not to Exceed</u>	<u>Balance December 31 2022</u>	<u>Balance December 31, 2023</u>
Ebenezer York November 2015	\$14,385,000	\$ 11,501,194	\$ 11,029,876
Millworks Lofts April 2016	24,946,367	8,011,845	7,881,879
East Town Apartments December 2018	9,835,637	3,860,214	3,824,341
Redwell September 2019	16,065,000	14,671,512	14,465,472
Parkview Apartments September 2019	28,800,000	27,371,902	26,868,011
Olson Townhomes December 2020	\$14,248,000	14,248,000	-
Fort Snelling Upper Post November 2020	88,000,000	85,764,988	88,000,000
Loring Towers April 2021	25,000,000	25,000,000	24,378,662
Peregrine Apartments December 2021	28,500,000	17,072,500	28,500,000
Stonehouse Square December 2021	14,042,600	13,364,210	13,923,924
Cornelia View July 2022	16,700,000	16,700,000	16,700,000
Currie Commons November 2022	29,912,000	29,912,000	29,572,998
Canvas Apartments November 2022	34,000,000	34,000,000	34,000,000
Oakland-Talmage June 2023	11,000,000	-	5,015,765
Whittier Community Housing July 2023	16,560,000	-	2,041,446
Labor Retreat October 2023	9,525,000	-	9,525,000
	<u>\$381,519,604</u>	<u>\$301,478,365</u>	<u>\$315,727,374</u>

**Notes to the Basic Financial Statements**

December 31, 2023

**12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

In addition to unassigned fund balance, governmental fund balance classifications and the constraints imposed on the uses of those resources are shown in the table below. At year-end, the Capital Projects Fund reported deficit fund balance of \$57,658, which will be funded by future debt issuance. Fund balance classifications are described in greater detail in the Fund Balance and Net Position section of Note 1.

Fund and Purpose	Classification and Amount at December 31, 2023			
	Nonspendable	Restricted	Committed	Assigned
<b>General Fund:</b>				
Inventories	\$ 2,889,487			
Endowments	2,048,720			
Prepays	2,496,142			
Grant requirements		\$ 7,256,682		
Statutory requirements - primarily relating to youth sports, extended library hours & County Recorder technology		28,722,077		
Donor requirements specific to media category or library location		4,064,565		
Subsequent year's budget - appropriation of fund balance including carryovers				\$ 79,232,031
<b>Human Services Fund:</b>				
Prepays	506,403			
Grant requirements		8,156,640		
Opioid Settlement		7,409,743		
Public assistance, poor relief, & categories under the federal Social Security Act			\$ 209,764,428	
<b>Ballpark Sales Tax Fund:</b>				
Debt service & statutory requirements		48,762,856		
<b>Other Sales Tax Fund:</b>				
Transportation statutory requirements		279,040,670		
Affordable Housing statutory requirements		1,721,944		
<b>HRA Fund:</b>				
Prepays	34,043			
Land held for resale		2,700,000		
HRA general expenditures		49,596,705		
<b>RRA Fund:</b>				
RRA general expenditures		88,414,944		
<b>RRA Debt Service Fund:</b>				
Debt service		1,042,557		
<b>General Debt Service Fund:</b>				
Debt service		17,174,481		
<b>Governmental Funds</b>	<u>\$7,974,795</u>	<u>\$544,063,864</u>	<u>\$209,764,428</u>	<u>\$79,232,031</u>



Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**13. PROPERTY TAX ABATEMENTS**

The County is subject to property tax abatements granted by tax increment finance (TIF) authorities within the County. TIF authorities are defined in Minn. Stat. § 469.174 and include cities, housing redevelopment authorities, economic development authorities and port authorities. TIF captures the increased property taxes (increment) that a new real estate development generates to pay qualifying expenses related to the development. In many instances, the developer agrees to provide financing for the qualifying expenses. In exchange, the TIF authority agrees to annually pay a portion of the increment to the developer. These TIF agreements affect the property tax revenues of all governments that levy property tax on the property subject to the TIF agreement.

In the case of the County, TIF agreements of other local governments may have resulted in reductions of County property tax revenues for the year ended December 31, 2023, as shown below:

<u>Tax Abatement Program</u>	<u>Taxes Abated</u>
<b>Tax Increment Financing:</b>	
City of Minneapolis	\$ 2,774,879
City of St Louis Park	2,503,923
Wayzata Housing & Redevelopment Authority	1,057,238
City of Richfield	953,918
Bloomington Port Authority	855,552
City of Eden Prairie	845,459
Thirteen other cities and authorities	<u>1,839,722</u>
	<u>\$ 10,830,691</u>

**14. RISK MANAGEMENT**

**A. Risk Management – Excluding the Medical Center**

The Self-Insurance fund is used to account for tort claims, workers' compensation claims and to hold funds for property risk retentions.

**Tort Claims.** The County is exposed to various risks of loss related to general, automobile, and professional liability torts; theft of, damage to, and destruction of assets; injuries to employees, and natural disasters. Minnesota Statutes Section 466.04 limits the tort liability of the County to \$500,000 for a claimant and \$1,500,000 for multiple claims arising out of a single occurrence for claims arising on or after July 1, 2009. The limits double when a claim arises out of the release of a hazardous substance.

Outstanding and incurred but not reported (IBNR) tort claims are evaluated through a combination of case-by-case reviews and application of historical experience. Estimated tort liabilities totaling \$650,000 are reported in accounts and contracts payable in the Self Insurance fund at year-end. This estimated amount is expected to be paid within one year.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**14. RISK MANAGEMENT – CONTINUED**

**A. Risk Management – Excluding the Medical Center – continued**

Changes in the County’s estimated tort liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 500,000	\$ 1,600,000
Estimated incurred claims (including IBNR)	1,504,680	2,839,315
Claim payments	<u>(1,354,680)</u>	<u>(3,939,315)</u>
Estimated liability at end of year	<u>\$ 650,000</u>	<u>\$ 500,000</u>

**Workers’ Compensation Claims.** The County is self-insured for workers’ compensation. The County carries reinsurance for claims in excess of \$2,000,000 per occurrence. During 2023, \$9,128,773 in benefits and administrative costs were paid and charged to the workers’ compensation liability account. The liability reported on December 31, 2023 was \$13,450,000. The liability amount is between the high and low actuarial estimates of the remaining ultimate claim costs. Outstanding and IBNR claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of outstanding and IBNR claims is reviewed by an independent actuary.

Changes in the County’s estimated workers’ compensation liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 12,876,000	\$ 11,009,000
Estimated incurred claims (including IBNR)	9,702,773	6,222,516
Claim payments and expenses	<u>(9,128,773)</u>	<u>(4,355,516)</u>
Estimated liability at end of year	<u>\$ 13,450,000</u>	<u>\$ 12,876,000</u>

**Property Claims.** Commercial property insurance is carried for the County and Medical Center’s buildings and contents, subject to deductible amounts. Settled claims from insured losses did not exceed commercial insurance coverage in 2023.

**B. Risk Management – Medical Center**

The County’s risk management structure, including insurance programs and actuarial studies is separate from Medical Center risk management, therefore, the Medical Center is disclosed separately from the County’s information.

The Medical Center purchases commercial insurance to insure its risk of loss related to theft of, damage to and destruction of assets, business interruption, employee injuries and illnesses, natural disasters, cyber threats, and long-term disability benefits. The Medical Center is self-insured for claims arising from general, medical malpractice, and other professional liability matters, employee health and dental, short-term disability, and workers’ compensation. Purchased insurance is used for certain professional liability claims.

**Notes to the Basic Financial Statements**

December 31, 2023

**14. RISK MANAGEMENT – continued**

**B. Risk Management – Medical Center – continued**

**General and Professional Liability.** State law also limits the tort liability of the Medical Center as described for the County in section A. However, prior to eligibility for the statutory liability limits a Medical Center Component Unit (MCCU) was exposed to certain tort liabilities, for which the tail insurance policy limits are \$1,000,000 per occurrence and \$3,000,000 in the aggregate, with \$11,000,000 excess liability coverage. A second MCCU is not eligible for the statutory liability limits, so liability coverage is purchased on a claims-made basis covering claims of up to \$5,000,000 per occurrence or \$7,000,000 in the aggregate, subject to certain deductible and self-retention amounts. The Medical Center self-insures for general, professional, and employment practices exposures. Actuarial valuations are the basis for the estimated general liability and professional claims liability, which are included in accrued expenses in the statements of net position. Changes in the Medical Center’s estimated general and professional liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 4,589,479	\$ 5,522,396
Estimated incurred claims (including IBNR)	1,984,950	2,522,311
Claims payments and expenses	<u>(1,592,126)</u>	<u>(3,455,228)</u>
Estimated liability at end of year	<u>\$ 4,982,303</u>	<u>\$ 4,589,479</u>

**Workers’ Compensation Claims.** The Medical Center is self-insured for workers’ compensation claims. The estimated liability for claims represents an estimate for unpaid claims and for claims incurred but not reported. An actuarial valuation is the basis for the liability and expense. The actuarial calculations assume industry-based exposure rates and client-based statistically reliable and predictable loss data for professional liability. The workers’ compensation liability is included in accrued expenses in the statements of net position. Changes in the Medical Center’s estimated workers’ compensation liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 16,655,515	\$ 17,567,653
Estimated incurred claims (including IBNR)	2,153,173	4,048,865
Claims payments and expenses	<u>(5,442,806)</u>	<u>(4,961,003)</u>
Estimated liability at end of year	<u>\$ 13,365,882</u>	<u>\$ 16,655,515</u>

**15. SELF-INSURED EMPLOYEE HEALTH PLANS**

**A. Employee Health Plan – Excluding the Medical Center**

**Employee Health and Dental Claims** are accounted for in the Employee Health Plan Self Insurance internal service fund. The County makes premium payments to the fund that include both employer and employee contributions. A stop-loss insurance policy covering medical and pharmacy claims was purchased for the plan, which limits the County’s annual exposure to \$2,000,000 per person. A liability was recorded at year-end for estimated open and IBNR claims. Outstanding and IBNR claims are evaluated through a review of current year claims paid as well as claims paid subsequent to year-end.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**15. SELF-INSURED EMPLOYEE HEALTH PLANS – continued**

**A. Employee Health Plan – Excluding the Medical Center – continued**

**Employee Health and Dental Claims – continued.** Changes in the County’s estimated employee health plan liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 15,416,751	\$ 11,417,858
Estimated incurred claims (including IBNR)	160,590,140	143,226,101
Claim payments and expenses	<u>(162,941,073)</u>	<u>(139,227,208)</u>
Estimated liability at end of year	<u>\$ 13,065,818</u>	<u>\$ 15,416,751</u>

**B. Employee Health Plan –Medical Center**

**Employee Health and Dental Claims** are self-insured. The accrual for estimated claims includes estimates of the ultimate cost for IBNR claims and are based upon estimated cost of settlement. The Medical Center purchases reinsurance on a specific-case basis in order to reduce its liability on individual risks. All reinsurance contracts are excess-of-loss contracts, which indemnify the Medical Center for losses in excess of stated reinsurance policy limits. As of December 31, 2023 and 2022, the limits were \$600,000 for specific claims and were \$120,577,810 and \$110,868,320 for claims in the aggregate, respectively. A liability was recorded at year-end for estimated open and IBNR claims. Outstanding and IBNR claims are evaluated through a review of current year claims paid as well as claims paid subsequent to year-end. Changes in the employee health plan liability during the past two years are as follows:

	<u>2023</u>	<u>2022</u>
Estimated liability at beginning of year	\$ 5,385,943	\$ 4,506,543
Estimated incurred claims (including IBNR)	125,743,153	100,868,320
Claim payments and expenses	<u>(124,129,475)</u>	<u>(99,988,920)</u>
Estimated liability at end of year, net of imprest funds	<u>\$ 6,999,621</u>	<u>\$ 5,385,943</u>

**16. CONTINGENCIES**

The County is involved in disputes and litigation, which normally occur in governmental operations and often involve claims for money damages. These pending cases are not considered unusual in number or amount and, based on past experiences in similar litigation, should not have a material adverse effect on the financial position of the County; however, they could be material to an individual period. Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally Federal and State governments. Disallowed claims, if any, which could include amounts already received, may result in a liability for the applicable funds. The County does not believe such amounts will have a material effect on its financial position.

## Notes to the Basic Financial Statements

December 31, 2023

### 17. OTHER EMPLOYEE BENEFITS

#### A. Other Employee Benefits – Excluding the Medical Center

The County has chosen the option of using an Internal Service Fund to account for the cost and liquidation of the governmental funds' compensated absences. As a result, the County reports these estimated earned and unused benefits on a full accrual basis.

**Compensated Absences.** Under certain conditions, employees are compensated upon termination of employment for accumulated unpaid vacation, sick leave, and/or paid time off up to a maximum of 1,280 hours based on status/hire date. Payments to terminating employees for accumulated compensated absences totaled \$8,537,388 in 2023. The Other Employee Benefits internal service fund is used to account for these benefits and to liquidate the liability for the governmental funds. As of December 31, the liability for accumulated compensated absences for all employees totaled \$116,654,689. At the government-wide level, \$2,689,206 is reported in business-type activities. The remaining amount of \$113,965,483 is reported in governmental activities, of which \$108,834,749 is funded in the Other Employee Benefits internal service fund.

#### Single-Employer Postemployment Healthcare Benefit Program

**General Information.** The County's defined benefit postemployment benefit (OPEB) plan, also referred to as the retiree healthcare program, provides OPEB to all eligible employees. The County's OPEB plan is a single employer defined benefit plan administered by the County. Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

**Plan Description** Employees who have County-sponsored health coverage in force as of their termination date and who meet certain age and length of service requirements may be eligible for one of the County's retiree healthcare coverage categories. Eligible retirees may continue health coverage in the County's group health insurance program indefinitely. The current retiree healthcare benefit plan is approved by the County Board on a year-to-year basis. According to Minnesota Statutes, section 179A.20, subdivision 2a, a contract may not obligate an employer to fund all or part of the cost of healthcare benefits for a former employee beyond the duration of the contract. The statute also states that a personnel policy may not obligate an employer to fund all or part of healthcare benefits for a former employee beyond the duration of the policy. Within the dictates of existing contracts, the County Board may change the benefit structure at any time. The retiree healthcare plan does not issue a publicly available financial report.

**Benefits Provided.** While they are under age 65, retirees may participate in the County's group health coverage program with access to the same health plan (and benefit levels) available to active employees. Qualifying retirees who were hired or rehired on or before January 1, 2008 receive a County contribution toward their health plan premium (an amount equal to that contributed to an active employee electing employee-only health coverage) until they reach age 65. Examples of qualifying criteria include requirements relating to hire date, age, length of service requirements, approval for a full retirement payment from an approved public sector retirement program, and other factors. If an employee was hired prior to July 1, 1989, they are eligible for retirement when the sum of their age and service equals 90. This benefit is not available to non-organized employees beginning County employment after January 1, 2007, or to organized employees beginning County employment after January 1, 2008, except for former employees of the Minneapolis Public Library who became county employees on January 1, 2008. Additionally, this benefit is not available to employees who traded their eligibility for the retiree healthcare benefit for participation in a Health Care Savings Program (HCSP) through a one-time opt-out offered to organized employees hired prior to January 1, 2008. The HCSP is funded by contributions of 1% of salary by the employee and \$500-\$700 per year by the County, beginning in January 2009. The County's contributions to the HCSP for the years ending December 31, 2023 and 2022 were \$1,396,900 and \$1,391,200, respectively.

**Notes to the Basic Financial Statements**

December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – continued**

**A. Other Employee Benefits – Excluding the Medical Center – continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

**Benefits Provided – continued.** Upon reaching age 65, retirees not eligible for Parts A and B of Medicare can continue to participate in the same health plan as active employees, however this benefit is not subsidized by the County. Retirees who are eligible for Parts A and B of Medicare, to remain in the County group program, must enroll in a County sponsored community-rated group Medicare Cost Managed Care plan, which is not subsidized by the County or active employees.

**Funding Policy.** Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan. In 2023, the County paid eligible single premium amounts for the enrolled retirees described above, while these retirees contributed \$23.65 per month to the County for the benefit. Eligible retiree family members, as well as ineligible retirees, may pay their full premium to obtain coverage.

**Employees Covered by Benefit Terms.** At December 31, 2023 and 2022, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefit payments	473	590
Active employees	<u>8,678</u>	<u>7,709</u>
	<u>9,151</u>	<u>8,299</u>

**Actuarial assumptions and other inputs.** The total OPEB liabilities as of December 31, 2023 and December 31, 2022 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	<u>2023</u>	<u>2022</u>
Reporting date	December 31, 2023	December 31, 2022
Measurement date	December 31, 2022	December 31, 2021
Actuarial valuation date	December 31, 2021	December 31, 2021
Discount rate <sup>1</sup>	3.72%	2.06%
Salary increase rate <sup>2</sup>	PERA	PERA
Healthcare cost trend rate	**	**
Inflation rate	PERA	PERA
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Straight Line	Straight Line
Amortization period	8.2 years	8.2 years

<sup>1</sup> The discount rate is based on the 20-year Bond Buyer GO Index.

<sup>2</sup> Salary increase rates are consistent with those used by PERA, which range from 3.0% to 11.75% based on employees' years of service.

\*\* A healthcare cost trend rate of 6.1%, decreasing to an ultimate rate of 3.7% in 2074 was used.

The OPEB liabilities as of December 31, 2023 and December 31, 2022 were based on the results of an actuarial experience study for the period of June 27, 2019 and July 14, 2020 for the PERA General and PERA Police and Fire Plans, respectively. Actuarial valuations include assumptions of future event and if the actual events differ from the assumptions made, the actual cost of the OPEB plan would change.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**A. Other Employee Benefits – Excluding the Medical Center – continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

Changes in Total OPEB Liability during 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Total OPEB liability, beginning	\$ 118,021,398	\$ 123,860,226
<b>Changes for the year:</b>		
Service cost	4,569,515	5,298,701
Interest	2,438,301	2,647,731
Liability Gains or Losses	-	1,938,322
Changes of assumptions or other inputs	(5,838,019)	(7,146,714)
Benefit payments	<u>(8,496,883)</u>	<u>(8,576,868)</u>
Total OPEB liability, ending	<u>\$ 110,694,312</u>	<u>\$ 118,021,398</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 2.06% as of December 31, 2022, to 3.72% as of December 31, 2023.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability, as well as what the approximate total OPEB liability would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	<b>1% Lower</b>	<b>Current Discount Rate</b>	<b>1% Higher</b>
	<u>2.72%</u>	<u>3.72%</u>	<u>4.72%</u>
Total OPEB Liability	<u>\$116,819,167</u>	<u>\$110,694,312</u>	<u>\$104,755,923</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current cost trend rates:

	<b>1% Lower</b>	<b>Current Trend Rate</b>	<b>1% Higher</b>
	<b>5.1%</b>	<b>6.1%</b>	<b>7.1%</b>
	<b>decreasing to</b>	<b>decreasing to</b>	<b>decreasing</b>
	<b>2.7%</b>	<b>3.7%</b>	<b>to 4.7%</b>
Total OPEB Liability	<u>\$101,406,993</u>	<u>\$110,694,312</u>	<u>\$121,198,405</u>

**Notes to the Basic Financial Statements**

December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**A. Other Employee Benefits – Excluding the Medical Center – continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

**OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB.** For the years ended December 31, 2023 and 2022, the County recognized OPEB expenses of \$5,445,176 and \$7,014,899, respectively. At December 31, 2023 and 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,462,231	\$ -	\$ 6,634,542	\$ -
Changes of assumptions or other inputs	2,876,368	(16,629,325)	3,748,153	(14,398,042)
Employer contributions subsequent to the measurement date	8,606,000	-	8,565,000	-
	<u>\$ 16,944,599</u>	<u>\$ (16,629,325)</u>	<u>\$ 18,947,695</u>	<u>\$ (14,398,042)</u>

Employer contributions subsequent to the measurement date of December 31, 2022 of \$8,606,000, which are reported as deferred outflows of resources as of December 31, 2023, will be recognized as a reduction of the OPEB liability in the County’s fiscal year ending December 31, 2024. Other amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2023, will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending December 31:	OPEB Expense Amount
2024	\$ (1,554,932)
2025	(1,526,080)
2026	(1,078,628)
2027	(1,078,628)
2028	(917,565)
Thereafter	(2,134,893)
	<u>\$ (8,290,726)</u>

**B. Other Employee Benefits – Medical Center**

County employee benefit plans are substantially different from Medical Center benefit plans, therefore, Medical Center compensated absence and retiree health liability information is provided separately from the County’s information.

**Compensated Absences.** Medical Center compensated absences, including vacation and sick time, are reported as an expense and an accrued liability as the benefits are earned and expected to be paid. At December 31, the liability for accumulated compensated absences for all Medical Center employees totaled \$45,483,722.



**Notes to the Basic Financial Statements**

December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**B. Other Employee Benefits – Medical Center – Continued**

**Single-Employer Postemployment Healthcare Benefit Program**

**General Information.** The Medical Center’s defined benefit postemployment benefit (OPEB) plan, also referred to as the retiree healthcare program, provides OPEB to all eligible employees. The Medical Center’s OPEB plan is a single employer defined benefit plan administered by the Medical Center. Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

**Plan Description.** Certain union Medical Center employees who have Medical Center-sponsored health coverage in force as of their termination date and who meet certain age and length of service requirements may be eligible for the Medical Center’s retiree health plan. In 2007, the Medical Center offered a retiree health alternative called the personal choice account (PCA) for nonunion employees, which can be used for qualifying health expenses of covered employees, as an alternative to the Medical Center’s health care benefits for retired nonunion employees. The liability for PCA is recorded at estimated present value, net of estimated forfeitures, and the current portion of the liability is included in accrued salaries, wages and benefits in the statements of net position. Nonunion employees who chose not to participate in the PCA benefit remained eligible to participate in the retiree health program.

**Benefits Provided.** While they are under age 65, eligible nonunion retirees who did not choose to participate in the PCA and certain eligible retirees who are unionized may participate in the Medical Center’s subsidized retiree health program, with access to the same health plan (and benefit levels) available to active employees. They may qualify to receive a Medical Center contribution toward health plan premiums in an amount equal to that contributed to an active employee electing employee-only health coverage until they reach age 65 by meeting one of the specific age and length of service requirements.

**Funding policy.** Retiree health care benefits are funded on a pay-as-you-go basis. Either the Medical Center’s Board or the County Board may change the funding policy at any time. In 2023, the Medical Center paid eligible single premium amounts for the enrolled retirees described above. Eligible retiree family members, as well as ineligible retirees, may pay their full premium to obtain coverage.

**Employees Covered by Benefit Terms.** At December 31, 2023 and 2022, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefit payments	96	99
Active employees	6,096	5,847
	<u>6,192</u>	<u>5,946</u>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**B. Other Employee Benefits – Medical Center - continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

**Actuarial assumptions and other inputs.** The total OPEB liabilities as of December 31, 2023 and December 31, 2022 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	<u>2023</u>	<u>2022</u>
Reporting date	December 31, 2023	December 31, 2022
Measurement date	December 31, 2022	December 31, 2021
Actuarial valuation date	December 31, 2021	December 31, 2021
Discount rate <sup>1</sup>	3.72%	2.06%
Salary increase rate <sup>2</sup>	PERA	PERA
Healthcare cost trend rate	**	**
Inflation rate	PERA	PERA
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Straight-Line	Straight-Line
Amortization period	9.1 years-	9.1 years

<sup>1</sup> The discount rate is based on the Fidelity General Obligation 20-year AA Municipal Bond Index.

<sup>2</sup> Salary increase rates are consistent with those used by PERA, which range from 3.0% to 10.25% based on employees' years of service.

\*\* A healthcare cost trend rate of 6.6% decreasing to an ultimate rate of 4.0% in 2074 was used.

**Changes in Total OPEB Liability** during 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Total OPEB liability, beginning	\$ 23,010,145	\$ 26,902,918
<b>Changes for the year:</b>		
Service cost	1,444,201	2,021,775
Interest	474,319	584,618
Liability Gains or Losses	-	4,078,393
Changes of assumptions or other inputs	(2,680,685)	(7,866,559)
Benefit payments	(2,873,001)	(2,711,000)
Total OPEB liability, ending	<u>\$ 19,374,979</u>	<u>\$ 23,010,145</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 2.06% as of December 31, 2022, to 3.72% as of December 31, 2023.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**B. Other Employee Benefits – Medical Center - continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability, as well as what the approximate total OPEB liability would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	<b>1% Lower</b> <b>2.72%</b>	<b>Current</b> <b>Discount Rate</b> <b>3.72%</b>	<b>1% Higher</b> <b>4.72%</b>
Total OPEB Liability	\$20,960,967	\$19,374,979	\$17,888,328

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current cost trend rates:

	<b>1% Lower</b> <b>4.6%</b> <b>decreasing to</b> <b>2.8%</b>	<b>Current</b> <b>Trend Rate</b> <b>5.6%</b> <b>decreasing to</b> <b>3.8%</b>	<b>1% Higher</b> <b>6.6%</b> <b>decreasing</b> <b>to 4.8%</b>
Total OPEB Liability	\$17,262,672	\$19,374,979	\$21,918,363

**OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB.** For the years ended December 31, 2023 and 2022, the Medical Center recognized OPEB expense of \$933,818 and \$1,915,949, respectively. At December 31, 2023 and 2022, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2023</b>		<b>2022</b>	
	<b>Deferred</b> <b>Outflows of</b> <b>Resources</b>	<b>Deferred</b> <b>Inflows of</b> <b>Resources</b>	<b>Deferred</b> <b>Outflows</b> <b>of Resources</b>	<b>Deferred</b> <b>Inflows of</b> <b>Resources</b>
Differences between expected and actual experience	\$3,183,027	\$ (1,359,168)	\$ 3,630,710	\$ (1,600,584)
Changes of assumptions or other inputs	1,084,898	(9,565,407)	1,276,028	(8,268,601)
Employer contributions subsequent to the measurement date	2,514,017	-	2,873,060	-
	<b>\$6,781,942</b>	<b>\$ (10,924,575)</b>	<b>\$ 7,779,798</b>	<b>\$ (9,869,185)</b>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**17. OTHER EMPLOYEE BENEFITS – CONTINUED**

**B. Other Employee Benefits – Medical Center - continued**

**Single-Employer Postemployment Healthcare Benefit Program – continued**

Employer contributions subsequent to the measurement date of December 31, 2022 of \$2,514,017, which are reported as deferred outflows of resources as of December 31, 2023, will be recognized as a reduction of the OPEB liability in the Medical Center’s fiscal year ending December 31, 2024. Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2023, will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

<u>Years ending December 31:</u>	<u>2023</u>
2024	\$ (984,702)
2025	(984,702)
2026	(973,912)
2027	(967,400)
2028	(972,815)
Thereafter	(1,773,119)
	<u>\$ (6,656,650)</u>

The total OPEB expenses for all County plans including the Medical Center for the years ended December 31, 2023 and 2022 were \$6,378,994 and \$8,930,848, respectively.

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS**

**Plan Description.** All full-time and certain part-time employees of the County are covered by the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA’s defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA’s defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. **The General Employees Retirement Plan** members belong to the Coordinated Plan, and they are covered by Social Security.
2. **The Public Employees Police and Fire Plan**, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.
3. **The Local Government Correctional Plan** was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

## Notes to the Basic Financial Statements

December 31, 2023

### 18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED

**Benefits Provided.** PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

- 1. General Employees Plan Benefits** are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Benefit increases are provided to benefit recipients each January. Beginning January 1, 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the Social Security Administration (SSA), with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.
- 2. Police and Fire Plan Benefits** for members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50.0% after ten years up to 100.0% after twenty years of credited service. The annuity accrual rate is 3.0% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90. Benefit increases are provided to benefit recipients each January. Beginning January 1, 2019, the postretirement increase is fixed at 1.0%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.
- 3. Correctional Plan Benefits** for members first hired after June 30, 2010 vest on a prorated basis from 50.0% after five years up to 100.0% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90. Benefit increases are provided to benefit recipients each January. Beginning January 1, 2019, the postretirement increase is equal to 100.0% of the COLA announced by SSA, with a minimum increase of at least 1.0% and a maximum of 2.5%. If the plan's funding status declines to 85.0% or below for two consecutive years or 80.0% for one year, the maximum will be lowered from 2.5% to 1.5%. In 2023, legislation clarified that if the annual increase cap was reduced to 1.0%, there is a way to return to the 2.5% increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specific in statute. The one-time payment is non-compounding toward future benefits.

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Contributions.** Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

**1. General Employees Fund Contributions.** Coordinated Plan members were required to contribute 6.5% of their annual covered salary in 2023 and the County was required to contribute 7.5% for Coordinated Plan members. The County’s contributions to the General Employees Fund for the year ended December 31, 2023 were \$83,394,969. The County’s contributions were equal to the required contributions as set by state statute.

**2. Police and Fire Fund Contributions.** Police and Fire members were required to contribute 11.8% of their annual covered salary and the County was required to contribute 17.7% of pay for plan members in 2023. The County’s contributions to the Police and Fire Fund for the year ended December 31, 2023 were \$10,045,530. The County’s contributions were equal to the required contributions as set by state statute.

**3. Correctional Fund Contributions.** Plan members were required to contribute 5.83% of their annual covered salary and the County was required to contribute 8.8% of pay for plan members in 2023. The County’s contributions to the Correctional Fund for the year ended December 31, 2023 were \$3,572,925. The County’s contributions were equal to the required contributions as set by state statute.

**Pension Costs.** As detailed in the three sections below, for the year ended December 31, 2023 the County recognized total pension expense of \$178,991,043 for all pension plans.

**1. General Employees Fund Pension Costs.** At December 31, 2023, the County reported a liability of \$746,097,655 for its proportionate share of the General Employees Fund’s net pension liability. The County’s net pension liability reflected a proportionate share of a reduction that was the result of the State of Minnesota’s (State’s) contribution of \$16,000,000 to the fund in 2023. For the year ended December 31, 2023, the County recognized pension expense of \$148,817,327 for its proportionate share of the General Employees Plan’s pension expense. In addition, the County recognized an additional \$92,427 as pension expense (and grant revenue) for its proportionate share of the State’s contribution of \$16,000,000 to the General Employees Fund.

The State is considered a non-employer contributing entity and the State’s contribution meets the definition of a special funding situation. The State’s proportionate share of the net pension liability associated with the County totaled \$20,567,311. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportionate share of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 13.3% at the end of the measurement period and 13.3% for the beginning of the period.

County’s proportionate share of the net pension liability	\$ 746,097,655
State’s proportionate share of the net pension liability associated with the County	<u>20,567,311</u>
Total	<u><u>\$ 766,664,966</u></u>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Pension Costs – continued.**

**1. General Employees Fund Pension Costs – continued.** At December 31, 2023, the County reported its proportionate share of the General Employees Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected & actual economic experience	\$ 24,478,306	\$ (5,121,456)
Changes in actuarial assumptions	120,350,420	(204,499,028)
Net difference between projected and actual investment earnings	-	(28,576,462)
Changes in proportion	13,876,559	(6,625,904)
Contributions paid to PERA subsequent to measurement date	44,650,735	-
	<u>\$ 203,356,020</u>	<u>\$ (244,822,850)</u>

The \$44,650,735 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

<b>Year Ended December 31</b>	<b>Pension Expense Amount</b>
2024	\$ 22,716,713
2025	(110,750,990)
2026	18,102,098
2027	(16,185,387)
	<u>\$ (86,117,566)</u>

**2. Police and Fire Fund Pension Costs.** At December 31, 2023 the County reported a liability of \$69,140,421 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportion share was 4.0% at the end of the measurement period and 4.1% for the beginning of the period. The County’s net pension liability reflected a reduction due to the State of Minnesota’s contribution of \$18.0 million in 2023. The contribution consisted of \$9.0 million in direct state aid that meets the definition of a special funding situation, and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct State aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the State will pay \$9.0 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90.0% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0% funded, whichever occurs later. The State’s proportionate share of the net pension liability associated with the County totaled \$2,784,975.

County’s proportionate share of the net pension liability	\$ 69,140,421
State’s proportionate share of the net pension liability associated with the County	<u>2,784,975</u>
Total	<u>\$ 71,925,396</u>

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Pension Costs – continued.**

**2. Police and Fire Fund Pension Costs – continued.** For the year ended December 31, 2023, the County recognized pension expense of \$23,396,217 for its proportionate share of the Police and Fire Plan’s pension expense. The State of Minnesota is included as a non-employer contributing entity for the \$9,000,000 in direct state aid in the Policy and Fire Fund for the 2023 reporting period. The County recognized an additional \$167,735 as pension expense (and grant revenue) for its proportionate share of the State’s contribution of \$9,000,000. The County also recognized \$244,447 as revenue with an offsetting reduction of net pension liability for its proportionate share of the State’s \$9,000,000 contributions to the Police and Fire Fund. At year end, the County reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected & actual economic experience	\$ 19,087,585	\$ -
Changes in actuarial assumptions	80,341,068	(97,224,120)
Net difference between projected and actual investment earnings	-	(1,679,811)
Changes in proportion	2,956,685	(5,975,050)
Contributions paid to PERA subsequent to measurement date	5,468,279	-
	<u>\$107,853,617</u>	<u>\$ (104,878,981)</u>

The \$5,468,279 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

<b>Year Ended December 31</b>	<b>Pension Expense Amount</b>
2024	\$ 2,961,202
2025	650,545
2026	16,188,808
2027	(4,628,717)
2028	(17,665,481)
	<u>\$ (2,493,643)</u>

**3. Correctional Plan Pension Costs.** At December 31, 2023 the County reported a liability of \$7,676,985 for its proportionate share of the Correctional Plan’s net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 17.0% at the end of the measurement period and 15.8% at the beginning of the period.



Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
 December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Pension Costs – continued.**

**3. Correctional Plan Pension Costs – continued.** For the year ended December 31, 2023, the County recognized a \$6,517,337 pension expense for its proportionate share of the Correctional Plan’s pension expense. At year end the County reported its proportionate share of the Correctional Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected & actual economic experience	\$ 2,956,840	\$ (657,154)
Changes in actuarial assumptions	17,901,027	(35,023,386)
Net difference between projected and actual investment earnings	-	(2,094,831)
Changes in proportion	2,831,497	(234,361)
Contributions paid to PERA subsequent to measurement date	1,822,715	-
	<u>\$ 25,512,079</u>	<u>\$ (38,009,732)</u>

The \$1,822,715 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

<b>Year Ended December 31</b>	<b>Pension Expense Amount</b>
2024	\$ 364,374
2025	(16,454,031)
2026	2,579,443
2027	(810,154)
	<u>\$ (14,320,368)</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	<b>General Employees Fund</b>	<b>Police and Fire Fund</b>	<b>Correctional Fund</b>
Inflation	2.25%	2.25%	2.25%
Active Member Payroll Growth	3.0%	3.0%	3.0%
Investment Rate of Return	7.0%	7.0%	7.0%

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method. Salary increases were based on a service-related table. Salary growth assumptions in the General Employees Plan range in annual increments from 10.3% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.8% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and Pub-2010 Public Safety Mortality table for the Police and Fire Correctional Plans. Cost of living benefit increases after retirement for retirees are assumed to be 1.3% per year for the General Employees Plan and 2.0% per year for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% per year as set by state statute.

## Notes to the Basic Financial Statements

December 31, 2023

### 18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED

#### Actuarial Assumptions – continued

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

#### 1. *General Employees Fund*

Changes in actuarial assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in plan provisions:

- An additional one-time direct state aid contribution of \$170.1 million contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

#### 2. *Police and Fire Fund*

Changes in actuarial assumptions:

- The investment return assumption was changed from 6.5% to 7.0%
- The single discount rate changed from 5.4% to 7.0%

Changes in plan provisions:

- Additional one-time direct state aid contribution of \$19.4 million contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.0% vesting after five years, increasing incrementally to 100.0% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

#### 3. *Correctional Fund.*

Changes in actuarial assumptions:

- The investment return rate was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in plan provisions:

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85.0% for two consecutive years on a market value of assets basis.

**Notes to the Basic Financial Statements**

December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Actuarial Assumptions – continued**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.5%	5.1%
Private Markets	25.0%	5.9%
Fixed Income	25.0%	0.8%
International Equity	16.5%	5.3%
	<u>100.0%</u>	

**Discount Rate.** The discount rate used to measure the total pension liability for the General Employees Fund in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity.** The following table presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0% lower or 1.0% higher than the current discount rate:

**Sensitivity of Net Pension Liability (Asset) at Different Discount Rates (in thousands)**

	<u>General Employees Fund</u>		<u>Police and Fire Fund</u>		<u>Correctional Fund</u>	
1.0% lower	6.0%	\$ 1,319,906,679	6.0%	\$ 137,182,840	6.0%	\$ 40,466,309
Current %	7.0%	746,097,655	7.0%	69,140,421	7.0%	7,676,985
1.0% higher	8.0%	274,117,926	8.0%	13,200,448	8.0%	(18,484,711)

**Pension Plan Fiduciary Net Position.**

In 2023, County governmental activities' pension liabilities were liquidated at a rate of approximately 60.0% General Fund, 35.0% Human Services Fund, and 5.0% Internal Service Funds.

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

Effective January 1, 2009, the Medical Center established a 401(a) retirement plan, as a PERA alternative, for certain employees hired on or after that date. The plan requires a 6.0% employer contribution, which totaled approximately \$4.0 million and \$3.2 million in 2023 and 2022, respectively. Effective January 1, 2012, a 401(a) retirement plan was made available to certain physicians. Contributions are based upon a percentage of eligible employees' compensation and totaled approximately \$10.1 million and \$9.0 million in 2023 and 2022, respectively.

**19. NEW ACCOUNTING PRONOUNCEMENTS**

**Accounting Standards Adopted in the Current Year**

**GASB Statement No. 94**, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was adopted by the County on January 1, 2023. This statement superseded GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and established standards of accounting and financial reporting for public-private and public-public partnerships and availability payment arrangements. As a result of the adoption, there was no impact on previously reported net position or fund balance.

**GASB Statement No. 96**, *Subscription-Based Information Technology Arrangements*, was adopted by the County during 2023, with an effective implementation date of January 1, 2022 as the adoption of GASB 96 is applied retrospectively to the earliest period presented. This statement requires government subscribers to recognize subscription liabilities and intangible assets, and report amortization expense, interest expense, and note disclosures about the subscriptions. As a result of the adoption, previously reported net position was restated for the Medical Center Fund and business-type activities with a \$701,379 increase in the net investment in capital assets, while net position was not restated in other funds or governmental activities. The impact on previously reported amounts relating to the year ended December 31, 2022 for each affected opinion unit is shown below.

Impact on Governmental Activities:

	Governmental Activities		General Fund		Human Services Fund		Internal Service Funds	
	Previously Reported	As Restated	Previously Reported	As Restated	Previously Reported	As Restated	Previously Reported	As Restated
Prepays	\$ 12,172,210	\$ 12,214,887	\$ -	\$ -	\$ -	\$ -	\$ 9,617,835	\$ 9,660,512
Depreciable capital assets, net	1,919,073,908	1,926,479,371	-	-	-	-	56,760,165	58,130,070
Accounts and contracts payable	(92,178,149)	(90,280,901)	-	-	-	-	(7,064,385)	(5,167,137)
Accrued liabilities	(51,126,865)	(53,177,044)	-	-	-	-	(15,416,751)	(17,329,829)
Lease & subscription payables	(33,683,505)	(40,978,714)	-	-	-	-	-	(1,396,752)
Current expenditures	1,776,166,879	1,776,136,205	792,507,650	796,521,663	650,592,640	650,206,736	-	-
Debt Service:								
Principal retirement	-	-	1,086,030	1,896,579	988,008	1,371,598	-	-
Interest and fiscal charges	29,049,628	29,080,302	223,919	252,279	317,341	319,655	-	-
Other financing sources - leases & subscriptions	-	-	(567,716)	(5,420,638)	(2,683,917)	(2,683,917)	-	-

Hennepin County, Minnesota  
**Notes to the Basic Financial Statements**  
December 31, 2023

**19. NEW ACCOUNTING PRONOUNCEMENTS**

**Accounting Standards Adopted in the Current Year – Continued**

**GASB Statement No. 96 – Continued**

Impact on Business-type Activities:

	Business-type Activities		Hennepin Health Fund		Medical Center Fund	
	Previously Reported	As Restated	Previously Reported	As Restated	Previously Reported	As Restated
Prepays	\$ 12,518,638	\$ 9,709,906	\$ 144,646	\$ 1,800	\$ 12,371,076	\$ 9,705,190
Depreciable capital assets, net	476,764,176	501,355,187	189,999	1,752,386	371,969,036	394,997,660
Accrued liabilities	(188,686,085)	(188,832,870)	(68,571,562)	(68,553,775)	(120,114,523)	(120,279,095)
Lease & subscription payables	(27,569,394)	(48,503,509)	-	(1,437,328)	(27,569,394)	(47,066,181)
Net Position	(342,948,447)	(343,649,826)	(57,987,215)	(57,987,215)	(142,838,615)	(143,539,994)
Program expenses	1,907,635,037	1,906,933,658	427,772,707	427,772,707	1,409,437,679	1,408,736,300
Change in Net Position	(19,362,725)	(18,661,346)	17,305,336	17,305,336	(42,245,395)	(41,544,016)

The **GASB Statement No. 99, Omnibus 2022** requirements related to leases and certain other arrangements were adopted the County on January 1, 2023.

**Accounting Standards Not Yet Adopted**

The County’s management has not yet determined the effect that the following GASB statements will have on the County’s financial statements:

- **GASB Statement No. 99, Omnibus 2022** requirements relating to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, are effective for the County on January 1, 2024.
- **GASB Statement No. 100, Accounting Changes and Error Corrections**, establishing consistent requirements for these accounting and financial reporting situations, is effective for the County on January 1, 2024.
- **GASB Statement No. 101, Compensated Absences**, which updates the recognition and measurement guidance for compensated absences, is effective for the County on January 1, 2024.
- **GASB Statement No. 102, Certain Risk Disclosures**, requires the disclosure of essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for the County on January 1, 2025.
- **GASB Statement No. 103, Financial Reporting Model Improvements**, expands on requirements related to managements’ discussion and analysis, the presentation of unusual or infrequent items, the presentation of proprietary fund revenues and expenses, and more. The requirements of this Statement are effective for the County on January 1, 2026.

## Notes to the Basic Financial Statements

December 31, 2023

### 20. SUBSEQUENT EVENTS

The County has evaluated subsequent events through July 29, 2024, the date these financial statements were available to be issued.

As of the date of this audit report, tax-exempt commercial paper certificates were issued to provide short-term financing of the adopted capital improvement plan as shown below:

<u>Date of Issuance</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
March 5, 2024	\$ 40,000,000	3.55%	June 4, 2024
March 7, 2024	\$ 40,000,000	3.55%	June 6, 2024
June 4, 2024	\$ 55,000,000	3.60%	September 5, 2024
June 6, 2024	\$ 55,000,000	3.58%	September 12, 2024

On March 19, 2024, the County Board approved the issuance of a multifamily housing revenue note by the Hennepin County Housing and Redevelopment Authority. The note was issued in May 2024 for \$35,635,000. This conduit financing is a special limited obligation of the HRA payable solely from revenues derived from the multifamily housing development.

On April 30, 2024, the County Board authorized the issuance of \$67,000,000 of G.O. refunding bonds to defease and refund the outstanding taxable bonds Series 2010C and 2010D bonds prior to their maturity. County management continues to monitor market conditions and these refunding bonds have not been issued as of the date of this disclosure.

On July 23, 2024, the County Board authorized the issuance of \$200,000,000 of G.O. bonds for capital improvements.

---

## **Required Supplementary Information**

---





**Schedule of Changes in Total OPEB Liability and Related Ratios  
Postemployment Healthcare Benefit Program  
Last Six Years**

<u>OPEB - Excluding the Medical Center</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost . . . . .	\$ 4,569,515	\$ 5,298,701	\$ 4,640,136	\$ 4,559,386	\$ 4,943,170	\$ 4,476,499
Interest . . . . .	2,438,301	2,647,731	3,303,319	4,968,052	4,308,362	4,592,534
Effect of liability gains and losses . . . . .	-	1,938,322	-	7,737,491	-	-
Changes in assumptions or other inputs . . . . .	(5,838,019)	(7,146,714)	4,143,818	(9,589,746)	(4,708,874)	2,461,877
Benefit payments . . . . .	(8,496,883)	(8,576,868)	(8,236,293)	(8,472,026)	(8,005,202)	(8,484,000)
Net change in total OPEB liability	(7,327,086)	(5,838,828)	3,850,980	(796,843)	(3,462,544)	3,046,910
Total OPEB liability, beginning . . . . .	118,021,398	123,860,226	120,009,246	120,806,089	124,268,633	121,221,723
Total OPEB liability, ending . . . . .	<u>\$ 110,694,312</u>	<u>\$ 118,021,398</u>	<u>\$ 123,860,226</u>	<u>\$ 120,009,246</u>	<u>\$ 120,806,089</u>	<u>\$ 124,268,633</u>
Covered-employee payroll . . . . .	\$ 692,394,033	\$ 662,898,997	\$ 650,305,219	\$ 640,258,904	\$ 627,819,446	\$ 597,177,479
Total OPEB liability as a percentage of covered-employee payroll	15.99%	17.80%	19.05%	18.74%	19.24%	20.81%
<u>OPEB - Medical Center</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost . . . . .	\$ 1,444,201	\$ 2,021,775	\$ 1,756,507	\$ 1,691,909	\$ 1,775,119	\$ 1,601,420
Interest . . . . .	474,319	584,618	719,615	1,187,494	1,041,775	1,117,968
Effect of liability gains and losses . . . . .	-	4,078,393	-	(2,324,832)	-	-
Changes in assumptions or other inputs . . . . .	(2,680,685)	(7,866,559)	1,241,433	(589,612)	(1,233,262)	603,506
Benefit payments . . . . .	(2,873,001)	(2,711,000)	(2,625,195)	(2,823,146)	(2,824,000)	(2,751,000)
Net change in total OPEB liability	(3,635,166)	(3,892,773)	1,092,360	(2,858,187)	(1,240,368)	571,894
Total OPEB liability, beginning . . . . .	23,010,145	26,902,918	25,810,558	28,668,745	29,909,113	29,337,219
Total OPEB liability, ending . . . . .	<u>\$ 19,374,979</u>	<u>\$ 23,010,145</u>	<u>\$ 26,902,918</u>	<u>\$ 25,810,558</u>	<u>\$ 28,668,745</u>	<u>\$ 29,909,113</u>
Covered-employee payroll . . . . .	\$ 595,717,946	\$ 399,841,002	\$ 368,856,177	\$ 368,922,416	\$ 358,103,573	\$ 349,253,599
Total OPEB liability as a percentage of covered-employee payroll	3.25%	5.75%	7.29%	7.00%	8.01%	8.56%

Information in this schedule was measured in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Information for prior years that is measured in accordance with this Statement is not available.

See notes to required supplementary information.

**Schedule of Defined Benefit Pension Plan Contributions**

Last Nine Calendar Years

Year Ended	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
<b>General Employees Fund:</b>					
12/31/2015	\$ 59,766,423	\$ 59,766,423	\$ -	\$ 796,885,637	7.50%
12/31/2016	61,729,416	61,729,416	-	823,058,880	7.50%
12/31/2017	65,213,219	65,213,219	-	869,509,587	7.50%
12/31/2018	67,962,777	67,962,777	-	906,170,360	7.50%
12/31/2019	69,641,908	69,641,908	-	928,558,773	7.50%
12/31/2020	70,155,574	70,155,574	-	935,407,563	7.50%
12/31/2021	73,192,473	73,192,473	-	975,899,638	7.50%
12/31/2022	77,400,913	77,400,913	-	1,032,012,168	7.50%
12/31/2023	83,394,969	83,394,969	-	1,111,932,918	7.50%
<b>Police and Fire Fund:</b>					
12/31/2015	\$ 6,263,212	\$ 6,263,212	\$ -	\$ 38,661,801	16.20%
12/31/2016	6,394,335	6,394,335	-	39,471,204	16.20%
12/31/2017	6,917,586	6,917,586	-	42,701,148	16.20%
12/31/2018	7,087,821	7,087,821	-	43,751,982	16.20%
12/31/2019	7,365,803	7,365,803	-	43,456,065	16.95%
12/31/2020	8,036,421	8,036,421	-	45,403,508	17.70%
12/31/2021	8,829,581	8,829,581	-	49,884,641	17.70%
12/31/2022	8,971,352	8,971,352	-	50,685,607	17.70%
12/31/2023	10,045,530	10,045,530	-	56,754,408	17.70%
<b>Correctional Fund:</b>					
12/31/2015	\$ 2,752,592	\$ 2,752,592	\$ -	\$ 31,458,191	8.75%
12/31/2016	2,904,599	2,904,599	-	33,195,417	8.75%
12/31/2017	2,994,280	2,994,280	-	34,220,343	8.75%
12/31/2018	3,150,059	3,150,059	-	36,000,678	8.75%
12/31/2019	3,252,067	3,252,067	-	37,166,482	8.75%
12/31/2020	3,355,646	3,355,646	-	38,350,234	8.75%
12/31/2021	3,233,626	3,233,626	-	36,955,721	8.75%
12/31/2022	3,187,852	3,187,852	-	36,432,591	8.75%
12/31/2023	3,572,925	3,572,925	-	40,833,428	8.75%

Note 18 in the Notes to the Basic Financial Statements presents additional information relating to pension plans. Data not available prior to 2015. This schedule will show information for ten years as it becomes available.

See notes to required supplementary information.

**Schedule of County Proportionate Share of Defined Benefit Pension Plans**

Last Nine Measurement Dates

Fiscal Year Ended	The County's Proportion of the Net Pension Liability	The County's Proportionate Share of the Net Pension Liability (Asset) (a)	The State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Combined Proportionate Share of the Net Pension Liability (Asset) Associated With the County (a+b)	The County's Covered Payroll (c)	The County's Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll ((a+b)/c)	The Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>General Employees Fund:</b>							
6/30/2015	12.7199%	\$ 659,211,482	\$ -	\$ 659,211,482	\$ 748,386,350	88.1%	78.2%
6/30/2016	12.9213%	1,049,141,410	13,702,696	1,062,844,106	802,521,842	132.4%	68.9%
6/30/2017	13.6448%	871,075,027	10,951,853	882,026,880	880,985,965	100.1%	75.9%
6/30/2018	13.2375%	734,362,227	24,088,367	758,450,594	891,568,889	85.1%	79.5%
6/30/2019	12.9958%	718,508,673	22,332,030	740,840,703	921,354,489	80.4%	80.2%
6/30/2020	13.0160%	780,368,683	24,063,673	804,432,356	928,253,320	86.7%	79.6%
6/30/2021	13.2950%	567,756,062	17,338,093	585,094,155	971,916,665	60.2%	87.0%
6/30/2022	13.2885%	1,052,453,588	30,854,610	1,083,308,198	1,012,285,987	107.0%	76.7%
6/30/2023	13.3425%	746,097,655	20,567,311	766,664,966	1,059,300,787	72.4%	83.1%
<b>Police and Fire Fund:</b>							
6/30/2015	4.1430%	\$ 47,074,163	\$ -	\$ 47,074,163	\$ 38,106,826	123.5%	86.6%
6/30/2016	4.0100%	160,928,278	-	160,928,278	38,679,130	416.1%	63.9%
6/30/2017	4.1170%	55,584,399	-	55,584,399	42,503,612	130.8%	85.4%
6/30/2018	4.0950%	43,648,482	-	43,648,482	43,274,743	100.9%	88.8%
6/30/2019	4.0958%	43,603,928	-	43,603,928	43,195,250	100.9%	89.3%
6/30/2020	4.1104%	54,179,470	1,276,392	55,455,862	46,039,657	120.5%	87.2%
6/30/2021	3.8828%	29,971,101	1,347,396	31,318,497	46,963,386	66.7%	93.7%
6/30/2022	4.0743%	177,297,443	7,745,357	185,042,800	50,775,921	364.4%	70.5%
6/30/2023	4.0038%	69,140,421	2,784,975	71,925,396	53,623,555	134.1%	86.5%
<b>Correctional Fund:</b>							
6/30/2015	17.0900%	\$ 2,642,146	\$ -	\$ 2,642,146	\$ 30,694,935	8.6%	97.0%
6/30/2016	17.2300%	62,943,603	-	62,943,603	42,770,433	147.2%	58.2%
6/30/2017	17.3400%	49,419,174	-	49,419,174	34,650,138	142.6%	67.9%
6/30/2018	17.2486%	2,836,910	-	2,836,910	35,245,309	8.0%	97.6%
6/30/2019	17.1100%	2,368,714	-	2,368,714	36,509,152	6.5%	98.2%
6/30/2020	17.3952%	4,720,013	-	4,720,013	37,851,303	12.5%	96.7%
6/30/2021	17.2917%	(2,840,581)	-	(2,840,581)	38,275,286	-7.4%	101.6%
6/30/2022	15.8432%	52,662,797	-	52,662,797	34,803,817	151.3%	74.6%
6/30/2023	16.9826%	7,676,985	-	7,676,985	40,005,399	19.2%	95.9%

Note 18 in the Notes to the Basic Financial Statements presents additional information relating to pension plans Data not available prior to 2015. This schedule will show information for ten years as it becomes available.

See notes to required supplementary information.

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - General Fund**  
**Budgetary Comparisons by Department**  
 For the Year Ended December 31, 2023  
 With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023				
	Original Budget	Final Amended Budget	Actual	Variance with Final Budget	2022 Actual (Restated)
<b>REVENUES</b>					
Property taxes .....	\$ 553,039,122	\$ 552,789,122	\$ 548,255,983	\$ (4,533,139)	\$ 533,690,876
Wheelage tax .....	20,800,000	20,800,000	20,096,378	(703,622)	19,719,096
Other taxes .....	2,914,100	2,914,100	2,593,344	(320,756)	3,707,844
Intergovernmental .....	110,397,745	215,464,392	252,269,144	36,804,752	211,525,648
Investment earnings (losses) .....	16,922,500	16,922,500	70,561,312	53,638,812	(61,553,543)
Charges for services .....	95,903,160	98,028,160	84,758,957	(13,269,203)	83,723,967
Fines and forfeits .....	247,500	400,085	310,224	(89,861)	343,762
Licenses and permits .....	6,085,892	6,085,892	5,862,568	(223,324)	5,558,957
Other .....	22,613,051	22,672,728	19,819,744	(2,852,984)	18,781,526
<b>Total Revenues</b>	<b>828,923,070</b>	<b>936,076,979</b>	<b>1,004,527,654</b>	<b>68,450,675</b>	<b>815,498,133</b>
<b>EXPENDITURES - CURRENT</b>					
<b>Operations</b>					
<b>County Board:</b>					
Personal services .....	3,308,715	3,308,715	2,751,487	557,228	2,769,062
Commodities .....	63,900	63,900	52,069	11,831	36,164
Contractual services .....	194,779	194,779	154,839	39,940	107,127
Other charges .....	234,296	234,296	53,429	180,867	34,759
	<u>3,801,690</u>	<u>3,801,690</u>	<u>3,011,824</u>	<u>789,866</u>	<u>2,947,112</u>
<b>County Administration:</b>					
Personal services .....	2,954,406	2,954,406	2,970,583	(16,177)	3,329,103
Commodities .....	12,100	12,100	5,804	6,296	3,101
Contractual services .....	862,105	509,578	538,917	(29,339)	722,733
Other charges .....	56,404	85,866	44,907	40,959	217,400
	<u>3,885,015</u>	<u>3,561,950</u>	<u>3,560,211</u>	<u>1,739</u>	<u>4,272,337</u>
<b>Strategic Planning &amp; Initiatives:</b>					
Personal services .....	3,462,626	3,462,626	3,477,620	(14,994)	2,555,021
Commodities .....	45,000	45,000	2,686	42,314	213,458
Contractual services .....	364,115	364,115	409,223	(45,108)	299,531
Other charges .....	49,850	1,220,514	52,596	1,167,918	28,676
	<u>3,921,591</u>	<u>5,092,255</u>	<u>3,942,125</u>	<u>1,150,130</u>	<u>3,096,686</u>
<b>Budget &amp; Finance:</b>					
Personal services .....	13,409,615	13,409,615	12,224,608	1,185,007	11,421,695
Commodities .....	45,050	45,000	16,841	28,159	5,683
Contractual services .....	3,710,419	3,616,059	2,913,017	703,042	2,641,701
Capital outlay .....	-	-	-	-	3,725,870
Other charges .....	273,750	(129,042)	211,545	(340,587)	149,957
	<u>17,438,834</u>	<u>16,941,632</u>	<u>15,366,011</u>	<u>1,575,621</u>	<u>17,944,906</u>
<b>Communications:</b>					
Personal services .....	6,916,234	6,916,234	6,355,324	560,910	6,635,839
Commodities .....	328,882	277,505	163,736	113,769	119,870
Contractual services .....	1,420,779	715,889	1,424,571	(708,682)	1,430,000
Capital outlay .....	100,000	100,000	(52,476)	152,476	-
Other charges .....	66,784	66,784	64,837	1,947	40,886
	<u>8,832,679</u>	<u>8,076,412</u>	<u>7,955,992</u>	<u>120,420</u>	<u>8,226,595</u>
<b>Housing &amp; Economic Development:</b>					
Personal services .....	5,402,379	5,402,379	5,035,010	367,369	4,456,852
Commodities .....	18,450	18,450	9,833	8,617	9,507
Contractual services .....	8,857,748	10,496,912	17,141,385	(6,644,473)	16,268,628
Capital outlay .....	-	-	108,075	(108,075)	-
Other charges .....	80,175	6,557,093	125,968	6,431,125	96,910
	<u>14,358,752</u>	<u>22,474,834</u>	<u>22,420,271</u>	<u>54,563</u>	<u>20,831,897</u>
<b>Facility Services:</b>					
Personal services .....	29,911,864	29,911,864	27,581,643	2,330,221	24,897,254
Commodities .....	1,675,395	1,672,734	1,139,038	533,696	1,089,443
Contractual services .....	37,964,954	36,599,253	37,103,177	(503,924)	35,317,443
Capital outlay .....	49,240	259,885	561,265	(301,380)	946,130
Other charges .....	1,357,376	1,942,804	1,342,445	600,359	1,502,489
	<u>70,958,829</u>	<u>70,386,540</u>	<u>67,727,568</u>	<u>2,658,972</u>	<u>63,752,759</u>
<b>Information Technology Operations:</b>					
Personal services .....	3,759,051	3,759,051	4,089,572	(330,521)	3,540,585
Commodities .....	24,934	16,021	195,367	(179,346)	342,421
Contractual services .....	1,465,815	1,327,793	4,080,829	(2,753,036)	2,241,695
Capital outlay .....	-	627,876	485,425	142,451	1,537,777
Other charges .....	25,552	3,148,586	24,470	3,124,116	69,697
	<u>5,275,352</u>	<u>8,879,327</u>	<u>8,875,663</u>	<u>3,664</u>	<u>7,732,175</u>
<b>Emergency Management:</b>					
Personal services .....	1,773,221	1,773,221	1,610,453	162,768	1,452,577
Commodities .....	225,165	226,030	255,731	(29,701)	179,365
Contractual services .....	819,327	809,328	670,752	138,576	663,062
Capital outlay .....	-	-	209,429	(209,429)	105,030
Other charges .....	22,600	22,600	45,449	(22,849)	52,560
	<u>2,840,313</u>	<u>2,831,179</u>	<u>2,791,814</u>	<u>39,365</u>	<u>2,452,594</u>

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - General Fund**  
**Budgetary Comparisons by Department**  
 For the Year Ended December 31, 2023  
 With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023				
	Original Budget	Final Amended Budget	Actual	Variance with Final Budget	2022 Actual (Restated)
<b>EXPENDITURES - CURRENT, continued</b>					
<b>Operations, continued</b>					
Human Resources:					
Personal services	16,377,322	16,378,377	15,716,477	661,900	14,943,511
Commodities	54,250	54,255	54,287	(32)	45,281
Contractual services	3,163,133	3,162,339	2,385,341	776,998	6,094,093
Capital outlay	-	-	278,480	(278,480)	-
Other charges	879,030	786,081	826,984	(40,903)	431,722
	<u>20,473,735</u>	<u>20,381,052</u>	<u>19,261,569</u>	<u>1,119,483</u>	<u>21,514,607</u>
Audit, Compliance and Investigation Services:					
Personal services	3,520,626	3,520,626	3,363,086	157,540	3,409,418
Commodities	14,600	14,600	3,810	10,790	7,282
Contractual services	744,338	744,338	759,934	(15,596)	826,995
Capital outlay	-	-	(21,912)	21,912	-
Other charges	70,175	194,407	59,448	134,959	46,725
	<u>4,349,739</u>	<u>4,473,971</u>	<u>4,164,366</u>	<u>309,605</u>	<u>4,290,420</u>
Operations Administration:					
Personal services	2,480,584	2,480,584	4,505,326	(2,024,742)	4,343,286
Commodities	10,350	10,356	7,532	2,824	6,302
Contractual services	706,500	706,121	642,993	63,128	744,373
Capital outlay	-	265,000	420,486	(155,486)	-
Other charges	65,461	2,189,858	70,255	2,119,603	79,015
	<u>3,262,895</u>	<u>5,651,919</u>	<u>5,646,592</u>	<u>5,327</u>	<u>5,172,976</u>
General County Purposes <sup>1</sup> :					
Personal services	1,201,020	1,177,592	1,892,270	(714,678)	(1,469,731)
Commodities	(272,329)	62,549	62,749	(200)	56,695
Contractual services	7,044,742	6,975,168	5,482,397	1,492,771	6,119,112
Other charges	8,683,396	13,126,504	2,457,469	10,669,035	2,392,027
	<u>16,656,829</u>	<u>21,341,813</u>	<u>9,894,885</u>	<u>11,446,928</u>	<u>7,098,103</u>
<b>Total Operations:</b>					
Personal services	94,477,663	94,455,290	91,573,459	2,881,831	82,284,472
Commodities	2,245,747	2,518,500	1,969,483	549,017	2,114,572
Contractual services	67,318,754	66,221,672	73,707,375	(7,485,703)	73,476,493
Capital outlay	149,240	1,252,761	1,988,772	(736,011)	6,314,807
Other charges	11,864,849	29,446,351	5,379,802	24,066,549	5,142,823
	<u>176,056,253</u>	<u>193,894,574</u>	<u>174,618,891</u>	<u>19,275,683</u>	<u>169,333,167</u>
<b>Disparity Reduction</b>					
Purchasing and Contract Services:					
Personal services	4,860,260	4,860,260	4,466,070	394,190	3,755,675
Commodities	95,750	95,750	141,176	(45,426)	591,822
Contractual services	296,440	296,440	265,819	30,621	299,959
Other charges	31,900	90,709	70,837	19,872	16,536
	<u>5,284,350</u>	<u>5,343,159</u>	<u>4,943,902</u>	<u>399,257</u>	<u>4,663,992</u>
Disparity Reduction Administration:					
Personal services	2,749,378	2,749,378	3,219,211	(469,833)	1,139,721
Commodities	2,600	2,625	658,531	(655,906)	315,836
Contractual services	7,669,894	7,603,797	10,285,679	(2,681,882)	670,246
Other charges	33,500	5,496,317	13,000	5,483,317	4,412
	<u>10,455,372</u>	<u>15,852,117</u>	<u>14,176,421</u>	<u>1,675,696</u>	<u>2,130,215</u>
Outreach and Community Supports:					
Personal services	1,240,548	1,240,548	984,372	256,176	-
Commodities	1,960	1,960	21,220	(19,260)	-
Contractual services	94,608	94,298	566,089	(471,791)	-
Capital outlay	-	-	84,223	(84,223)	-
Other charges	10,200	768,441	2,916	765,525	-
	<u>1,347,316</u>	<u>2,105,247</u>	<u>1,658,820</u>	<u>446,427</u>	<u>-</u>
Education Support Service:					
Personal services	1,370,286	1,370,286	1,318,042	52,244	1,163,732
Commodities	94,000	93,944	4,807	89,137	3,994
Contractual services	465,489	465,489	640,067	(174,578)	533,805
Other charges	12,300	221,918	1,000	220,918	46
	<u>1,942,075</u>	<u>2,151,637</u>	<u>1,963,916</u>	<u>187,721</u>	<u>1,701,577</u>
<b>Total Disparity Reduction:</b>					
Personal services	10,220,472	10,220,472	9,987,695	232,777	6,059,128
Commodities	194,310	194,279	825,734	(631,455)	911,652
Contractual services	8,526,431	8,460,024	11,757,654	(3,297,630)	1,504,010
Capital outlay	-	-	84,223	(84,223)	-
Other charges	87,900	6,577,385	87,753	6,489,632	20,994
	<u>19,029,113</u>	<u>25,452,160</u>	<u>22,743,059</u>	<u>2,709,101</u>	<u>8,495,784</u>

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - General Fund  
Budgetary Comparisons by Department**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023				
	Original Budget	Final Amended Budget	Actual	Variance with Final Budget	2022 Actual (Restated)
<b>EXPENDITURES - CURRENT, continued</b>					
<b>Health</b>					
NorthPoint Health & Wellness Center:					
Personal services .....	36,810,342	36,918,526	37,671,689	(753,163)	33,624,827
Commodities .....	2,596,531	2,565,559	3,613,214	(1,047,655)	2,354,072
Contractual services .....	7,587,714	7,778,526	6,659,751	1,118,775	7,497,942
Capital outlay .....	45,392	1,812,574	1,741,013	71,561	42,807
Other charges .....	727,860	1,188,704	575,379	613,325	982,744
	<u>47,767,839</u>	<u>50,263,889</u>	<u>50,261,046</u>	<u>2,843</u>	<u>44,502,392</u>
Medical Examiner:					
Personal services .....	8,361,174	8,361,174	7,711,237	649,937	7,136,316
Commodities .....	105,940	106,390	133,327	(26,937)	120,918
Contractual services .....	1,768,350	1,575,595	2,411,514	(835,919)	2,048,271
Capital outlay .....	-	-	-	-	(1,479)
Other charges .....	55,100	373,207	101,830	271,377	23,819
	<u>10,290,564</u>	<u>10,416,366</u>	<u>10,357,908</u>	<u>58,458</u>	<u>9,327,845</u>
Uncompensated Care:					
Contractual services .....	27,000,000	37,500,000	37,500,000	-	26,000,000
	<u>27,000,000</u>	<u>37,500,000</u>	<u>37,500,000</u>	<u>-</u>	<u>26,000,000</u>
Health Administration and Support:					
Personal services .....	547,309	547,309	305,170	242,139	441,012
Commodities .....	200	200	-	200	375
Contractual services .....	10,000	10,000	44,521	(34,521)	93,736
Other charges .....	-	-	5,352	(5,352)	-
	<u>557,509</u>	<u>557,509</u>	<u>355,043</u>	<u>202,466</u>	<u>535,123</u>
Sexual Assault Resources Service (SARS):					
Contractual services .....	1,200,000	1,187,750	284,900	902,850	743,945
	<u>1,200,000</u>	<u>1,187,750</u>	<u>284,900</u>	<u>902,850</u>	<u>743,945</u>
<b>Total Health:</b>					
Personal services .....	45,718,825	45,827,009	45,688,096	138,913	41,202,155
Commodities .....	2,702,671	2,672,149	3,746,541	(1,074,392)	2,475,365
Contractual services .....	37,566,064	48,051,871	46,900,686	1,151,185	36,383,894
Capital outlay .....	45,392	1,812,574	1,741,013	71,561	41,328
Other charges .....	782,960	1,561,911	682,561	879,350	1,006,563
	<u>86,815,912</u>	<u>99,925,514</u>	<u>98,758,897</u>	<u>1,166,617</u>	<u>81,109,305</u>
<b>Law, Safety and Justice</b>					
Law, Safety and Justice Operations:					
Personal services .....	11,313,636	11,313,636	10,644,247	669,389	9,371,298
Commodities .....	60,104	73,878	57,312	16,566	12,641
Contractual services .....	5,538,881	5,588,395	4,471,863	1,116,532	7,358,093
Capital outlay .....	-	-	158,110	(158,110)	-
Other charges .....	100,570	100,570	111,254	(10,684)	62,025
	<u>17,013,191</u>	<u>17,076,479</u>	<u>15,442,786</u>	<u>1,633,693</u>	<u>16,804,057</u>
County Attorney:					
Personal services .....	61,853,230	62,055,276	60,629,018	1,426,258	59,801,054
Commodities .....	169,709	4,271	405,521	(401,250)	280,784
Contractual services .....	7,828,979	7,375,959	7,672,252	(296,293)	7,160,638
Capital outlay .....	-	1,932,990	2,926,841	(993,851)	-
Other charges .....	126,150	610,990	345,106	265,884	487,417
	<u>69,978,068</u>	<u>71,979,486</u>	<u>71,978,738</u>	<u>748</u>	<u>67,729,893</u>
Adult Representation Services:					
Personal services .....	9,967,510	9,967,510	8,825,115	1,142,395	6,176,362
Commodities .....	24,640	24,481	27,162	(2,681)	18,536
Contractual services .....	2,096,291	1,740,865	2,197,088	(456,223)	945,302
Capital outlay .....	-	-	532	(532)	-
Other charges .....	99,550	99,550	84,282	15,268	70,402
	<u>12,187,991</u>	<u>11,832,406</u>	<u>11,134,179</u>	<u>698,227</u>	<u>7,210,602</u>
Court Functions:					
Contractual services .....	175,824	352,942	233,336	119,606	1,667,355
	<u>175,824</u>	<u>352,942</u>	<u>233,336</u>	<u>119,606</u>	<u>1,667,355</u>
Public Defender:					
Personal services .....	4,825,889	4,825,889	4,435,139	390,750	4,726,620
Commodities .....	62,500	62,500	25,659	36,841	80,932
Contractual services .....	4,318,713	4,318,713	4,381,494	(62,781)	4,600,185
Capital outlay .....	-	(300,000)	-	(300,000)	5,417
Other charges .....	44,700	429,421	27,431	401,990	23,519
	<u>9,251,802</u>	<u>9,336,523</u>	<u>8,869,723</u>	<u>466,800</u>	<u>9,436,673</u>
Sheriff's Office:					
Personal services .....	114,499,682	119,653,369	119,454,957	198,412	108,383,525
Commodities .....	5,915,922	5,737,626	6,877,176	(1,139,550)	6,438,282
Contractual services .....	18,246,322	18,296,880	17,703,947	592,933	17,233,515
Capital outlay .....	978,028	1,814,150	898,025	916,125	959,252
Other charges .....	1,566,632	1,312,067	1,877,710	(565,643)	2,827,442
	<u>141,206,586</u>	<u>146,814,092</u>	<u>146,811,815</u>	<u>2,277</u>	<u>135,842,016</u>

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - General Fund**  
**Budgetary Comparisons by Department**  
 For the Year Ended December 31, 2023  
 With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023				
	Original Budget	Final Amended Budget	Actual	Variance with Final Budget	2022 Actual (Restated)
<b>EXPENDITURES - CURRENT, continued</b>					
<b>Law, Safety and Justice, continued</b>					
Community Corrections and Rehabilitation:					
Personal services .....	101,802,792	104,643,130	102,076,363	2,566,767	91,728,324
Commodities .....	2,053,802	2,212,384	2,510,961	(298,577)	2,027,184
Contractual services .....	21,219,942	22,464,818	20,253,936	2,210,882	18,061,492
Capital outlay .....	75,000	63,805	131,213	(67,408)	231,500
Other charges .....	330,422	735,602	364,413	371,189	749,115
	<u>125,481,958</u>	<u>130,119,739</u>	<u>125,336,886</u>	<u>4,782,853</u>	<u>112,797,615</u>
<b>Total Law, Safety and Justice</b>					
Personal services .....	304,262,739	312,458,810	306,064,839	6,393,971	280,187,183
Commodities .....	8,286,677	8,115,140	9,903,791	(1,788,651)	8,858,359
Contractual services .....	59,424,952	60,138,572	56,913,916	3,224,656	57,026,580
Capital outlay .....	1,053,028	3,510,945	4,114,721	(603,776)	1,196,169
Other charges .....	2,268,024	3,288,200	2,810,196	478,004	4,219,920
	<u>375,295,420</u>	<u>387,511,667</u>	<u>379,807,463</u>	<u>7,704,204</u>	<u>351,488,211</u>
<b>Public Works</b>					
<b>Total Public Works:</b>					
Personal services .....	40,535,290	40,535,290	37,611,616	2,923,674	35,188,582
Commodities .....	4,690,919	5,765,256	5,726,249	39,007	3,636,136
Contractual services .....	27,690,121	23,661,839	26,426,747	(2,764,908)	28,290,254
Capital outlay .....	115,500	178,986	24,946	154,040	237,017
Other charges .....	573,137	451,727	314,965	136,762	296,041
	<u>73,604,967</u>	<u>70,593,098</u>	<u>70,104,523</u>	<u>488,575</u>	<u>67,648,030</u>
<b>Resident Services</b>					
Libraries:					
Personal services .....	50,423,629	50,423,629	49,727,298	696,331	45,926,000
Commodities .....	1,474,200	2,145,256	1,659,984	485,272	1,123,885
Contractual services .....	14,176,585	13,911,133	14,444,150	(533,017)	13,749,682
Capital outlay .....	4,937,644	5,258,062	5,920,231	(662,169)	5,586,042
Other charges .....	982,226	794,294	780,014	14,280	720,627
	<u>71,994,284</u>	<u>72,532,374</u>	<u>72,531,677</u>	<u>697</u>	<u>67,106,236</u>
Resident and Real Estate Services:					
Personal services .....	21,247,944	21,247,944	18,271,661	2,976,283	16,766,788
Commodities .....	400,400	404,355	474,631	(70,276)	668,821
Contractual services .....	9,085,032	9,029,582	4,323,980	4,705,602	4,899,055
Capital outlay .....	7,000	7,000	1,063	5,937	912,211
Other charges .....	1,909,350	1,909,350	1,646,423	262,927	1,284,459
	<u>32,649,726</u>	<u>32,598,231</u>	<u>24,717,758</u>	<u>7,880,473</u>	<u>24,531,334</u>
Service Centers:					
Personal services .....	11,099,282	11,099,282	9,903,595	1,195,687	9,263,241
Commodities .....	111,039	103,792	122,979	(19,187)	78,233
Contractual services .....	2,100,179	1,670,416	1,820,767	(150,351)	784,336
Capital outlay .....	-	-	12,120	(12,120)	-
Other charges .....	37,761	38,014	34,918	3,096	461,825
	<u>13,348,261</u>	<u>12,911,504</u>	<u>11,894,379</u>	<u>1,017,125</u>	<u>10,587,635</u>
Elections:					
Personal services .....	3,848,266	3,848,266	2,800,907	1,047,359	4,032,838
Commodities .....	326,500	444,625	442,104	2,521	200,553
Contractual services .....	1,596,200	1,279,496	1,224,804	54,692	3,032,212
Capital outlay .....	737,000	737,000	13,724	723,276	120,245
Other charges .....	10,540	326,514	8,512	318,002	8,254
	<u>6,518,506</u>	<u>6,635,901</u>	<u>4,490,051</u>	<u>2,145,850</u>	<u>7,394,102</u>
Resident Services Administration:					
Personal services .....	1,663,867	1,663,867	1,662,966	901	-
Commodities .....	7,598	7,598	1,687	5,911	-
Contractual services .....	61,800	61,800	56,712	5,088	-
Capital outlay .....	-	-	-	-	-
Other charges .....	10,000	10,000	4,179	5,821	-
	<u>1,743,265</u>	<u>1,743,265</u>	<u>1,725,544</u>	<u>17,721</u>	<u>-</u>
Assessor:					
Personal services .....	8,020,734	8,020,734	6,963,717	1,057,017	6,522,144
Commodities .....	39,500	39,500	52,413	(12,913)	42,544
Contractual services .....	810,821	910,821	773,599	137,222	679,275
Capital outlay .....	-	-	-	-	-
Other charges .....	73,300	179,527	70,722	108,805	64,624
	<u>8,944,355</u>	<u>9,150,582</u>	<u>7,860,451</u>	<u>1,290,131</u>	<u>7,308,587</u>
Examiner of Titles:					
Personal services .....	1,404,998	1,404,998	1,433,861	(28,863)	1,229,450
Commodities .....	6,500	6,500	129	6,371	226
Contractual services .....	71,460	71,460	53,629	17,831	282,457
Capital outlay .....	1,000	1,000	-	1,000	-
Other charges .....	65,600	65,723	5,505	60,218	7,139
	<u>1,549,558</u>	<u>1,549,681</u>	<u>1,493,124</u>	<u>56,557</u>	<u>1,519,272</u>



**Schedules of Revenues, Expenditures, and Changes in Fund Balance - General Fund  
Budgetary Comparisons by Department**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023				
	Original Budget	Final Amended Budget	Actual	Variance with Final Budget	2022 Actual (Restated)
<b>EXPENDITURES - CURRENT, continued</b>					
<b>Resident Services, continued</b>					
<b>Total Resident Services:</b>					
Personal services .....	97,708,720	97,708,720	90,764,005	6,944,715	83,740,461
Commodities .....	2,365,737	3,151,626	2,753,927	397,699	2,114,262
Contractual services .....	27,902,077	26,934,708	22,697,641	4,237,067	23,427,017
Capital outlay .....	5,682,644	6,003,062	5,947,138	55,924	6,618,498
Other charges .....	3,088,777	3,323,422	2,550,273	773,149	2,546,928
	<u>136,747,955</u>	<u>137,121,538</u>	<u>124,712,984</u>	<u>12,408,554</u>	<u>118,447,166</u>
<b>TOTAL EXPENDITURES - CURRENT:</b>					
Personal services .....	592,923,709	601,205,591	581,689,710	19,515,881	528,661,981
Commodities .....	20,486,061	22,416,950	24,925,725	(2,508,775)	20,110,346
Contractual services .....	228,428,399	233,468,686	238,404,019	(4,935,333)	220,108,248
Capital outlay .....	7,045,804	12,758,328	13,900,813	(1,142,485)	14,407,819
Other charges .....	18,665,647	44,648,996	11,825,550	32,823,446	13,233,269
	<u>867,549,620</u>	<u>914,498,551</u>	<u>870,745,817</u>	<u>43,752,734</u>	<u>796,521,663</u>
<b>EXPENDITURES - DEBT SERVICE</b>					
Principal retirement .....	-	3,662,314	3,662,314	-	1,896,579
Interest and fiscal charges .....	-	282,860	282,860	-	252,279
	<u>-</u>	<u>3,945,174</u>	<u>3,945,174</u>	<u>-</u>	<u>2,148,858</u>
Total Expenditures	<u>867,549,620</u>	<u>918,443,725</u>	<u>874,690,991</u>	<u>43,752,734</u>	<u>798,670,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38,626,550)</u>	<u>17,633,254</u>	<u>129,836,663</u>	<u>112,203,409</u>	<u>16,827,612</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in .....	5,222,500	5,222,500	5,075,000	(147,500)	5,000,000
Transfers out .....	-	(63,116,904)	(70,444,634)	(7,327,730)	(34,035,066)
Leases and subscriptions .....	-	3,101,834	4,326,641	1,224,807	5,420,638
Total Other Financing Sources (Uses)	<u>5,222,500</u>	<u>(54,792,570)</u>	<u>(61,042,993)</u>	<u>(6,250,423)</u>	<u>(23,614,428)</u>
Net Change in Fund Balance	<u>(33,404,050)</u>	<u>(37,159,316)</u>	<u>68,793,670</u>	<u>\$ 105,952,986</u>	<u>(6,786,816)</u>
Fund Balance - Beginning	<u>235,521,883</u>	<u>235,521,883</u>	<u>235,521,883</u>		<u>242,308,699</u>
Fund Balance - Ending	<u>\$ 202,117,833</u>	<u>\$ 198,362,567</u>	<u>\$ 304,315,553</u>		<u>\$ 235,521,883</u>

<sup>1</sup> The General County Purposes program in Operations included functions such as Retiree Health Care, Employee Tuition Assistance, support of Youth Activities, the County Fair, the Hennepin History Museum, and Hennepin County Extension Services; and Dues/Contributions paid to organizations benefiting the County.

See notes to required supplementary information.



**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Human Services Fund**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023					2022 Actual (Restated)
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes . . . . .	\$ 275,665,951	\$ 275,915,951	\$ 272,003,222	\$ (3,912,729)	\$	277,358,008
Other taxes . . . . .	-	-	127,761	127,761		148,944
Intergovernmental . . . . .	321,383,978	337,864,891	364,854,784	26,989,893		323,606,029
Investment earnings (losses) . . . . .	-	-	(104,512)	(104,512)		22,290
Charges for services . . . . .	51,282,620	51,282,620	49,644,651	(1,637,969)		44,226,479
Opioid settlements . . . . .	2,333,333	2,333,333	2,054,398	(278,935)		8,277,173
Licenses and permits . . . . .	2,225,000	2,225,000	2,166,787	(58,213)		2,063,717
Other . . . . .	2,458,160	2,561,660	3,103,929	542,269		2,297,598
<b>Total Revenues</b>	<b>655,349,042</b>	<b>672,183,455</b>	<b>693,851,020</b>	<b>21,667,565</b>		<b>658,000,238</b>
<b>EXPENDITURES</b>						
<b>Human Services:</b>						
Personal services . . . . .	386,730,207	397,502,353	397,342,743	159,610		351,493,943
Commodities . . . . .	2,925,388	3,028,888	4,220,721	(1,191,833)		3,510,537
Contractual services . . . . .	61,143,032	87,700,616	80,461,169	7,239,447		47,237,368
Public aid assistance . . . . .	221,014,055	242,664,716	228,393,799	14,270,917		222,695,812
Capital outlay . . . . .	40,000	40,000	834,489	(794,489)		2,810,483
Other . . . . .	19,750,797	51,316,671	20,228,931	31,087,740		22,458,593
<b>Debt Service:</b>						
Principal retirement . . . . .	-	-	1,460,921	(1,460,921)		1,371,598
Interest and fiscal charges . . . . .	-	-	343,240	(343,240)		319,655
<b>Total Expenditures</b>	<b>691,603,479</b>	<b>782,253,244</b>	<b>733,286,013</b>	<b>48,967,231</b>		<b>651,897,989</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(36,254,437)</b>	<b>(110,069,789)</b>	<b>(39,434,993)</b>	<b>70,634,796</b>		<b>6,102,249</b>
<b>OTHER FINANCING SOURCES</b>						
Transfers in . . . . .	-	31,558,452	31,558,452	-		23,256,760
Leases and subscriptions . . . . .	-	-	764,014	764,014		2,683,917
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>31,558,452</b>	<b>32,322,466</b>	<b>764,014</b>		<b>25,940,677</b>
<b>Net Change in Fund Balance</b>	<b>(36,254,437)</b>	<b>(78,511,337)</b>	<b>(7,112,527)</b>	<b>\$ 71,398,810</b>		<b>32,042,926</b>
<b>Fund Balance - Beginning</b>	<b>232,949,741</b>	<b>232,949,741</b>	<b>232,949,741</b>			<b>200,906,815</b>
<b>Fund Balance - Ending</b>	<b>\$ 196,695,304</b>	<b>\$ 154,438,404</b>	<b>\$ 225,837,214</b>		<b>\$</b>	<b>232,949,741</b>

See notes to required supplementary information.

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Ballpark Sales Tax Fund**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Sales tax . . . . .	\$ 43,607,845	\$ 43,607,845	\$ 48,589,823	\$ 4,981,978	\$ 47,884,127	
Investment earnings (losses) . . . . .	-	-	2,686,637	2,686,637	392,593	
Total Revenues	43,607,845	43,607,845	51,276,460	7,668,615	48,276,720	
<b>EXPENDITURES</b>						
<b>Operations</b>						
Contractual services . . . . .	500,000	500,000	337,648	162,352	342,597	
Grants . . . . .	2,165,000	2,165,000	2,164,207	793	1,989,250	
Total Expenditures	2,665,000	2,665,000	2,501,855	163,145	2,331,847	
Excess of Revenues Over Expenditures	40,942,845	40,942,845	48,774,605	7,831,760	45,944,873	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out . . . . .	(57,052,750)	(57,052,750)	(56,640,034)	412,716	(15,149,321)	
Net Change in Fund Balance	(16,109,905)	(16,109,905)	(7,865,429)	\$ 8,244,476	30,795,552	
Fund Balance - Beginning	56,628,285	56,628,285	56,628,285		25,832,733	
Fund Balance - Ending	\$ 40,518,380	\$ 40,518,380	\$ 48,762,856		\$ 56,628,285	

See notes to required supplementary information.

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Other Sales Tax Fund**

For the Year Ended December 31, 2023

With Comparative Actual Amounts for Year Ended December 31, 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Sales tax .....	\$ 146,200,000	\$ 146,200,000	\$ 163,458,338	\$ 17,258,338	\$ 161,287,432	
Intergovernmental .....	-	-	9,381,360	9,381,360	57,082	
Total Revenues	146,200,000	146,200,000	172,839,698	26,639,698	161,344,514	
<b>EXPENDITURES</b>						
<b>Public Works</b>						
Contractual services .....	700,000	700,000	610,119	89,881	946,188	
Intergovernmental .....	28,100,000	28,100,000	16,674,514	11,425,486	22,431,184	
Total Expenditures	28,800,000	28,800,000	17,284,633	11,515,367	23,377,372	
Excess of Revenues Over Expenditures	117,400,000	117,400,000	155,555,065	38,155,065	137,967,142	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out .....	(166,081,500)	(166,081,500)	(145,846,742)	20,234,758	(123,760,649)	
Net Change in Fund Balance	(48,681,500)	(48,681,500)	9,708,323	\$ 58,389,823	14,206,493	
Fund Balance - Beginning	271,054,291	271,054,291	271,054,291		256,847,798	
Fund Balance - Ending	\$ 222,372,791	\$ 222,372,791	\$ 280,762,614		\$ 271,054,291	

See notes to required supplementary information.

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Housing and Redevelopment Authority Fund**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes . . . . .	\$ 17,640,360	\$ 17,640,360	\$ 17,420,964	\$ (219,396)	\$ 17,805,955	
Intergovernmental . . . . .	320,000	320,000	71,961	(248,039)	105,402	
Investment earnings (losses) . . . . .	70,000	70,000	1,598,860	1,528,860	(1,515,160)	
Charges for services . . . . .	1,070,000	1,070,000	1,074,972	4,972	997,278	
Other . . . . .	162,087	302,224	1,228,038	925,814	2,602,961	
<b>Total Revenues</b>	<b>19,262,447</b>	<b>19,402,584</b>	<b>21,394,795</b>	<b>1,992,211</b>	<b>19,996,436</b>	
<b>EXPENDITURES</b>						
<b>Housing and Redevelopment Authority:</b>						
Commodities . . . . .	1,250	1,250	-	1,250	-	
Contractual services . . . . .	11,609,822	11,556,512	18,042,616	(6,486,104)	7,221,062	
Capital outlay . . . . .	-	-	-	-	1,854,923	
Other . . . . .	32,580	32,580	85,433	(52,853)	1,468,379	
Grants and contributions . . . . .	8,118,795	17,668,132	13,898,266	3,769,866	9,266,875	
<b>Total Expenditures</b>	<b>19,762,447</b>	<b>29,258,474</b>	<b>32,026,315</b>	<b>(2,767,841)</b>	<b>19,811,239</b>	
Excess (Deficiency) of Revenues Over Expenditures	(500,000)	(9,855,890)	(10,631,520)	(775,630)	185,197	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in . . . . .	500,000	500,000	15,404,692	14,904,692	7,302,246	
Sale of capital assets . . . . .	-	9,409,200	-	(9,409,200)	-	
<b>Total Other Financing Sources (Uses)</b>	<b>500,000</b>	<b>9,909,200</b>	<b>15,404,692</b>	<b>5,495,492</b>	<b>7,302,246</b>	
Net Change in Fund Balance	-	53,310	4,773,172	\$ 4,719,862	7,487,443	
Fund Balance - Beginning	47,557,576	47,557,576	47,557,576		40,070,133	
Fund Balance - Ending	\$ 47,557,576	\$ 47,610,886	\$ 52,330,748		\$ 47,557,576	

See notes to required supplementary information.

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Regional Railroad Authority Fund**

For the Year Ended December 31, 2023

With Summarized Comparative Actual Amounts for Year Ended December 31, 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes . . . . .	\$ 22,428,061	\$ 22,428,061	\$ 22,027,839	\$ (400,222)	\$	22,553,983
Intergovernmental . . . . .	50,000	50,000	-	(50,000)		49,550
Investment earnings (losses) . . . . .	100,000	100,000	2,844,261	2,744,261		(2,786,669)
Charges for services . . . . .	310,000	310,000	363,925	53,925		794,538
Other . . . . .	-	-	109,866	109,866		468,045
<b>Total Revenues</b>	<b>22,888,061</b>	<b>22,888,061</b>	<b>25,345,891</b>	<b>2,457,830</b>		<b>21,079,447</b>
<b>EXPENDITURES</b>						
<b>Regional Railroad Authority:</b>						
Commodities . . . . .	22,200	5,806	286,622	(280,816)		2,715
Contractual services . . . . .	8,467,885	8,483,053	9,065,955	(582,902)		4,645,235
Capital outlay . . . . .	14,210,100	14,038,257	-	14,038,257		15,000
Other . . . . .	287,876	289,626	123,651	165,975		28,684
<b>Total Expenditures</b>	<b>22,988,061</b>	<b>22,816,742</b>	<b>9,476,228</b>	<b>13,340,514</b>		<b>4,691,634</b>
Excess (Deficiency) of Revenues Over Expenditures	(100,000)	71,319	15,869,663	15,798,344		16,387,813
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in . . . . .	-	-	-	-		2,999,965
Sale of capital assets . . . . .	100,000	100,000	-	(100,000)		13,374
<b>Total Other Financing Sources</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>(100,000)</b>		<b>3,013,339</b>
Net Change in Fund Balance	-	171,319	15,869,663	\$ 15,698,344		19,401,152
Fund Balance - Beginning	72,545,281	72,545,281	72,545,281			53,144,129
Fund Balance - Ending	\$ 72,545,281	\$ 72,716,600	\$ 88,414,944		\$	72,545,281

See notes to required supplementary information.

## Notes to Required Supplementary Information

December 31, 2023

### A. Stewardship, Compliance and Accountability

Budgets are presented on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service, and enterprise funds. These annual appropriations lapse at year-end to the extent that they have not been expended or encumbered. For the following Human Services, HRA, and RRA non-lapsing project budgets, total actual project expenditures may not exceed total appropriated budgets:

Year	Appropriated Budget	Actual Expenditures	Remaining Budget
<u>Human Services:</u>			
2022	\$ 450,000	\$ 403,014	\$ 46,986
2023	2,436,833	2,436,591	242
	<u>\$2,886,833</u>	<u>\$2,839,605</u>	<u>47,228</u>
<u>HRA:</u>			
2020 and prior	\$179,821,231	\$137,176,667	\$ 42,644,564
2021	18,571,294	8,457,714	10,113,580
2022	58,994,844	14,740,420	44,254,424
2023	24,829,004	28,317,633	(3,488,629)
Projects closed	<u>(63,018,000)</u>	<u>(63,018,000)</u>	-
	<u>\$219,198,373</u>	<u>\$125,674,434</u>	<u>\$ 93,523,939</u>
<u>RRA:</u>			
2020 and prior	\$311,781,136	\$228,471,579	\$ 83,309,557
2021	12,992,000	6,669,699	6,322,301
2022	13,088,305	(32,021)	13,120,326
2023	12,092,775	3,398,500	8,694,275
Projects closed	<u>(182,956,582)</u>	<u>(182,956,582)</u>	-
	<u>\$166,997,634</u>	<u>\$55,551,175</u>	<u>\$111,446,459</u>

Project-length financial plans are adopted for all capital projects in the five-year Capital Improvement Plan. An annual capital budget is adopted that reflects the annual appropriation for the project-length plans, which does not lapse until the project is completed.

In approximately July of each year, County departments submit budget requests for the following year to the County Administrator. The budget is prepared by fund and department and includes information on the past year, current year estimates, and requested appropriations. The County Administrator reviews the budget requests, makes modifications to the requests, and submits the total budget to the County Board.

The County Board must adopt a proposed maximum property tax levy by September 30. The Board holds public hearings, makes modifications to the budget, and legally enacts the budget by passage of a resolution. The final levy must be certified to the County Auditor by December 20. Expenditures may not legally exceed budgeted appropriations at the departmental level.

The County Administrator may adjust budgets between accounts within a department. The Deputy or Assistant County Administrators for Public Works and Human Services have been delegated authority by the Board to transfer budgeted amounts between departments within those respective program areas. The County Board may authorize all other changes in the budget, including the transfer of budgeted amounts between all departments.

## Notes to Required Supplementary Information

December 31, 2023

### B. Internal Service Fund Long-Term Obligations

In December 2023, \$95,032 of G.O. bond liabilities, along with the related capital assets, were transferred to the Energy Center Internal Service Fund, as the Energy Center Fund activities will be used to pay the annual debt service requirements of these G.O. bonds.

### C. Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios

#### General Employees Fund

##### 2023 Changes

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

##### 2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

##### 2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

##### 2020 Changes

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2% for the period July 1, 2020 through December 31, 2023 and 0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios (continued)

#### General Employees Fund – continued

##### **2020 Changes (continued)**

Changes in Actuarial Assumptions (continued):

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

##### **2019 Changes**

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

##### **2018 Changes**

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

##### **2017 Changes**

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.



## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios (continued)

#### General Employees Fund – continued

##### **2017 Changes (continued)**

Changes in Plan Provisions (continued)

- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1% per year for all years to 1% per year through 2044 and 2.5% per year thereafter.

##### **2016 Changes**

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2035 and 2.5% per year thereafter to 1% per year for all years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

##### **2015 Changes**

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2035 and 2.5% per year thereafter.

#### Police and Fire Fund

##### **2023 Changes**

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios (continued)

#### Police and Fire Fund (continued)

##### 2023 Changes (continued)

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

##### **2022 Changes**

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

##### **2021 Changes**

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

##### **2020 Changes**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

##### **2019 Changes**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes In Net Pension Liabilities and Related Ratios – continued

#### Police and Fire Fund – continued

##### 2018 Changes

Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1% for all years, with no trigger.
  - An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
  - New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
  - Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
  - Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019 and 17.7% of pay, effective January 1, 2020.
  - Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
  - Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
  - Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.
- Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2016 to MP-2017.

##### 2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The Single Discount Rate was changed from 5.6% per annum to 7.5% per annum.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes In Net Pension Liabilities and Related Ratios – continued

#### Police and Fire Fund – continued

##### 2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2037 and 2.5% thereafter to 1% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

##### 2015 Changes

Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2037 and 2.5% per year thereafter.

#### Correctional Fund

##### 2023 Changes

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

Changes in Actuarial Assumptions:

- The investment return rate was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.42% to 7.0%.

##### 2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.42%.
- The benefit increase assumption was changed from 2% per annum to 2% per annum through December 31, 2054 and 1.5% per annum thereafter.

##### 2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3%.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes In Net Pension Liabilities and Related Ratios – continued

#### Correctional Fund (continued)

##### **2021 Changes - continued**

Changes in Actuarial Assumptions - continued:

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

##### **2020 Changes**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

##### **2019 Changes**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

##### **2018 Changes**

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.5% per year with a provision to reduce to 1% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Changes in Actuarial Assumptions:

- The Single Discount Rate was changed from 5.96% per annum to 7.5% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.5% per year to 2% per year.

## Notes to Required Supplementary Information

December 31, 2023

### C. Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios – continued

#### Correctional Fund (continued)

##### 2017 Changes

Changes in Actuarial Assumptions:

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

##### 2016 Changes

Changes in Actuarial Assumptions:

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

### D. Notes to Schedule of Changes in Net OPEB Liabilities and Related Ratios

#### OPEB – Excluding Medical Center

The County's OPEB plan is a single-employer defined benefit plan administered by the County. Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement No. 75.

##### 2023 Changes

Changes in Actuarial Assumptions:

- Discount rate increased from 2.06% to 3.72%
- Pub-2010 Male Healthy Retired General Mortality Table and Female Healthy Retired General Mortality Table were adjusted for mortality improvements using projects on scale MP-2021.

##### 2022 Changes

Changes in Actuarial Assumptions:

- Discount rate decreased from 2.12% to 2.06%
- Pub-2010 Male Healthy Retired General Mortality Table and Female Healthy Retired General Mortality Table were adjusted for mortality improvements using projects on scale MP-2020.

##### 2021 Changes

Changes in Actuarial Assumptions:

- Discount rate decreased from 2.74% to 2.12%

##### 2020 Changes

Changes in Actuarial Assumptions:

- Discount rate decreased from 4.1% to 2.74%
- The participation rate for the county access only active participants has been increased from 20% to 25%
- Annual medical trade rate increased from 5.1% to 6%

## Notes to Required Supplementary Information

December 31, 2023

### D. Notes to Schedule of Changes in Net OPEB Liabilities and Related Ratios - continued

#### OPEB – Excluding Medical Center - continued

##### **2020 Changes**

Changes in Actuarial Assumptions (continued)

- Demographic assumptions for the general group were updated based on the June 27, 2019 experience study completed for the PERA of Minnesota General pension plan.

##### **2019 Changes**

Changes in Actuarial Assumptions:

- Discount rate increased to 4.1% from 3.44%
- The participation rate for the county access only active participants has been increased from 15% to 20%
- Annual medical trade rate decreased from 5.5% to 5.1%

#### OPEB – Medical Center

The Medical Center OPEB plan is a single-employer defined benefit plan administered by the Medical Center. Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

##### **2023 Changes**

Changes in Actuarial Assumptions:

- Discount rate increased from 2.06% to 3.72%

##### **2022 Changes**

Changes in Actuarial Assumptions:

- Discount rate decreased from 2.12% to 2.06%
- Pub-2010 Male Healthy Retired General Mortality Table and Female Healthy Retired General Mortality Table were adjusted for mortality improvements using projects on scale MP-2020.

##### **2021 Changes**

Changes in Actuarial Assumptions:

- Discount rate decreased from 2.74% to 2.12%

##### **2020 Changes**

Changes in Actuarial Assumptions:

- Discount rate decreased from 4.1% to 2.74%
- The participation rate for paid coverage activate participants has been updated from 100% to 85% and the participation rate for access only active participants has been updated from 25% to 30%.
- Demographic assumptions for the general group were updated based on the June 27, 2019 experience study completed for the PERA of Minnesota General pension plan.

##### **2019 Changes**

Changes in Actuarial Assumptions:

- Discount rate increased to 4.1% from 3.44%
- Annual medical trade rate decreased from 6.1% to 5.6%





---

# **Supplementary Information Governmental Funds**

---



Hennepin County, Minnesota

**General Fund - Balance Sheets**

December 31, 2023 and 2022

	2023		2022
<b>ASSETS</b>			
Cash and Investments . . . . .	\$ 374,111,451	\$	398,192,372
Delinquent taxes receivable, net . . . . .	7,482,354		5,220,198
Due from other governmental agencies . . . . .	14,388,300		9,042,562
Accrued investment interest . . . . .	8,411,279		5,781,591
Interfund receivable . . . . .	3,019,801		7,062,622
Other receivable . . . . .	10,134,599		10,668,617
Prepaid items . . . . .	2,496,142		2,315,524
Inventories . . . . .	2,889,487		2,365,670
Lease receivables . . . . .	9,912,188		9,152,431
Notes receivable . . . . .	1,189,292		189,292
Restricted cash and investments . . . . .	5,648,832		5,623,638
<b>Total Assets</b>	<b>\$ 439,683,725</b>	\$	<b>455,614,517</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts and contracts payable . . . . .	\$ 28,321,446	\$	21,850,549
Accrued liabilities . . . . .	26,213,314		24,302,682
Interfund payable . . . . .	9,420,879		6,888,200
Unearned revenue . . . . .	50,532,169		150,573,755
<b>Total Liabilities</b>	<b>114,487,808</b>		<b>203,615,186</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - property taxes . . . . .	6,174,754		4,554,598
Unavailable revenue - intergovernmental . . . . .	5,031,887		2,867,057
Lease related . . . . .	9,673,723		9,055,793
<b>Total Deferred Inflows of Resources</b>	<b>20,880,364</b>		<b>16,477,448</b>
<b>Fund Balances:</b>			
Nonspendable . . . . .	7,434,349		6,732,134
Restricted . . . . .	40,043,324		22,478,070
Assigned . . . . .	79,232,031		49,452,252
Unassigned . . . . .	177,605,849		156,859,427
<b>Total Fund Balances</b>	<b>304,315,553</b>		<b>235,521,883</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 439,683,725</b>	\$	<b>455,614,517</b>

**Special Revenue Funds - Balance Sheets**

December 31, 2023 and 2022

	Human Services		Ballpark Sales Tax	
	2023	2022	2023	2022
<b>ASSETS</b>				
Cash and investments . . . . .	\$ 206,588,294	\$ 205,128,033	\$ -	\$ -
Delinquent taxes receivable, net . . . . .	2,462,830	1,783,164	-	-
Due from other governmental agencies . . . . .	75,145,534	68,168,538	8,269,915	9,001,909
Interfund receivable . . . . .	2,586,905	5,308,850	-	-
Other receivables . . . . .	944,559	559,860	-	-
Prepaid items . . . . .	506,403	178,677	-	-
Land held for resale . . . . .	-	-	-	-
Notes receivable . . . . .	-	-	-	-
Restricted cash and investments . . . . .	-	-	40,548,664	47,683,425
<b>Total Assets</b>	<b>\$ 288,234,525</b>	<b>\$ 281,127,122</b>	<b>\$ 48,818,579</b>	<b>\$ 56,685,334</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and contracts payable . . . . .	\$ 35,621,223	\$ 30,259,355	\$ 55,723	\$ 57,049
Accrued liabilities . . . . .	12,829,419	11,407,432	-	-
Interfund payable . . . . .	377,631	302,126	-	-
Unearned revenue . . . . .	162,943	164,428	-	-
<b>Total Liabilities</b>	<b>48,991,216</b>	<b>42,133,341</b>	<b>55,723</b>	<b>57,049</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes . . . . .	2,106,730	1,612,664	-	-
Unavailable revenue - intergovernmental . . . . .	11,299,365	4,431,376	-	-
<b>Total Deferred Inflows of Resources</b>	<b>13,406,095</b>	<b>6,044,040</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable . . . . .	506,403	178,677	-	-
Restricted . . . . .	15,566,383	10,362,896	48,762,856	56,628,285
Committed . . . . .	209,764,428	222,408,168	-	-
<b>Total Fund Balances</b>	<b>225,837,214</b>	<b>232,949,741</b>	<b>48,762,856</b>	<b>56,628,285</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 288,234,525</b>	<b>\$ 281,127,122</b>	<b>\$ 48,818,579</b>	<b>\$ 56,685,334</b>

Other Sales Tax		Housing and Redevelopment Authority		Regional Railroad Authority	
2023	2022	2023	2022	2023	2022
\$ -	\$ -	\$ 44,583,184	\$ 39,069,238	\$ 89,284,574	\$ 73,073,951
-	-	147,237	100,799	273,294	194,825
33,514,264	16,094,841	-	-	716,015	-
-	-	-	-	-	-
-	-	48,852	72,134	119,373	133,333
-	-	34,043	33,798	-	-
-	-	2,700,000	2,700,000	-	-
-	-	5,226,102	6,157,845	-	-
270,596,314	255,108,850	1,245,110	1,283,468	579,961	554,735
<u>\$ 304,110,578</u>	<u>\$ 271,203,691</u>	<u>\$ 53,984,528</u>	<u>\$ 49,417,282</u>	<u>\$ 90,973,217</u>	<u>\$ 73,956,844</u>
\$ 3,150,537	\$ 149,400	\$ 1,529,543	\$ 1,770,007	\$ 1,493,063	\$ 1,235,527
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	57,659	311
<u>3,150,537</u>	<u>149,400</u>	<u>1,529,543</u>	<u>1,770,007</u>	<u>1,550,722</u>	<u>1,235,838</u>
-	-	124,237	89,699	232,594	175,725
20,197,427	-	-	-	774,957	-
<u>20,197,427</u>	<u>-</u>	<u>124,237</u>	<u>89,699</u>	<u>1,007,551</u>	<u>175,725</u>
-	-	34,043	33,798	-	-
280,762,614	271,054,291	52,296,705	47,523,778	88,414,944	72,545,281
-	-	-	-	-	-
<u>280,762,614</u>	<u>271,054,291</u>	<u>52,330,748</u>	<u>47,557,576</u>	<u>88,414,944</u>	<u>72,545,281</u>
<u>\$ 304,110,578</u>	<u>\$ 271,203,691</u>	<u>\$ 53,984,528</u>	<u>\$ 49,417,282</u>	<u>\$ 90,973,217</u>	<u>\$ 73,956,844</u>

Hennepin County, Minnesota

**RRA Debt Service Fund - Balance Sheets**

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and investments .....	\$ 1,042,557	\$ 770,202
<b>FUND BALANCES</b>		
Restricted .....	\$ 1,042,557	\$ 770,202

**General Debt Service Fund - Balance Sheets**

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and investments . . . . .	\$ 14,590,243	\$ 9,890,768
Delinquent taxes receivable, net . . . . .	816,796	574,171
Other receivable . . . . .	3,000,000	-
Notes receivable . . . . .	6,605,000	7,280,000
Restricted cash and investments . . . . .	1,172,997	1,251,681
<b>Total Assets</b>	<b>\$ 26,185,036</b>	<b>\$ 18,996,620</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 1,711,959	\$ 779,500
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue - property taxes . . . . .	693,596	516,271
Unavailable revenue - intergovernmental . . . . .	6,605,000	7,280,000
<b>Total Deferred Inflows of Resources</b>	<b>7,298,596</b>	<b>7,796,271</b>
<b>Fund Balances:</b>		
Restricted . . . . .	17,174,481	10,420,849
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 26,185,036</b>	<b>\$ 18,996,620</b>

**Capital Projects Fund - Balance Sheets**

December 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash and investments . . . . .	\$ 44,281,109	\$ 73,592,882
Delinquent taxes receivable, net . . . . .	11,978	16,214
Due from other governmental agencies . . . . .	27,785,058	1,710,004
Accrued investment interest . . . . .	-	-
Prepaid items . . . . .	-	26,376
Other receivable . . . . .	22,412	-
	<hr/>	<hr/>
Total Assets	\$ 72,100,557	\$ 75,345,476
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts and contracts payable . . . . .	\$ 37,621,125	\$ 29,012,377
Interfund payable . . . . .	-	1,482,785
Unearned revenue . . . . .	7,030,644	-
Total Liabilities	<hr/> 44,651,769	<hr/> 30,495,162
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue - property taxes . . . . .	10,978	14,814
Unavailable revenue - intergovernmental . . . . .	27,495,468	488,263
	<hr/>	<hr/>
Total Deferred Inflows of Resources	27,506,446	503,077
<b>Fund Balances:</b>		
Restricted . . . . .	-	44,347,237
Unassigned . . . . .	(57,658)	-
	<hr/>	<hr/>
Total Fund Balances	(57,658)	44,347,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<hr/> \$ 72,100,557	<hr/> \$ 75,345,476



**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund**

For the Years Ended December 31, 2023 and 2022

	2023					2022 Actual (Restated)
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes	\$ 553,039,122	\$ 552,789,122	\$ 548,255,983	\$ (4,533,139)	\$ 533,690,876	
Wheelage tax	20,800,000	20,800,000	20,096,378	(703,622)	19,719,096	
Other taxes	2,914,100	2,914,100	2,593,344	(320,756)	3,707,844	
Intergovernmental	110,397,745	215,464,392	252,269,144	36,804,752	211,525,648	
Investment earnings (losses)	16,922,500	16,922,500	70,561,312	53,638,812	(61,553,543)	
Charges for services	95,903,160	98,028,160	84,758,957	(13,269,203)	83,723,967	
Fines and forfeits	247,500	400,085	310,224	(89,861)	343,762	
Licenses and permits	6,085,892	6,085,892	5,862,568	(223,324)	5,558,957	
Other	22,613,051	22,672,728	19,819,744	(2,852,984)	18,781,526	
<b>Total Revenues</b>	<b>828,923,070</b>	<b>936,076,979</b>	<b>1,004,527,654</b>	<b>68,450,675</b>	<b>815,498,133</b>	
<b>EXPENDITURES</b>						
Current:						
Operations	176,056,253	193,894,574	174,618,891	19,275,683	169,333,167	
Disparity reduction	19,029,113	25,452,160	22,743,059	2,709,101	8,495,784	
Health	86,815,912	99,925,514	98,758,897	1,166,617	81,109,305	
Law, safety and justice	375,295,420	387,511,667	379,807,463	7,704,204	351,488,211	
Public works	73,604,967	70,593,098	70,104,523	488,575	67,648,030	
Resident services	136,747,955	137,121,538	124,712,984	12,408,554	118,447,166	
Debt service:						
Principal retirement	-	3,662,314	3,662,314	-	1,896,579	
Interest and fiscal charges	-	282,860	282,860	-	252,279	
<b>Total Expenditures</b>	<b>867,549,620</b>	<b>918,443,725</b>	<b>874,690,991</b>	<b>43,752,734</b>	<b>798,670,521</b>	
Excess (Deficiency) of Revenues Over Expenditures	(38,626,550)	17,633,254	129,836,663	112,203,409	16,827,612	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	5,222,500	5,222,500	5,075,000	(147,500)	5,000,000	
Transfers out	-	(63,116,904)	(70,444,634)	(7,327,730)	(34,035,066)	
Leases and subscriptions	-	3,101,834	4,326,641	1,224,807	5,420,638	
<b>Total Other Financing Sources (Uses)</b>	<b>5,222,500</b>	<b>(54,792,570)</b>	<b>(61,042,993)</b>	<b>(6,250,423)</b>	<b>(23,614,428)</b>	
<b>Net Change in Fund Balance</b>	<b>(33,404,050)</b>	<b>(37,159,316)</b>	<b>68,793,670</b>	<b>\$ 105,952,986</b>	<b>(6,786,816)</b>	
Fund Balance - Beginning	235,521,883	235,521,883	235,521,883		242,308,699	
<b>Fund Balance - Ending</b>	<b>\$ 202,117,833</b>	<b>\$ 198,362,567</b>	<b>\$ 304,315,553</b>		<b>\$ 235,521,883</b>	

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
RRA Debt Service Fund**

For the Years Ended December 31, 2023 and 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes . . . . .	\$ 8,793,100	\$ 8,793,100	\$ 9,065,455	\$ 272,355	\$	\$ 8,308,091
<b>EXPENDITURES</b>						
Debt Service:						
Principal retirement . . . . .	4,570,000	4,570,000	4,570,000	-		4,345,000
Interest and fiscal charges . . . . .	4,223,100	4,223,100	4,223,100	-		4,440,350
Total Expenditures	8,793,100	8,793,100	8,793,100	-		8,785,350
Net Change in Fund Balance	-	-	272,355	\$ 272,355		(477,259)
Fund Balance - Beginning	770,202	770,202	770,202			1,247,461
Fund Balance - Ending	\$ 770,202	\$ 770,202	\$ 1,042,557		\$	\$ 770,202

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Debt Service Fund**

For the Years Ended December 31, 2023 and 2022

	2023					2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>REVENUES</b>						
Property taxes . . . . .	\$ 97,000,000	\$ 97,000,000	\$ 94,343,741	\$ (2,656,259)	\$	94,200,068
Other taxes . . . . .	-	-	44,263	44,263		47,965
Intergovernmental . . . . .	2,324,661	2,324,661	2,182,412	(142,249)		2,283,612
Investment earnings . . . . .	-	-	280,462	280,462		70,589
<b>Total Revenues</b>	<b>99,324,661</b>	<b>99,324,661</b>	<b>96,850,878</b>	<b>(2,473,783)</b>		<b>96,602,234</b>
<b>EXPENDITURES</b>						
Debt Service:						
Principal retirement . . . . .	125,075,352	125,075,352	106,332,100	18,743,252		80,282,966
Interest and fiscal charges . . . . .	56,089,990	56,089,990	63,411,680	(7,321,690)		61,370,134
<b>Total Expenditures</b>	<b>181,165,342</b>	<b>181,165,342</b>	<b>169,743,780</b>	<b>11,421,562</b>		<b>141,653,100</b>
<b>Excess (Deficiency) of Revenues</b>	<b>(81,840,681)</b>	<b>(81,840,681)</b>	<b>(72,892,902)</b>	<b>8,947,779</b>		<b>(45,050,866)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt . . . . .	-	-	-	-		75,350,000
Payment to refunded bond escrow agent . . . . .	-	-	-	-		(83,832,587)
Transfers in . . . . .	81,840,681	81,840,681	79,646,534	(2,194,147)		38,237,571
Debt premiums . . . . .	-	-	-	-		8,675,960
<b>Total Other Financing Sources (Uses)</b>	<b>81,840,681</b>	<b>81,840,681</b>	<b>79,646,534</b>	<b>(2,194,147)</b>		<b>38,430,944</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>6,753,632</b>	<b>\$ 6,753,632</b>		<b>(6,619,922)</b>
Fund Balance - Beginning	10,420,849	10,420,849	10,420,849			17,040,771
<b>Fund Balance - Ending</b>	<b>\$ 10,420,849</b>	<b>\$ 10,420,849</b>	<b>\$ 17,174,481</b>		<b>\$</b>	<b>10,420,849</b>

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Capital Projects Fund**

For the Years Ended December 31, 2023 and 2022

	2023				2022 Actual
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>REVENUES</b>					
Property taxes . . . . .	\$ 840,000	\$ 840,000	\$ 674,184	\$ (165,816)	\$ 2,185,056
Other taxes . . . . .	-	-	394	394	1,027
Intergovernmental . . . . .	72,155,000	95,127,090	22,848,906	(72,278,184)	77,216,373
Investment earnings . . . . .	-	-	1,432,938	1,432,938	662,543
Other . . . . .	2,115,000	3,787,995	378,102	(3,409,893)	374,533
<b>Total Revenues</b>	<b>75,110,000</b>	<b>99,755,085</b>	<b>25,334,524</b>	<b>(74,420,561)</b>	<b>80,439,532</b>
<b>EXPENDITURES</b>					
Operations . . . . .	138,000,000	138,000,000	128,306,410	9,693,590	139,004,321
Capital projects . . . . .	309,655,800	341,100,885	181,409,491	159,691,394	167,417,372
<b>Total Expenditures</b>	<b>447,655,800</b>	<b>479,100,885</b>	<b>309,715,901</b>	<b>169,384,984</b>	<b>306,421,693</b>
<b>Excess (Deficiency) of Revenues</b>	<b>(372,545,800)</b>	<b>(379,345,800)</b>	<b>(284,381,377)</b>	<b>94,964,423</b>	<b>(225,982,161)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt . . . . .	217,475,800	216,475,800	100,000,000	(116,475,800)	55,000,000
Transfers in . . . . .	155,070,000	162,870,000	127,846,732	(35,023,268)	99,148,459
Transfers out . . . . .	-	-	-	-	(2,999,965)
Debt premiums . . . . .	-	-	12,129,750	12,129,750	366,504
<b>Total Other Financing Sources (Uses)</b>	<b>372,545,800</b>	<b>379,345,800</b>	<b>239,976,482</b>	<b>(139,369,318)</b>	<b>151,514,998</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(44,404,895)</b>	<b>\$ (44,404,895)</b>	<b>(74,467,163)</b>
Fund Balance - Beginning	44,347,237	44,347,237	44,347,237		118,814,400
<b>Fund Balance - Ending</b>	<b>\$ 44,347,237</b>	<b>\$ 44,347,237</b>	<b>\$ (57,658)</b>		<b>\$ 44,347,237</b>



**Schedule of Changes in Long-term Debt**

For the Year Ended December 31, 2023

	Repayment Terms	Interest Rates	Amount of Original Issue
<b>General Obligation -</b>			
<b>Levy Supported Bonds and Notes</b>			
September 15, 2010 Series C, <sup>1</sup> Taxable	\$4,430,000 in 2024, \$4,540,000 in 2025, \$4,660,000 in 2026, and \$14,760,000 in various increments from 2027 through 2029	4.0% to 4.5%	41,060,000
September 15, 2010 Series D, <sup>2</sup> Recovery Zone Econ Development	\$5,665,000 in 2030, \$5,950,000 in 2031, \$6,145,000 in 2032, and \$19,615,000 in various increments from 2033 through 2035	4.8% to 4.875%	37,375,000
November 04, 2014 Series A	\$3,395,000 in 2024	5.0%	100,000,000
November 04, 2014 Series B	\$6,825,000 in 2024	5.0%	80,615,000
July 13, 2016 Series A, AOSC	\$3,055,000 in 2024, \$3,405,000 in 2025, \$3,635,000 in 2026, and \$82,380,000 in various increments from 2027 through 2041	5.0%	104,285,000
October 19, 2016 Series B	\$3,000,000 in 2024, 2025 and 2026, and \$65,000,000 in various increments from 2027 through 2036	5.0%	95,000,000
October 19, 2016 Series C	\$5,010,000 in 2024, \$5,260,000 in 2025, \$5,530,000 in 2026, and \$11,900,000 in various increments from 2027 through 2028	5.0%	59,865,000
July 6, 2017 Series B, AOSC	\$1,940,000 in 2024, \$2,020,000 in 2025, \$2,100,000 in 2026, and \$43,760,000 in various increments from 2027 through 2041	Variable - Est. 3.309%	60,000,000
August 29, 2017 Series C	\$4,100,000 in 2024, \$4,305,000 in 2025, \$4,520,000 in 2026, and \$67,445,000 in various increments from 2027 through 2037	5.0%	100,000,000
July 17, 2018 Series A	\$4,120,000 in 2024, \$4,330,000 in 2025, \$4,545,000 in 2026, and \$75,950,000 in various increments from 2027 through 2038	5.0%	100,000,000
November 1, 2018 Series B	\$6,845,000 in 2024, \$7,280,000 in 2025, \$7,730,000 in 2026, and \$96,085,000 in various increments from 2027 through 2038	Variable - Est. 3.265%	163,485,000
September 11, 2019 Series C, Refunding	\$3,840,000 in 2024, \$4,030,000 in 2025, \$4,235,000 in 2026, and \$14,025,000 in various increments from 2027 through 2029	5.0%	39,265,000
September 24, 2020 Series A	\$3,385,000 in 2024, \$3,555,000 in 2025, \$3,730,000 in 2026, and \$76,805,000 in various increments from 2027 through 2040	5.0%	100,000,000
September 24, 2020 Series B, Refunding	\$4,495,000 in 2024, \$4,585,000 in 2025, \$2,355,000 in 2026, and \$13,665,000 in various increments from 2027 through 2031	5.0%	37,795,000
September 30, 2021 Series A	\$1,500,000 in 2024 and 2025, \$3,760,000 in 2026, and \$84,240,000 in various increments from 2027 through 2041	4.0% to 5.0%	100,000,000
September 1, 2022 Series A	\$1,975,000 in 2024, \$2,040,000 in 2025, \$2,105,000 in 2026, and \$46,955,000 in various increments from 2027 through 2042	3.5% to 4.125%	55,000,000
October 27, 2022 Series B Refunding	\$8,575,000 in 2025, \$9,055,000 in 2026, and \$57,720,000 in various increments from 2027 to 2039	5.0%	75,350,000
September 7, 2023 Series A	\$2,000,000 in 2024, \$3,210,000 in 2025, \$3,370,000 in 2026, and \$91,420,000 from 2027 to 2043	5.00%	100,000,000
<b>G.O. Non-Levy Supported Bonds</b>			
January 29, 2013 Series B, Watershed District	\$370,000 in 2024, \$375,000 in 2025, \$385,000 in 2026, and \$2,510,000 in various increments from 2027 through 2032	2.0 to 3.0%	7,075,000
September 24, 2020 Series B, Watershed District Refunding	\$330,000 in 2024, \$345,000 in 2025, \$365,000 in 2026, and \$1,925,000 in various increments from 2027 to 2031	5.0%	3,825,000
September 5, 2019 Series B, SWLRT (Sales Tax Revenue)	\$7,350,000 in 2024, \$7,720,000 in 2025, \$8,105,000 in 2026, and \$150,755,000 in various increments from 2027 through 2039	5.0%	200,000,000
October 1, 2020, Series C, SWLRT (Sales Tax Revenue)	\$5,250,000 in 2024, \$5,515,000 in 2025, \$5,790,000 in 2026, and \$119,145,000 in various increments from 2027 through 2040	5.0%	150,000,000
<b>Sales Tax Revenue Bonds</b>			
Ballpark: January 30, 2017 Series A,	\$8,030,000 in 2024, \$8,570,000 in 2025, and \$25,615,000 in various increments from 2030 through 2032	5.0%	116,885,000
<b>Limited Tax Bonds -</b>			
Regional Railroad Authority (RRA), March 12, 2019 Series A	\$3,015,000 in 2024, \$3,165,000 in 2025, \$3,325,000 in 2026, and \$55,535,000 in various increments from 2027 through 2038	5.0%	80,000,000
Regional Railroad Authority (RRA), September 11, 2019 Series D, Refunding	\$1,705,000 in 2024, \$1,800,000 in 2025, \$1,900,000 in 2026, and \$11,220,000 in various increments from 2027 to 2031	5.0%	22,345,000

<sup>1</sup>Bonds were issued as Build America Bonds - Direct Payment to Issuer, whereby the County receives a 35 percent annual interest rate subsidy from the U.S. Treasury for the life of the bonds.<sup>2</sup>Bonds were issued as Recovery Zone Economic Development Bonds - Direct Payment to Issuer, whereby the County receives a 45 percent annual interest rate subsidy from the U.S. Treasury for the life of the bonds.

	Principal Payable				Interest Payable		
	Balance Dec. 31, 2022	Additions	Payments	Balance Dec. 31, 2023	Due Within One Year	Total	Due Within One Year
<b>General Obligation -</b>							
<b><u>Levy Supported Bonds and Notes</u></b>							
September 15, 2010 Series C, <sup>1</sup> Taxable	\$ 32,710,000	\$ -	\$ 4,320,000	\$ 28,390,000	4,430,000	4,391,090	1,201,905
September 15, 2010 Series D, <sup>2</sup> Recovery Zone Econ Development	37,375,000	-	-	37,375,000	-	17,090,136	1,780,009
November 04, 2014 Series A	6,660,000	-	3,265,000	3,395,000	3,395,000	169,750	169,750
November 04, 2014 Series B	13,250,000	-	6,425,000	6,825,000	6,825,000	273,000	273,000
July 13, 2016 Series A, AOSC	95,195,000	-	2,720,000	92,475,000	3,055,000	50,065,000	4,623,750
October 19, 2016 Series B	77,000,000	-	3,000,000	74,000,000	3,000,000	34,541,500	3,700,000
October 19, 2016 Series C	32,465,000	-	4,765,000	27,700,000	5,010,000	4,291,000	1,385,000
July 6, 2017 Series B, AOSC	51,690,000	-	1,870,000	49,820,000	1,940,000	17,391,976	1,648,783
August 29, 2017 Series C	84,275,000	-	3,905,000	80,370,000	4,100,000	33,302,250	4,018,500
July 17, 2018 Series A	92,870,000	-	3,925,000	88,945,000	4,120,000	39,592,750	4,447,250
November 1, 2018 Series B	124,370,000	-	6,430,000	117,940,000	6,845,000	29,754,472	3,850,176
September 11, 2019 Series C, Refunding	29,780,000	-	3,650,000	26,130,000	3,840,000	4,759,750	1,306,500
September 24, 2020 Series A	90,700,000	-	3,225,000	87,475,000	3,385,000	44,428,500	4,373,750
September 24, 2020 Series B Refunding	29,515,000	-	4,415,000	25,100,000	4,495,000	5,203,000	1,255,000
September 30, 2021 Series A	92,500,000	-	1,500,000	91,000,000	1,500,000	44,333,550	4,143,100
September 1, 2022 Series A	55,000,000	-	1,925,000	53,075,000	1,975,000	23,247,144	2,076,994
October 27, 2022 Series B Refunding	75,350,000	-	-	75,350,000	-	31,986,000	3,767,500
September 7, Series A	-	100,000,000	-	100,000,000	2,000,000	61,069,000	5,000,000
<b>Total G.O. Levy Supported</b>	<b>1,020,705,000</b>	<b>100,000,000</b>	<b>55,340,000</b>	<b>1,065,365,000</b>	<b>59,915,000</b>	<b>445,889,868</b>	<b>49,020,967</b>
<b><u>G.O. Non-Levy Supported Bonds</u></b>							
January 29, 2013 Series B, Watershed District	4,000,000	-	360,000	3,640,000	370,000	517,438	92,938
September 24, 2020 Series B Watershed District Refunding	3,280,000	-	315,000	2,965,000	330,000	674,750	148,250
September 5, 2019, Series B, Sales Tax Revenue (SWLRT)	180,930,000	-	7,000,000	173,930,000	7,350,000	82,847,500	8,696,500
October 1, 2020, Series C SWLRT (Sales Tax Revenue)	140,700,000	-	5,000,000	135,700,000	5,250,000	68,917,000	6,785,000
<b>Total G.O. Non-Levy Supported</b>	<b>328,910,000</b>	<b>-</b>	<b>12,675,000</b>	<b>316,235,000</b>	<b>13,300,000</b>	<b>152,956,688</b>	<b>15,722,688</b>
<b><u>Sales Tax Revenue Bonds</u></b>							
Ballpark: January 30, 2017, Series A	89,655,000	-	47,440,000	42,215,000	8,030,000	10,993,250	2,110,750
<b>Total Sales Tax Revenue</b>	<b>89,655,000</b>	<b>-</b>	<b>47,440,000</b>	<b>42,215,000</b>	<b>8,030,000</b>	<b>10,993,250</b>	<b>2,110,750</b>
<b><u>Limited Tax Bonds</u></b>							
Regional Railroad Authority (RRA) March 12, 2019 Series A	67,995,000	-	2,955,000	65,040,000	3,015,000	28,949,250	3,252,000
Regional Railroad Authority (RRA) September 11, 2019 Series D Refunding	18,240,000	-	1,615,000	16,625,000	1,705,000	3,977,500	831,250
<b>Total Limited Tax Bonds</b>	<b>86,235,000</b>	<b>-</b>	<b>4,570,000</b>	<b>81,665,000</b>	<b>4,720,000</b>	<b>32,926,750</b>	<b>4,083,250</b>
<b>Total Long-Term Debt</b>	<b>\$ 1,525,505,000</b>	<b>\$ 100,000,000</b>	<b>\$ 120,025,000</b>	<b>\$ 1,505,480,000</b>	<b>\$ 85,965,000</b>	<b>\$ 642,766,556</b>	<b>\$ 70,937,655</b>





---

# **Supplementary Information Enterprise Funds**

---



**Combining Statement of Net Position - Nonmajor Enterprise Funds**

December 31, 2023

With Summarized Comparative Totals for December 31, 2022

	Glen Lake Golf Course	Radio Communications	Totals	
			2023	2022
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash .....	\$ 840,634	\$ 6,730,976	\$ 7,571,610	\$ 6,526,448
Interfund receivable .....	-	41,421	41,421	21,086
Other receivables .....	-	355,731	355,731	323,494
Inventories .....	9,678	-	9,678	10,147
Total Current Assets	<u>850,312</u>	<u>7,128,128</u>	<u>7,978,440</u>	<u>6,881,175</u>
<b>Noncurrent Assets:</b>				
Capital assets, nondepreciable .....	985,092	-	985,092	985,092
Capital asset, net of accumulated depreciation/amortization .....	36,137	6,893,321	6,929,458	7,598,367
Total Noncurrent Assets	<u>1,021,229</u>	<u>6,893,321</u>	<u>7,914,550</u>	<u>8,583,459</u>
Total Assets	<u>\$ 1,871,541</u>	<u>\$ 14,021,449</u>	<u>\$ 15,892,990</u>	<u>\$ 15,464,634</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts and contracts payable .....	\$ 14,015	\$ 66,526	\$ 80,541	\$ 85,947
Total Current Liabilities	<u>14,015</u>	<u>66,526</u>	<u>80,541</u>	<u>85,947</u>
<b>NET POSITION</b>				
Net investment in capital assets .....	1,021,229	6,893,321	7,914,550	8,583,459
Unrestricted .....	836,297	7,061,602	7,897,899	6,795,228
Total Net Position	<u>1,857,526</u>	<u>13,954,923</u>	<u>15,812,449</u>	<u>15,378,687</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 1,871,541</u>	<u>\$ 14,021,449</u>	<u>\$ 15,892,990</u>	<u>\$ 15,464,634</u>

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Nonmajor Enterprise Funds**

For the Year Ended December 31, 2023

With Summarized Comparative Totals for December 31, 2022

	Glen Lake Golf Course	Radio Communications	Totals	
			2023	2022
<b>OPERATING REVENUES</b>				
Charges for services. . . . .	\$ 1,330,849	\$ 4,158,428	\$ 5,489,277	\$ 5,285,520
<b>OPERATING EXPENSES</b>				
Personal services. . . . .	678,252	1,602,370	2,280,622	2,163,596
Commodities. . . . .	145,176	168,923	314,099	195,903
Contractual services. . . . .	175,131	380,778	555,909	560,338
Depreciation. . . . .	12,046	1,693,553	1,705,599	1,596,282
Other. . . . .	69,935	121,906	191,841	144,756
Total Operating Expenses	1,080,540	3,967,530	5,048,070	4,660,875
Operating Income (Loss)	250,309	190,898	441,207	624,645
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain (Loss) on capital asset disposal. . . . .	-	(7,445)	(7,445)	-
Total Nonoperating Revenues (Expenses)	-	(7,445)	(7,445)	-
Income (Loss) Before Capital Contributions	250,309	183,453	433,762	624,645
Capital contributions. . . . .	-	-	-	-
Change in Net Position	250,309	183,453	433,762	624,645
Total Net Position - Beginning	1,607,217	13,771,470	15,378,687	14,754,042
Total Net Position-Ending	\$ 1,857,526	\$ 13,954,923	\$ 15,812,449	\$ 15,378,687

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds**

For the Year Ended December 31, 2023

	Glen Lake Golf Course	Radio Communications	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users. . . . .	\$ 1,330,849	\$ 4,105,856	\$ 5,436,705
Payments to suppliers for goods and services. . . . .	(376,484)	(498,461)	(874,945)
Payments to employees for services. . . . .	(678,252)	(1,602,370)	(2,280,622)
Other operating disbursements. . . . .	(69,935)	(121,906)	(191,841)
Net Cash Provided by Operating Activities	206,178	1,883,119	2,089,297
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets. . . . .	-	(1,044,135)	(1,044,135)
Net Increase in Cash	206,178	838,984	1,045,162
Cash at Beginning of Year	634,456	5,891,992	6,526,448
Cash at End of Year	\$ 840,634	\$ 6,730,976	\$ 7,571,610
<b>CASH COMPONENTS:</b>			
Cash. . . . .	\$ 840,634	\$ 6,730,976	\$ 7,571,610
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss). . . . .	\$ 250,309	\$ 190,898	\$ 441,207
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization. . . . .	12,046	1,693,553	1,705,599
(Increase) decrease in:			
Receivables and prepaid items. . . . .	-	(52,572)	(52,572)
Inventories. . . . .	469	-	469
Increase (decrease) in:			
Accounts payable and accrued expenses. . . . .	(56,646)	51,240	(5,406)
Net Cash Provided by Operating Activities	\$ 206,178	\$ 1,883,119	\$ 2,089,297

**Schedules of Net Position - Enterprise Funds**

December 31, 2023 and 2022

	Hennepin Health		Solid Waste	
	2023	2022 (Restated)	2023	2022
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Current Assets:</b>				
Cash and cash equivalents. . . . .	\$ 121,192,601	\$ 114,042,947	\$ 48,632,752	\$ 40,617,083
Interfund receivable. . . . .	-	-	-	-
Other receivables. . . . .	35,245,219	33,530,184	9,636,059	9,482,705
Inventories. . . . .	-	-	3,622,141	3,476,294
Prepaid items. . . . .	159,335	1,800	4,949	2,916
Total Current Assets	156,597,155	147,574,931	61,895,901	53,578,998
<b>Noncurrent Assets:</b>				
Investments. . . . .	-	-	-	-
Restricted cash and cash equivalents. . . . .	500,000	500,000	17,220,382	17,915,037
Restricted investments. . . . .	-	-	-	-
Notes receivable and other. . . . .	-	-	1,776,244	470,646
Capital assets, nondepreciable. . . . .	-	-	11,150,843	10,300,340
Capital asset, net of accumulated depreciation/amortization. . . . .	1,304,693	1,752,386	89,564,010	97,006,774
Total Noncurrent Assets	1,804,693	2,252,386	119,711,479	125,692,797
Total Assets	158,401,848	149,827,317	181,607,380	179,271,795
<b>Deferred Outflows of Resources:</b>				
Pension related. . . . .	1,820,305	2,695,060	1,374,610	2,148,505
Postemployment healthcare related. . . . .	76,490	85,405	80,137	91,601
Total Deferred Outflows of Resources	1,896,795	2,780,465	1,454,747	2,240,106
Total Assets and Deferred Outflows of Resources	\$ 160,298,643	\$ 152,607,782	\$ 183,062,127	\$ 181,511,901
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>Current liabilities:</b>				
Interfund payable. . . . .	\$ 2,019,118	\$ 9,038,693	\$ -	\$ -
Accounts and contracts payable. . . . .	5,948,221	5,590,709	8,526,853	7,521,763
Accrued expenses. . . . .	56,179,854	68,553,775	336,807	305,697
Unearned revenue. . . . .	-	-	36,390	-
Current portion of:				
Workers' compensation claims. . . . .	-	-	-	-
Lease and subscription payables. . . . .	701,363	669,801	-	-
General obligation bonds. . . . .	-	-	1,832,347	1,778,259
Compensated absences. . . . .	140,000	110,000	130,000	120,000
Total Current Liabilities	64,988,556	83,962,978	10,862,397	9,725,719
<b>Noncurrent liabilities, net of current portion:</b>				
Workers' compensation claims. . . . .	-	-	-	-
Lease and subscription payables. . . . .	329,803	767,527	-	-
General obligation bonds. . . . .	-	-	34,080,528	35,912,875
Net pension. . . . .	5,468,485	8,040,703	4,965,167	6,982,764
Postemployment healthcare benefits. . . . .	427,146	446,364	688,132	720,387
Compensated absences. . . . .	1,162,484	1,127,208	1,256,722	1,185,805
Total Noncurrent Liabilities	7,387,918	10,381,802	40,990,549	44,801,831
Total Liabilities	72,376,474	94,344,780	51,852,946	54,527,550
<b>Deferred Inflows of Resources:</b>				
Pension related. . . . .	2,191,040	215,890	1,620,063	156,574
Postemployment healthcare related. . . . .	67,282	59,897	99,056	83,847
Total Deferred Inflows of Resources	2,258,322	275,787	1,719,119	240,421
<b>Net Position:</b>				
Net investment in capital assets. . . . .	273,527	315,058	64,801,978	69,615,980
Restricted for:				
Statutory requirements relating to:				
Hennepin health plan. . . . .	85,390,320	57,672,157	-	-
Solid waste management. . . . .	-	-	64,481,264	56,949,370
Medical Center expendable. . . . .	-	-	-	-
Medical Center nonexpendable. . . . .	-	-	-	-
Brownfield assessment and cleanup. . . . .	-	-	206,820	178,580
Unrestricted (deficit). . . . .	-	-	-	-
Total Net Position	85,663,847	57,987,215	129,490,062	126,743,930
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 160,298,643</b>	<b>\$ 152,607,782</b>	<b>\$ 183,062,127</b>	<b>\$ 181,511,901</b>

Medical Center		Total Nonmajor	
2023	2022 (Restated)	2023	2022
\$ 76,994,038	\$ 133,185,245	\$ 7,571,610	\$ 6,526,448
9,798,510	7,203,193	41,421	21,086
218,731,520	211,594,452	355,731	323,494
12,105,626	11,296,206	9,678	10,147
16,148,801	9,705,190	-	-
<u>333,778,495</u>	<u>372,984,286</u>	<u>7,978,440</u>	<u>6,881,175</u>
23,838,818	14,491,382	-	-
22,352,166	13,679,465	-	-
49,907,221	48,741,369	-	-
2,222,920	7,144,640	-	-
63,817,356	62,652,403	985,092	985,092
378,931,144	394,997,660	6,929,458	7,598,367
<u>541,069,625</u>	<u>541,706,919</u>	<u>7,914,550</u>	<u>8,583,459</u>
<u>874,848,120</u>	<u>914,691,205</u>	<u>15,892,990</u>	<u>15,464,634</u>
115,746,001	171,302,368	-	-
6,781,942	7,779,797	-	-
<u>122,527,943</u>	<u>179,082,165</u>	<u>-</u>	<u>-</u>
\$ <u>997,376,063</u>	\$ <u>1,093,773,370</u>	\$ <u>15,892,990</u>	\$ <u>15,464,634</u>
\$ 4,238,449	\$ 3,332,542	\$ -	\$ -
54,000,272	41,749,426	80,541	85,947
103,405,961	120,279,095	-	-
-	-	-	-
5,442,000	4,961,000	-	-
12,659,963	13,979,260	-	-
6,517,910	6,129,602	-	-
1,763,577	1,450,000	-	-
<u>188,028,132</u>	<u>191,880,925</u>	<u>80,541</u>	<u>85,947</u>
7,923,882	11,694,515	-	-
24,457,722	33,086,921	-	-
154,009,952	160,527,862	-	-
310,353,537	471,640,991	-	-
19,374,979	23,010,145	-	-
43,720,145	41,136,374	-	-
<u>559,840,217</u>	<u>741,096,808</u>	<u>-</u>	<u>-</u>
<u>747,868,349</u>	<u>932,977,733</u>	<u>80,541</u>	<u>85,947</u>
129,155,999	7,386,458	-	-
10,924,575	9,869,185	-	-
<u>140,080,574</u>	<u>17,255,643</u>	<u>-</u>	<u>-</u>
244,756,970	243,396,269	7,914,550	8,583,459
-	-	-	-
-	-	-	-
46,595,048	43,080,760	-	-
26,399,037	22,791,169	-	-
-	-	-	-
(208,323,915)	(165,728,204)	7,897,899	6,795,228
<u>109,427,140</u>	<u>143,539,994</u>	<u>15,812,449</u>	<u>15,378,687</u>
\$ <u>997,376,063</u>	\$ <u>1,093,773,370</u>	\$ <u>15,892,990</u>	\$ <u>15,464,634</u>

**Schedules of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Hennepin Health Fund**

For the Years Ended December 31, 2023 and 2022

	2023			2022
	Final Budget	Actual	Variance with Final Budget	Actual (Restated)
<b>OPERATING REVENUES</b>				
Net charges for services.....	\$ 406,699,508	\$ 424,734,106	\$ 18,034,598	\$ 445,078,043
<b>OPERATING EXPENSES</b>				
Personal services.....	15,297,950	14,659,281	638,669	13,424,074
Commodities.....	27,340	33,657	(6,317)	16,896
Contractual services.....	384,505,246	377,791,636	6,713,610	396,466,326
Depreciation and amortization.....	85,321	821,774	(736,453)	163,478
Other.....	9,127,250	9,445,652	(318,402)	11,120,558
Total Operating Expenses	409,043,107	402,752,000	6,291,107	421,191,332
Operating Income (Loss)	(2,343,599)	21,982,106	24,325,705	23,886,711
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (losses).....	525,000	5,750,322	5,225,322	(5,564,857)
Interest expense.....	-	(55,796)	(55,796)	(42,692)
Gain (loss) on sale of capital assets.....	-	-	-	(973,826)
Total Nonoperating Revenues (Expenses)	525,000	5,694,526	5,169,526	(6,581,375)
Change in Net Position	(1,818,599)	27,676,632	\$ 29,495,231	17,305,336
Total Net Position - Beginning	57,987,215	57,987,215		40,681,879
Total Net Position - Ending	\$ 56,168,616	\$ 85,663,847		\$ 57,987,215



**Schedules of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Solid Waste Fund**

For the Years Ended December 31, 2023 and 2022

	2023			2022 Actual
	Final Budget	Actual	Variance with Final Budget	
<b>OPERATING REVENUES</b>				
Charges for services. . . . .	\$ 66,856,102	\$ 75,043,827	\$ 8,187,725	\$ 78,528,112
<b>OPERATING EXPENSES</b>				
Personal services. . . . .	11,339,087	10,611,188	727,899	9,974,676
Commodities. . . . .	279,550	268,817	10,733	235,448
Contractual services. . . . .	52,048,168	50,484,411	1,563,757	49,698,986
Depreciation and amortization. . . . .	10,049,436	10,469,992	(420,556)	10,189,773
Other. . . . .	4,938,888	3,754,838	1,184,050	4,555,679
Total Operating Expenses	78,655,129	75,589,246	3,065,883	74,654,562
Operating Income (Loss)	(11,799,027)	(545,419)	11,253,608	3,873,550
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property Taxes. . . . .	250,000	261,246	11,246	-
Intergovernmental. . . . .	6,456,180	5,982,082	(474,098)	6,074,194
Investment earnings (losses). . . . .	235,000	2,538,008	2,303,008	(2,340,614)
Interest expense. . . . .	(972,689)	(1,106,415)	(133,726)	(1,046,884)
Other. . . . .	5,830,536	(4,383,370)	(10,213,906)	(1,607,557)
Total Nonoperating Revenues (Expenses)	11,799,027	3,291,551	(8,507,476)	1,079,139
Change in Net Position	-	2,746,132	\$ 2,746,132	4,952,689
Total Net Position - Beginning	126,743,930	126,743,930		121,791,241
Total Net Position - Ending	\$ 126,743,930	\$ 129,490,062		\$ 126,743,930

**Schedules of Revenues, Expenses, and Changes in Fund Net Position  
Medical Center Fund**

For the Years Ended December 31, 2023 and 2022

	2023 Actual	2022 Actual (Restated)
<b>OPERATING REVENUES</b>		
Net charges for services . . . . .	\$ 1,336,672,421	\$ 1,243,721,190
Intergovernmental . . . . .	97,432,902	111,637,816
<b>Total Operating Revenues</b>	<b>1,434,105,323</b>	<b>1,355,359,006</b>
<b>OPERATING EXPENSES</b>		
Personal services . . . . .	1,003,572,019	948,467,468
Commodities . . . . .	354,634,979	307,287,188
Contractual services . . . . .	65,306,124	65,393,335
Depreciation and amortization . . . . .	61,855,019	55,817,517
Other . . . . .	7,352,072	10,298,178
<b>Total Operating Expenses</b>	<b>1,492,720,213</b>	<b>1,387,263,686</b>
<b>Operating Income (Loss)</b>	<b>(58,614,890)</b>	<b>(31,904,680)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings (losses) . . . . .	17,885,300	(16,081,733)
Interest expense . . . . .	(6,085,764)	(5,457,931)
Other . . . . .	2,057,540	67,050
<b>Total Nonoperating Revenues (Expenses)</b>	<b>13,857,076</b>	<b>(21,472,614)</b>
<b>Income (Loss) Before Contributions</b>	<b>(44,757,814)</b>	<b>(53,377,294)</b>
Capital contributions . . . . .	10,644,960	11,833,278
<b>Change in Net Position</b>	<b>(34,112,854)</b>	<b>(41,544,016)</b>
<b>Total Net Position - Beginning</b>	<b>143,539,994</b>	<b>185,084,010</b>
<b>Total Net Position - Ending</b>	<b>\$ 109,427,140</b>	<b>\$ 143,539,994</b>



**Schedules of Cash Flows**  
**Enterprise Funds**

For the Years Ended December 31, 2023 and 2022

	Hennepin Health		Solid Waste	
	2023	2022 (Restated)	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 410,645,150	\$ 465,739,212	\$ 74,957,973	\$ 76,513,505
Operating grants	-	-	-	-
Other operating receipts	-	-	-	-
Payments to suppliers for goods and services	(377,625,316)	(398,603,384)	(49,896,018)	(50,735,265)
Payments to employees for services	(14,319,236)	(13,021,702)	(10,316,066)	(9,512,762)
Other operating disbursements	(9,445,652)	(11,120,558)	(3,754,838)	(4,555,679)
Net Cash Provided (Used) by Operating Activities	9,254,946	42,993,568	10,991,051	11,709,799
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Other taxes	-	-	261,246	-
Net grants and contributions	-	-	293,114	4,571,868
Interfund loans	(7,019,575)	6,414,623	-	-
Pandemic relief funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(7,019,575)	6,414,623	554,360	4,571,868
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(374,081)	(190,000)	(3,877,731)	(3,336,319)
Lease and subscription payments	(406,162)	-	-	-
Interest paid	(55,796)	(42,692)	(1,106,415)	(1,046,884)
Debt issuance cost and principal payments	-	-	(1,778,259)	(1,594,052)
Net Cash Provided (Used) by Capital and Related Financing Activities	(836,039)	(232,692)	(6,762,405)	(5,977,255)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income (loss)	5,750,322	(5,564,857)	2,538,008	(2,340,614)
Purchase of investments	-	-	-	-
Sale of investments	-	-	-	-
Net Cash Provided (Used) by Investing Activities	5,750,322	(5,564,857)	2,538,008	(2,340,614)
Net increase (decrease) in cash and cash equivalents	7,149,654	43,610,642	7,321,014	7,963,798
Cash and cash equivalents at beginning of year	114,542,947	70,932,305	58,532,120	50,568,322
Cash and Cash Equivalents at End of Year	\$ 121,692,601	\$ 114,542,947	\$ 65,853,134	\$ 58,532,120
<b>CASH COMPONENTS:</b>				
Cash and cash equivalents	\$ 121,192,601	\$ 114,042,947	\$ 48,632,752	\$ 40,617,083
Restricted cash and cash equivalents	500,000	500,000	17,220,382	17,915,037
Cash and Cash Equivalents at End of Year	\$ 121,692,601	\$ 114,542,947	\$ 65,853,134	\$ 58,532,120
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 21,982,106	\$ 23,886,711	\$ (545,419)	\$ 3,873,550
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	821,774	163,478	10,469,992	10,189,773
(Increase) decrease in:				
Receivables and prepaid items	(1,872,570)	(7,108,277)	(155,387)	(1,716,766)
Inventories	-	-	(145,847)	(637,129)
Increase (decrease) in:				
Accounts payable and accrued expenses	(11,970,351)	25,535,415	1,084,862	(435,487)
Unearned revenue	-	-	36,390	-
Net pension liability	(2,572,218)	4,178,345	(2,017,597)	3,287,184
Deferred outflows	883,670	907,675	785,359	546,015
Deferred inflows	1,982,535	(4,569,779)	1,478,698	(3,397,341)
Net Cash Provided (Used) by Operating Activities	\$ 9,254,946	\$ 42,993,568	\$ 10,991,051	\$ 11,709,799
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -
Gain (loss) on disposal of capital assets	-	(973,826)	-	-
Increase (decrease) in fair value of investments	2,655,118	(6,903,109)	1,095,845	(2,983,971)
Transfer of G.O. Bonds and related capital assets	-	-	-	3,662,400

Medical Center		Total Nonmajor	
2023	2022 (Restated)	2023	2022
\$ 1,281,494,595	\$ 1,124,038,190	\$ 5,436,705	\$ 5,235,273
148,102,162	156,369,694	-	-
-	-	-	-
(408,826,734)	(349,628,315)	(874,945)	(786,140)
(1,000,176,900)	(922,835,321)	(2,280,622)	(2,163,596)
(30,971,460)	(18,725,167)	(191,841)	(144,756)
(10,378,337)	(10,780,919)	2,089,297	2,140,781
-	-	-	-
3,026,405	27,991	-	-
-	-	-	-
-	-	-	-
3,026,405	27,991	-	-
(18,708,104)	(37,814,501)	(1,044,135)	(344,899)
(9,948,496)	-	-	-
(6,085,764)	(5,147,582)	-	-
(6,129,602)	(5,743,994)	-	-
(40,871,966)	(48,706,077)	(1,044,135)	(344,899)
2,954,097	3,119,493	-	-
(5,217,705)	(2,277,475)	-	-
2,969,000	1,507,308	-	-
705,392	2,349,326	-	-
(47,518,506)	(57,109,679)	1,045,162	1,795,882
146,864,710	203,974,389	6,526,448	4,730,566
\$ 99,346,204	\$ 146,864,710	\$ 7,571,610	\$ 6,526,448
\$ 76,994,038	\$ 133,185,245	\$ 7,571,610	\$ 6,526,448
22,352,166	13,679,465	-	-
\$ 99,346,204	\$ 146,864,710	\$ 7,571,610	\$ 6,526,448
\$ (58,614,890)	\$ (31,904,680)	\$ 441,207	\$ 624,645
61,855,019	55,817,517	1,705,599	1,596,282
(11,254,276)	(25,501,177)	(52,572)	(46,852)
(809,420)	(104,760)	469	(4,796)
(19,646,469)	(42,442,385)	(5,406)	(28,498)
-	-	-	-
(161,287,454)	245,143,468	-	-
56,554,222	2,068,098	-	-
122,824,931	(213,857,000)	-	-
\$ (10,378,337)	\$ (10,780,919)	\$ 2,089,297	\$ 2,140,781
\$ 10,644,960	\$ 11,833,278	\$ -	\$ -
-	-	(7,445)	-
12,478,719	(6,787,213)	-	-
-	-	-	-



---

# **Supplementary Information Other**

---







**Combining Statement of Net Position - Internal Service Funds**

December 31, 2023

With Summarized Comparative Totals for December 31, 2022

	Fleet Services	Information Technology	Energy Center	Self Insurance
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>				
<b>Current Assets:</b>				
Cash . . . . .	\$ 26,889,254	\$ 51,306,187	\$ 3,555,203	\$ 18,431,573
Interfund receivable . . . . .	724,564	125,407	1,384,046	554,615
Receivables from users . . . . .	38,001	695,471	316,350	-
Inventories . . . . .	248,591	166,853	370,576	-
Prepaid items . . . . .	-	10,964,944	-	-
<b>Total Current Assets</b>	<b>27,900,410</b>	<b>63,258,862</b>	<b>5,626,175</b>	<b>18,986,188</b>
<b>Noncurrent Assets:</b>				
Capital assets, nondepreciable . . . . .	5,947,462	-	1,103,364	-
Capital asset, net of accumulated depreciation/amortization . . . . .	31,296,280	11,288,068	16,201,069	-
<b>Total Noncurrent Assets</b>	<b>37,243,742</b>	<b>11,288,068</b>	<b>17,304,433</b>	<b>-</b>
<b>Total Assets</b>	<b>65,144,152</b>	<b>74,546,930</b>	<b>22,930,608</b>	<b>18,986,188</b>
<b>Deferred Outflows of Resources:</b>				
Postemployment healthcare related . . . . .	14,848	411,286	4,619	17,975
<b>Total Assets and Deferred Outflows</b>	<b>\$ 65,159,000</b>	<b>\$ 74,958,216</b>	<b>\$ 22,935,227</b>	<b>\$ 19,004,163</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>Current Liabilities:</b>				
Interfund payable . . . . .	-	-	-	-
Accounts and contracts payable . . . . .	1,502,076	2,255,695	960,245	1,770,869
Accrued expenses . . . . .	-	1,882,199	5,445	44,512
Unearned revenue . . . . .	-	-	-	-
Current portion of:				
Workers' compensation claims . . . . .	-	-	-	4,200,000
Subscription payables . . . . .	-	358,545	-	-
General obligation bonds . . . . .	-	-	1,186,756	-
Compensated absences . . . . .	60,000	460,000	-	20,000
<b>Total Current Liabilities</b>	<b>1,562,076</b>	<b>4,956,439</b>	<b>2,152,446</b>	<b>6,035,381</b>
<b>Noncurrent Liabilities, Net of Current Portion:</b>				
Workers' compensation claims . . . . .	-	-	-	9,250,000
Subscription payables . . . . .	-	220,406	-	-
General obligation bonds . . . . .	-	-	12,781,035	-
Postemployment healthcare benefits . . . . .	104,414	2,416,432	9,331	17,893
Compensated absences . . . . .	307,406	6,263,292	49,181	101,303
<b>Total Noncurrent Liabilities</b>	<b>411,820</b>	<b>8,900,130</b>	<b>12,839,547</b>	<b>9,369,196</b>
<b>Total Liabilities</b>	<b>1,973,896</b>	<b>13,856,569</b>	<b>14,991,993</b>	<b>15,404,577</b>
<b>Deferred Inflows of Resources:</b>				
Postemployment healthcare related . . . . .	18,541	363,474	1,309	2,876
<b>Net Position:</b>				
Net investment in capital assets . . . . .	37,243,742	10,709,117	3,336,642	-
Unrestricted (deficit) . . . . .	25,922,821	50,029,056	4,605,283	3,596,710
<b>Total Net Position</b>	<b>63,166,563</b>	<b>60,738,173</b>	<b>7,941,925</b>	<b>3,596,710</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 65,159,000</b>	<b>\$ 74,958,216</b>	<b>\$ 22,935,227</b>	<b>\$ 19,004,163</b>

	Employee Health Plan Self Insurance	Other Employee Benefits	Totals	
			2023	2022 (Restated)
\$	20,145,606	\$ 112,234,749	\$ 232,562,572	\$ 245,559,613
	-	-	2,788,632	4,029,146
	1,423,586	-	2,473,408	747,977
	-	-	786,020	820,942
	-	-	10,964,944	9,660,512
	<u>21,569,192</u>	<u>112,234,749</u>	<u>249,575,576</u>	<u>260,818,190</u>
	-	-	7,050,826	5,239,472
	-	-	58,785,417	58,130,070
	-	-	65,836,243	63,369,542
	<u>21,569,192</u>	<u>112,234,749</u>	<u>315,411,819</u>	<u>324,187,732</u>
	6,285	-	455,013	503,936
\$	<u>21,575,477</u>	<u>112,234,749</u>	<u>315,866,832</u>	<u>324,691,668</u>
\$	-	\$ 2,179,192	\$ 2,179,192	\$ 2,580,551
	11,450	-	6,500,335	5,167,137
	13,196,345	-	15,128,501	17,329,829
	1,979,911	-	1,979,911	5,025,102
	-	-	4,200,000	3,200,000
	-	-	358,545	1,255,830
	-	-	1,186,756	1,215,038
	10,000	11,260,000	11,810,000	11,900,000
	<u>15,197,706</u>	<u>13,439,192</u>	<u>43,343,240</u>	<u>47,673,487</u>
	-	-	9,250,000	9,676,000
	-	-	220,406	140,922
	-	-	12,781,035	13,872,760
	78,301	-	2,626,371	2,768,590
	38,744	95,395,557	102,155,483	96,329,280
	<u>117,045</u>	<u>95,395,557</u>	<u>127,033,295</u>	<u>122,787,552</u>
	<u>15,314,751</u>	<u>108,834,749</u>	<u>170,376,535</u>	<u>170,461,039</u>
	7,635	-	393,835	341,565
	-	-	51,289,501	46,884,992
	6,253,091	3,400,000	93,806,961	107,004,072
	<u>6,253,091</u>	<u>3,400,000</u>	<u>145,096,462</u>	<u>153,889,064</u>
\$	<u>21,575,477</u>	<u>112,234,749</u>	<u>315,866,832</u>	<u>324,691,668</u>

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds**

For the Year Ended December 31, 2023

With Summarized Comparative Totals for December 31, 2023

	Fleet Services	Information Technology	Energy Center	Self Insurance
<b>OPERATING REVENUES</b>				
Charges for services. . . . .	\$ 18,652,090	\$ 85,983,865	\$ 10,854,969	\$ 12,723,101
Total Operating Revenues	<u>18,652,090</u>	<u>85,983,865</u>	<u>10,854,969</u>	<u>12,723,101</u>
<b>OPERATING EXPENSES</b>				
Personal services. . . . .	2,891,235	56,996,871	167,812	14,621,257
Commodities. . . . .	4,569,317	2,836,047	5,224,413	73,772
Contractual services. . . . .	2,512,917	28,958,920	3,366,093	1,291,016
Depreciation. . . . .	7,490,388	4,625,519	1,766,256	-
Other charges. . . . .	458,021	3,547,931	117,242	368,496
Total Operating Expenses	<u>17,921,878</u>	<u>96,965,288</u>	<u>10,641,816</u>	<u>16,354,541</u>
Operating Income (Loss)	<u>730,212</u>	<u>(10,981,423)</u>	<u>213,153</u>	<u>(3,631,440)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (losses). . . . .	-	-	-	-
Interest expense. . . . .	-	(31,306)	(423,584)	-
Gain (Loss) on capital asset disposal. . . . .	1,055,721	-	-	-
Settlements . . . . .	-	4,000,000	-	-
Total Nonoperating Revenues (Expenses)	<u>1,055,721</u>	<u>3,968,694</u>	<u>(423,584)</u>	<u>-</u>
Income (Loss) Before Contributions	<u>1,785,933</u>	<u>(7,012,729)</u>	<u>(210,431)</u>	<u>(3,631,440)</u>
Capital contributions. . . . .	362,008	(194,041)	-	-
Transfers in. . . . .	-	-	-	-
Net Contributions and Transfers	<u>362,008</u>	<u>(194,041)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>2,147,941</u>	<u>(7,206,770)</u>	<u>(210,431)</u>	<u>(3,631,440)</u>
Total Net Position - Beginning	<u>61,018,622</u>	<u>67,944,943</u>	<u>8,152,356</u>	<u>7,228,150</u>
Total Net Position - Ending	<u>\$ 63,166,563</u>	<u>\$ 60,738,173</u>	<u>\$ 7,941,925</u>	<u>\$ 3,596,710</u>

Employee Health Plan Self Insurance	Other Employee Benefits	Totals	
		2023	2022 (Restated)
\$ 153,479,757	\$ 18,388,239	\$ 300,082,021	\$ 274,498,640
153,479,757	18,388,239	300,082,021	274,498,640
161,186,043	18,388,239	254,251,457	220,601,448
2,849	-	12,706,398	13,302,000
7,128,476	-	43,257,422	40,934,055
-	-	13,882,163	15,375,360
14,915	-	4,506,605	2,443,995
168,332,283	18,388,239	328,604,045	292,656,858
(14,852,526)	-	(28,522,024)	(18,158,218)
1,560,624	-	1,560,624	(1,020,444)
-	-	(454,890)	(397,862)
-	-	1,055,721	1,789,215
-	-	4,000,000	-
1,560,624	-	6,161,455	370,909
(13,291,902)	-	(22,360,569)	(17,787,309)
-	-	167,967	2,506,412
10,000,000	3,400,000	13,400,000	-
10,000,000	3,400,000	13,567,967	2,506,412
(3,291,902)	3,400,000	(8,792,602)	(15,280,897)
9,544,993	-	153,889,064	169,169,961
\$ 6,253,091	\$ 3,400,000	\$ 145,096,462	\$ 153,889,064

**Combining Statement of Cash Flows  
Internal Service Funds**

For the Year Ended December 31, 2023

	Fleet Services	Information Technology
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users. . . . .	\$ 18,399,629	\$ 85,674,449
Payments to suppliers for goods and services. . . . .	(7,205,953)	(32,403,011)
Payments to employees for services. . . . .	(2,865,139)	(56,499,936)
Other operating disbursements. . . . .	(458,021)	(3,547,931)
Net Cash Provided (Used) by Operating Activities	<u>7,870,516</u>	<u>(6,776,429)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in. . . . .	-	-
Interfund loans. . . . .	-	-
Settlements. . . . .	-	4,000,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>4,000,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets. . . . .	(11,071,580)	(3,958,563)
Lease and subscription payments. . . . .	-	(817,801)
Interest paid. . . . .	-	(31,306)
Debt issuance cost and principal payments. . . . .	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(11,071,580)</u>	<u>(4,807,670)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income (loss). . . . .	-	-
Net Increase (Decrease) in Cash	(3,201,064)	(7,584,099)
Cash at Beginning of Year	30,090,318	58,890,286
Cash at End of Year	<u>\$ 26,889,254</u>	<u>\$ 51,306,187</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss). . . . .	\$ 730,212	\$ (10,981,423)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization. . . . .	7,490,388	4,625,519
(Increase) decrease in:		
Receivables and prepaid items. . . . .	(250,909)	(1,757,936)
Inventories. . . . .	(31,266)	50,771
Increase (decrease) in:		
Accounts payable and accrued expenses. . . . .	(72,304)	1,193,990
Unearned revenue. . . . .	-	-
Deferred outflows. . . . .	3,123	45,197
Deferred inflows. . . . .	1,272	47,453
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,870,516</u>	<u>\$ (6,776,429)</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contributions of capital assets. . . . .	\$ 362,008	\$ (194,041)
Loss on disposal of capital assets. . . . .	1,055,721	-
Increase (decrease) in fair value of investments. . . . .	-	-
Transfer of G.O. Bonds and related capital assets. . . . .	-	-

	Energy Center	Self Insurance	Employee Health Plan Self-Insurance	Other Employee Benefits	Total
\$	10,518,192	\$ 12,193,653	\$ 147,162,535	\$ 20,402,127	\$ 294,350,585
	(8,778,084)	(133,949)	(7,379,135)	-	(55,900,132)
	(166,825)	(14,056,540)	(161,250,952)	(13,142,888)	(247,982,280)
	(117,242)	(368,496)	(14,915)	-	(4,506,605)
	<u>1,456,041</u>	<u>(2,365,332)</u>	<u>(21,482,467)</u>	<u>7,259,239</u>	<u>(14,038,432)</u>
	-	-	10,000,000	3,400,000	13,400,000
	-	(543,970)	-	142,611	(401,359)
	-	-	-	-	4,000,000
	<u>-</u>	<u>(543,970)</u>	<u>10,000,000</u>	<u>3,542,611</u>	<u>16,998,641</u>
	-	-	-	-	(15,030,143)
	-	-	-	-	(817,801)
	(423,586)	-	-	-	(454,892)
	<u>(1,215,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,215,038)</u>
	<u>(1,638,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,517,874)</u>
	-	-	1,560,624	-	1,560,624
	(182,583)	(2,909,302)	(9,921,843)	10,801,850	(12,997,041)
	<u>3,737,786</u>	<u>21,340,875</u>	<u>30,067,449</u>	<u>101,432,899</u>	<u>245,559,613</u>
\$	<u>3,555,203</u>	<u>18,431,573</u>	<u>20,145,606</u>	<u>112,234,749</u>	<u>232,562,572</u>
\$	213,153	\$ (3,631,440)	\$ (14,852,526)	\$ -	\$ (28,522,024)
	1,766,256	-	-	-	13,882,163
	(337,090)	(533,716)	(923,586)	2,013,888	(1,789,349)
	15,417	-	-	-	34,922
	(202,063)	1,799,214	(2,664,334)	5,245,351	5,299,854
	-	-	(3,045,191)	-	(3,045,191)
	146	226	231	-	48,923
	<u>222</u>	<u>384</u>	<u>2,939</u>	<u>-</u>	<u>52,270</u>
\$	<u>1,456,041</u>	<u>(2,365,332)</u>	<u>(21,482,467)</u>	<u>7,259,239</u>	<u>(14,038,432)</u>
\$	-	\$ -	\$ -	\$ -	\$ 167,967
	-	-	-	-	1,055,721
	-	-	1,131,971	-	1,131,971
	<u>95,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,032</u>

**Schedules of Net Position - Internal Service Funds**

For the Years Ended December 31, 2023 and 2022

	Fleet Services		Information Technology	
	2023	2022	2023	2022 (Restated)
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Current Assets:</b>				
Cash	\$ 26,889,254	\$ 30,090,318	\$ 51,306,187	\$ 58,890,286
Interfund receivable	724,564	393,782	125,407	57,023
Receivables from users	38,001	116,322	695,471	311,903
Inventories	248,591	217,325	166,853	217,624
Prepaid items	-	1,552	10,964,944	9,658,960
Total Current Assets	27,900,410	30,819,299	63,258,862	69,135,796
<b>Noncurrent Assets:</b>				
Capital assets, nondepreciable	5,947,462	2,272,584	-	-
Capital asset, net of accumulated depreciation/amortization	31,296,280	29,972,237	11,288,068	12,149,065
Total Noncurrent Assets	37,243,742	32,244,821	11,288,068	12,149,065
Total Assets	65,144,152	63,064,120	74,546,930	81,284,861
<b>Deferred Outflows of Resources</b>				
Postemployment healthcare related	14,848	17,971	411,286	456,483
Total Assets and Deferred Outflows of Resources	\$ 65,159,000	\$ 63,082,091	\$ 74,958,216	\$ 81,741,344
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>Current Liabilities:</b>				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Accounts and contracts payable	1,502,076	1,596,081	2,255,695	1,608,526
Accrued expenses	-	-	1,882,199	1,739,663
Unearned revenue	-	-	-	-
Current portion of:				
Workers' compensation claims	-	-	-	-
Subscription payables	-	-	358,545	1,255,830
General obligation bonds	-	-	-	-
Compensated absences	60,000	70,000	460,000	480,000
Total Current Liabilities	1,562,076	1,666,081	4,956,439	5,084,019
<b>Noncurrent Liabilities, Net of Current Portion:</b>				
Workers' compensation claims	-	-	-	-
Subscription payables	-	-	220,406	140,922
General obligation bonds	-	-	-	-
Postemployment healthcare benefits	104,414	104,079	2,416,432	2,538,515
Compensated absences	307,406	276,040	6,263,292	5,716,924
Total Noncurrent Liabilities	411,820	380,119	8,900,130	8,396,361
Total Liabilities	1,973,896	2,046,200	13,856,569	13,480,380
<b>Deferred Inflows of Resources</b>				
Postemployment healthcare related	18,541	17,269	363,474	316,021
<b>Net Position:</b>				
Net investment in capital assets	37,243,742	32,244,821	10,709,117	10,752,313
Restricted for:				
Unrestricted	25,922,821	28,773,801	50,029,056	57,192,630
Total Net Position	63,166,563	61,018,622	60,738,173	67,944,943
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 65,159,000	\$ 63,082,091	\$ 74,958,216	\$ 81,741,344



Energy Center		Self Insurance		Employee Health Plan Self Insurance		Other Employee Benefits	
2023	2022	2023	2022	2023	2022	2023	2022
\$ 3,555,203	\$ 3,737,786	\$ 18,431,573	\$ 21,340,875	\$ 20,145,606	\$ 30,067,449	\$ 112,234,749	\$ 101,432,899
1,384,046	1,043,554	554,615	20,899	-	500,000	-	2,013,888
316,350	319,752	-	-	1,423,586	-	-	-
370,576	385,993	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,626,175	5,487,085	18,986,188	21,361,774	21,569,192	30,567,449	112,234,749	103,446,787
1,103,364	2,966,888	-	-	-	-	-	-
16,201,069	16,008,768	-	-	-	-	-	-
17,304,433	18,975,656	-	-	-	-	-	-
22,930,608	24,462,741	18,986,188	21,361,774	21,569,192	30,567,449	112,234,749	103,446,787
4,619	4,765	17,975	18,201	6,285	6,516	-	-
\$ 22,935,227	\$ 24,467,506	\$ 19,004,163	\$ 21,379,975	\$ 21,575,477	\$ 30,573,965	\$ 112,234,749	\$ 103,446,787
\$ -	\$ -	\$ -	\$ 543,970	\$ -	\$ -	\$ 2,179,192	\$ 2,036,581
960,245	1,163,240	1,770,869	540,030	11,450	259,260	-	-
5,445	5,132	44,512	40,244	13,196,345	15,544,790	-	-
-	-	-	-	1,979,911	5,025,102	-	-
-	-	4,200,000	3,200,000	-	-	-	-
-	-	-	-	-	-	-	-
1,186,756	1,215,038	-	-	-	-	-	-
-	-	20,000	20,000	10,000	10,000	11,260,000	11,320,000
2,152,446	2,383,410	6,035,381	4,344,244	15,197,706	20,839,152	13,439,192	13,356,581
-	-	9,250,000	9,676,000	-	-	-	-
-	-	-	-	-	-	-	-
12,781,035	13,872,760	-	-	-	-	-	-
9,331	9,792	17,893	32,910	78,301	83,294	-	-
49,181	48,101	101,303	96,179	38,744	101,830	95,395,557	90,090,206
12,839,547	13,930,653	9,369,196	9,805,089	117,045	185,124	95,395,557	90,090,206
14,991,993	16,314,063	15,404,577	14,149,333	15,314,751	21,024,276	108,834,749	103,446,787
1,309	1,087	2,876	2,492	7,635	4,696	-	-
3,336,642	3,887,858	-	-	-	-	-	-
4,605,283	4,264,498	3,596,710	7,228,150	6,253,091	9,544,993	3,400,000	-
7,941,925	8,152,356	3,596,710	7,228,150	6,253,091	9,544,993	3,400,000	-
\$ 22,935,227	\$ 24,467,506	\$ 19,004,163	\$ 21,379,975	\$ 21,575,477	\$ 30,573,965	\$ 112,234,749	\$ 103,446,787

**Schedules of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**

For the Years Ended December 31, 2023 and 2022

	Fleet Services		Information Technology	
	2023	2022	2023	2022 (Restated)
<b>OPERATING REVENUES</b>				
Charges for services. . . . .	\$ 18,652,090	\$ 18,783,227	\$ 85,983,865	\$ 84,005,651
Total Operating Revenues	18,652,090	18,783,227	85,983,865	84,005,651
<b>OPERATING EXPENSES</b>				
Personal services. . . . .	2,891,235	2,557,665	56,996,871	50,401,377
Commodities. . . . .	4,569,317	3,261,614	2,836,047	4,438,833
Contractual services. . . . .	2,512,917	2,626,844	28,958,920	24,725,044
Depreciation and amortization . . . . .	7,490,388	8,635,467	4,625,519	5,071,564
Other charges. . . . .	458,021	409,307	3,547,931	3,519,941
Total Operating Expenses	17,921,878	17,490,897	96,965,288	88,156,759
Operating Income (Loss)	730,212	1,292,330	(10,981,423)	(4,151,108)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (losses). . . . .	-	-	-	-
Interest expense. . . . .	-	-	(31,306)	-
Gain (Loss) on capital asset disposal. . . . .	1,055,721	1,790,449	-	(1,234)
Settlements . . . . .	-	-	4,000,000	-
Total Nonoperating Revenues (Expenses)	1,055,721	1,790,449	3,968,694	(1,234)
Income (Loss) Before Contributions	1,785,933	3,082,779	(7,012,729)	(4,152,342)
Capital contributions. . . . .	362,008	921,164	(194,041)	1,585,248
Transfers in. . . . .	-	-	-	-
Transfers out. . . . .	-	-	-	-
Net Contributions and Transfers	362,008	921,164	(194,041)	1,585,248
Change in Net Position	2,147,941	4,003,943	(7,206,770)	(2,567,094)
Total Net Position - Beginning	61,018,622	57,014,679	67,944,943	70,512,037
Total Net Position - Ending	\$ 63,166,563	\$ 61,018,622	\$ 60,738,173	\$ 67,944,943

	Energy Center		Self Insurance		Employee Health Plan Self Insurance		Other Employee Benefits	
	2023	2022	2023	2022	2023	2022	2023	2022
\$	10,854,969	\$ 10,991,103	\$ 12,723,101	\$ 11,530,429	\$ 153,479,757	\$ 137,791,840	\$ 18,388,239	\$ 11,396,390
	10,854,969	10,991,103	12,723,101	11,530,429	153,479,757	137,791,840	18,388,239	11,396,390
	167,812	161,336	14,621,257	12,076,824	161,186,043	144,007,856	18,388,239	11,396,390
	5,224,413	5,395,584	73,772	194,568	2,849	11,401	-	-
	3,366,093	3,110,788	1,291,016	702,795	7,128,476	9,768,584	-	-
	1,766,256	1,668,329	-	-	-	-	-	-
	117,242	113,928	368,496	(1,604,901)	14,915	5,720	-	-
	10,641,816	10,449,965	16,354,541	11,369,286	168,332,283	153,793,561	18,388,239	11,396,390
	213,153	541,138	(3,631,440)	161,143	(14,852,526)	(16,001,721)	-	-
	-	-	-	-	1,560,624	(1,020,444)	-	-
	(423,584)	(397,862)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(423,584)	(397,862)	-	-	1,560,624	(1,020,444)	-	-
	(210,431)	143,276	(3,631,440)	161,143	(13,291,902)	(17,022,165)	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	10,000,000	-	3,400,000	-
	-	-	-	-	-	-	-	-
	-	-	-	-	10,000,000	-	3,400,000	-
	(210,431)	143,276	(3,631,440)	161,143	(3,291,902)	(17,022,165)	3,400,000	-
	8,152,356	8,009,080	7,228,150	7,067,007	9,544,993	26,567,158	-	-
\$	7,941,925	\$ 8,152,356	\$ 3,596,710	\$ 7,228,150	\$ 6,253,091	\$ 9,544,993	\$ 3,400,000	\$ -



---

# **Statistical Section**

---



## Statistical Section

---

### Page   Table

**Financial Trends – This section provides information that shows how the County's financial position has changed over time.**

162	1. Government-wide Net Position
164	2. Government-wide Change in Net Position
166	3. Government-wide Expenses by Function
168	4. Government-wide Revenues
170	5. Fund Balances - Governmental Funds
172	6. Change in Fund Balances - Governmental Funds
174	7. Governmental Fund Expenditures by Function
176	8. Governmental Fund Revenues by Source

**Revenue Capacity – This section provides information that shows factors affecting the County's ability to generate its own-source revenues.**

178	9. Property Estimated Market Value
180	10. Property Tax Rates and Levies - Direct and Overlapping Governments
182	11. Principal Taxpayers
184	12. Tax Levies and Collections on Property Located Within the County
186	13. Net Tax Capacity and Taxable Market Value of Property
188	14. Tax Capacity of Taxable Property by Municipality

**Debt Capacity – This section provides information regarding the County's current level of outstanding debt and its ability to issue additional debt.**

190	15. Ratios of Outstanding Debt by Type
192	16. Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
193	17. Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
194	18. Direct, Overlapping, and Underlying Levy-supported General Obligation Debt
195	19. Direct, Overlapping, and Underlying Governmental Activities Debt
196	20. Legal Debt Margin Information
198	21. Sales Tax Revenue Bond Coverage
200	22. Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures

**Demographic and Economic Information – This section provides information regarding the County's socioeconomic environment and facilitates comparisons over time and among governments.**

201	23. Demographic and Economic Statistics
202	24. Labor Force Size and Unemployment Rate
203	25. Employment Information by Industry
204	26. Principal Employers

**Operating Information – This section provides information about the County's operations and resources.**

206	27. Employees by Function/Program
208	28. Operating Indicators
210	29. Capital Asset Statistics by Function/Program
212	30. Selected Per Capita Measures of Financial Condition
214	31. Selected Ratio Measures of Financial Condition

### Government-wide Net Position

Last Ten Years

Year	Governmental Activities Net Position <sup>1</sup>				Business-type	
	Net Investment in Capital Assets	Restricted	Unrestricted	Total	Net Investment in Capital Assets	Restricted
2014	\$ 1,034,215,941 62.6 %	57,683,720 3.5	559,125,672 33.9	\$ 1,651,025,333 100.0 %	\$ 117,989,973 64.1 %	64,605,171 35.1
2015	\$ 1,115,088,507 107.8 %	60,073,851 5.8	(140,552,867) (13.6)	\$ 1,034,609,491 100.0 %	\$ 125,124,499 71.0 %	46,195,638 26.2
2016	\$ 1,219,864,333 134.4 %	55,598,868 6.1	(367,758,308) (40.5)	\$ 907,704,893 100.0 %	\$ 395,059,037 154.8 %	100,921,673 39.6
2017	\$ 1,206,561,675 146.6 %	33,310,365 4.0	(416,536,711) (50.6)	\$ 823,335,329 100.0 %	\$ 384,924,769 151.0 %	110,665,578 43.4
2018	\$ 1,262,978,840 135.4 %	107,904,209 11.6	(438,421,345) (47.0)	\$ 932,461,704 100.0 %	\$ 357,743,028 135.5 %	113,076,467 42.8
2019	\$ 1,182,547,879 125.6 %	364,061,414 38.7	(605,345,730) (64.3)	\$ 941,263,563 100.0 %	\$ 340,520,315 138.3 %	113,845,957 46.3
2020	\$ 1,140,681,933 148.0 %	325,286,070 42.2	(695,375,554) (90.2)	\$ 770,592,449 100.0 %	\$ 334,564,780 108.2 %	140,821,957 45.5
2021	\$ 1,150,924,259 112.6 %	418,125,500 40.9	(546,857,995) (53.5)	\$ 1,022,191,764 100.0 %	\$ 332,684,247 91.8 %	154,758,855 42.7
2022	\$ 1,162,226,972 105.8 %	509,294,932 46.4	(573,041,336) (52.2)	\$ 1,098,480,538 100.0 %	\$ 321,901,627 92.8 %	180,797,095 52.6
2023	\$ 1,090,537,356 91.1 %	563,342,808 47.0	(456,403,153) (38.1)	\$ 1,197,477,011 100.0 %	\$ 317,747,025 93.4 %	223,072,489 65.5

<sup>1</sup> The implementation of GASB 68 in 2015 required the County to report a net pension liability. As a result, 2014 was restated to report initial balances, reducing business-type activities net position by \$10 million. The County's investment in component unit that is described above was restated to reflect the Medical Center's implementation of GASB 68, which reduced the County's net position by an additional \$281.1 million.

The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit, eliminating the governmental activities' equity interest in component unit that had been reported since 2012. The governmental activities' and business-type activities' net positions were restated as of January 1, 2016. Net position in business-type activities increased \$75 million with the addition of the Medical Center and net position in governmental activities decreased by the same amount with the removal of the equity interest in component unit. Periods prior to 2016 were not restated because the information is not available.

The County adopted the provisions of GASB 75 in 2018, which changed the liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures relating to postemployment benefits. The governmental activities' and business-type activities' net positions were restated as of January 1, 2017, with net position in governmental activities decreasing \$49.5 million and business-type activities net position increasing \$14.4 million. Periods prior to 2017 were not restated because the information is not available.

The County adopted the provisions of GASB 96 in 2023, which changed the assets, liabilities, and expenses/expenditures related to subscription-based IT arrangements. The business-type activities' net position was restated as of January 1, 2022, resulting in a \$701,379 increase. Periods prior to 2022 were not restated because the information is not available.

Unaudited



Activities Net Position <sup>1</sup>			Total Primary Government Net Position			
Unrestricted	Total		Net Investment in Capital Assets	Restricted	Unrestricted	Total
1,499,952 0.8	\$ 184,095,096 100.0 %		\$ 1,152,205,914 62.8 %	122,288,891 6.7	560,625,624 30.5	\$ 1,835,120,429 100.0 %
4,927,906 2.8	\$ 176,248,043 100.0 %		\$ 1,240,213,006 102.4 %	106,269,489 8.8	(135,624,961) (11.2)	\$ 1,210,857,534 100.0 %
(240,873,069) (94.4)	\$ 255,107,641 100.0 %		\$ 1,614,923,370 138.8 %	156,520,541 13.5	(608,631,377) (52.3)	\$ 1,162,812,534 100.0 %
(240,740,842) (94.4)	\$ 254,849,505 100.0 %		\$ 1,591,486,444 147.6 %	143,975,943 13.4	(657,277,553) (61.0)	\$ 1,078,184,834 100.0 %
(206,832,888) (78.3)	\$ 263,986,607 100.0 %		\$ 1,620,721,868 135.5 %	220,980,676 18.4	(645,254,233) (53.9)	\$ 1,196,448,311 100.0 %
(208,288,661) (84.6)	\$ 246,077,611 100.0 %		\$ 1,523,068,194 128.2 %	477,907,371 40.3	(813,634,391) (68.5)	\$ 1,187,341,174 100.0 %
(166,177,272) (53.7)	\$ 309,209,465 100.0 %		\$ 1,475,246,713 136.6 %	466,108,027 43.2	(861,552,826) (79.8)	\$ 1,079,801,914 100.0 %
(125,131,930) (34.5)	\$ 362,311,172 100.0 %		\$ 1,483,608,506 107.2 %	572,884,355 41.4	(671,989,925) (48.6)	\$ 1,384,502,936 100.0 %
(159,048,896) (45.4)	\$ 343,649,826 100.0 %		\$ 1,484,128,599 102.7 %	690,092,027 47.9	(732,090,232) (50.6)	\$ 1,442,130,364 100.0 %
(200,426,016) (58.9)	\$ 340,393,498 100.0 %		\$ 1,408,284,381 91.6 %	786,415,297 51.1	(656,829,169) (42.7)	\$ 1,537,870,509 100.0 %

**Government-wide Change in Net Position**

Last Ten Years

Year	Governmental Activities Change in Net Position <sup>1</sup>				
	Net Program Expense	General Revenue	Transfers In (Out)	Insurance Recoveries	Total
2014	\$ (676,641,873)	777,420,470	475,439	-	\$ 101,254,036
2015	\$ (743,751,041)	859,497,012	1,043,430	-	\$ 116,789,401
2016	\$ (860,383,897)	853,717,908	(17,323,096)	-	\$ (23,989,085)
2017	\$ (939,947,496)	915,334,413	(8,396,008)	-	\$ (33,009,091)
2018	\$ (943,600,045)	1,064,502,788	(11,776,368)	-	\$ 109,126,375
2019	\$ (1,119,662,343)	1,142,841,349	(14,377,147)	-	\$ 8,801,859
2020	\$ (1,296,728,088)	1,144,927,388	(18,870,414)	-	\$ (170,671,114)
2021	\$ (862,965,987)	1,139,982,552	(26,186,000)	768,750	\$ 251,599,315
2022	\$ (1,075,309,570)	1,163,431,622	(11,833,278)	-	\$ 76,288,774
2023	\$ (1,198,233,590)	1,307,875,023	(10,644,960)	-	\$ 98,996,473

<sup>1</sup> The implementation of GASB 68 in 2015 required the County and its discretely presented component unit to report a net pension liability, as well as related revenues and expenses. The years prior to implementation were not restated above because that information is not available.

The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. 2016 was restated for comparison purposes but data is not available for prior years.

The implementation of GASB 75 in 2018 changed the method for reporting expenses relating to postemployment benefits. 2017 was restated for comparison purposes but periods prior to 2017 were not restated because the information is not available.

The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Governmental Activities' Net Program Expense amounts include contributions to Metropolitan Council for light rail projects such as Southwest Light Rail Transit. For example, 2021, 2022 and 2023 Net Program Expense amounts include \$32,863,492, \$127,171,043 and \$117,766,961 respectively.

Unaudited

Table 2

Business-type Activities Change in Net Position <sup>1</sup>				
Net Program Revenue (Expense)	General Revenue	Transfers In (Out)	Total	Total Change in Net Position
\$ 1,367,401	2,536,046	(475,439)	3,428,008	\$ 104,682,044
\$ (10,480,718)	3,677,095	(1,043,430)	(7,847,053)	\$ 108,942,348
\$ (45,026,903)	3,647,892	17,323,096	(24,055,915)	\$ (48,045,000)
\$ (26,428,996)	3,743,368	8,396,008	(14,289,620)	\$ (47,298,711)
\$ (6,779,710)	4,140,444	11,776,368	9,137,102	\$ 118,263,477
\$ (36,656,879)	4,370,736	14,377,147	(17,908,996)	\$ (9,107,137)
\$ 39,540,810	4,720,630	18,870,414	63,131,854	\$ (107,539,260)
\$ 24,024,854	2,890,853	26,186,000	53,101,707	\$ 304,701,022
\$ (35,766,740)	5,272,116	11,833,278	(18,661,346)	\$ 57,627,428
\$ (18,855,444)	4,954,156	10,644,960	(3,256,328)	\$ 95,740,145

**Government-wide Expenses by Function**

Last Ten Years

Year	Governmental Activities						
	Operations <sup>1</sup>	Disparity Reduction	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services
2014	\$ 114,949,399 7.6 %	- -	486,567,994 32.3	100,984,162 6.7	283,974,464 18.8	113,177,930 7.5	105,068,154 7.0
2015	\$ 138,704,676 8.9 %	- -	518,754,330 34.3	72,266,334 4.8	290,419,591 19.2	90,238,102 6.0	111,549,487 7.4
2016	\$ 148,352,078 5.7 %	- -	578,786,579 21.9	66,712,310 2.5	348,219,386 13.2	95,340,184 3.6	122,365,162 4.6
2017	\$ 155,836,533 5.5 %	- -	606,245,245 21.2	68,619,425 2.4	347,612,537 12.1	116,853,788 4.1	125,114,046 4.4
2018	\$ 190,477,947 6.7 %	- -	611,146,772 21.1	78,387,060 2.7	319,194,885 11.0	125,680,478 4.3	128,113,024 4.4
2019	\$ 304,441,139 9.7 %	- -	606,469,494 19.3	79,401,626 2.5	353,266,892 11.3	149,132,482 4.7	127,378,638 4.1
2020	\$ 477,251,335 13.6 %	- -	620,995,687 17.9	71,311,173 2.1	345,693,745 10.0	218,469,994 6.3	133,326,664 3.8
2021	\$ 238,929,124 7.5 %	- -	600,417,949 18.8	82,175,836 2.6	339,834,100 10.7	136,917,181 4.3	111,860,958 3.5
2022 <sup>2</sup>	\$ 327,405,797 8.9 %	12,925,386 0.3	671,470,503 18.1	88,818,746 2.4	401,991,998 10.8	123,466,469 3.3	124,238,989 3.3
2023	\$ 338,927,629 8.5 %	22,710,965 0.6	748,002,622 18.6	104,438,887 2.6	420,343,604 10.5	145,671,986 3.6	154,222,572 3.8

<sup>1</sup> Note that the Government-wide presentation of Operations expenses is very different from the Table 7 governmental fund presentation. For example, Table 3 differs from Table 7 in that Table 3 does not include certain expenses such as those for capital assets and debt principal payments due to the different measurement focus.

The implementation of GASB 68 in 2015 required the County and its discretely presented component unit to report a net pension liability, as well as related revenues and expenses. The years prior to implementation were not restated above because that information is not available.

The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit in business-type activities, rather than a discretely presented component unit. 2016 was restated for comparison purposes but data is not available for prior years.

The implementation of GASB 75 in 2018 changed the method for reporting expenses relating to postemployment benefits. 2017 was restated for comparison purposes but periods prior to 2017 were not restated because the information is not available.

The 2021, 2022 and 2023 Operations Expense amounts include \$32,863,492, \$127,171,043 and \$117,766,961 respectively, relating to contributions to Metropolitan Council for light rail projects such as Southwest Light Rail Transit.

The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available.

<sup>2</sup> The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Unaudited

Table 3

Housing and Redevelopment Authority	Regional Railroad Authority	Interest on Long-term Debt	Business-type Activities				Total
			Hennepin Health Plan	Environment and Energy	Medical Center	Other Enterprises	
9,930,939 0.7	29,180,649 1.9	42,719,174 2.8	159,611,117 10.6	58,056,471 3.9	0 -	2,959,443 0.2	\$ 1,507,179,896 100.0 %
10,170,173 0.7	23,908,644 1.6	43,205,097 2.9	148,124,869 9.8	63,285,558 4.2	0 -	3,339,214 0.2	\$ 1,513,966,075 100.0 %
11,037,512 0.4	24,713,823 0.9	44,024,761 1.7	128,098,502 4.8	59,055,113 2.2	1,015,357,256 38.4	3,630,950 0.1	\$ 2,645,693,616 100.0 %
12,340,350 0.4	54,407,297 1.9	48,127,742 1.7	227,311,006 7.9	68,754,823 2.4	1,026,701,749 35.9	3,964,905 0.1	\$ 2,861,889,446 100.0 %
11,282,225 0.4	42,915,345 1.5	35,450,382 1.2	229,332,103 7.9	70,997,580 2.5	1,044,068,505 36.1	4,380,778 0.2	\$ 2,891,427,084 100.0 %
9,420,106 0.3	43,898,191 1.4	40,630,769 1.3	229,885,013 7.3	70,825,616 2.3	1,120,652,913 35.7	4,579,516 0.1	\$ 3,139,982,395 100.0 %
18,731,951 0.5	78,322,450 2.3	35,147,804 1.0	249,234,707 7.2	71,939,427 2.1	1,148,474,054 33.1	5,024,258 0.1	\$ 3,473,923,249 100.0 %
15,131,283 0.5	9,343,977 0.3	16,316,580 0.5	332,065,520 10.4	75,128,209 2.4	1,224,559,954 38.4	4,538,075 0.1	\$ 3,187,218,746 100.0 %
20,886,498 0.6	4,962,493 0.1	29,080,302 0.8	422,207,850 11.4	87,343,316 2.4	1,392,721,617 37.5	4,660,875 0.1	\$ 3,712,180,839 100.0 %
43,537,210 1.1	9,823,606 0.2	41,240,482 1.0	402,807,796 10.0	83,714,401 2.1	1,498,805,977 37.3	5,055,515 0.1	\$ 4,019,303,252 100.0 %

**Government-wide Revenues**

Last Ten Years

	2014	2015	2016	2017
<b>Program Revenues</b>				
<u>Governmental Activities:</u>				
Charges for services:				
Operations	\$ 8,159,487	\$ 14,872,214	\$ 11,600,205	\$ 12,115,471
Human Services	48,700,014	47,429,213	47,896,357	52,685,114
Resident Services	13,391,629	23,626,002	24,206,517	24,295,135
Health	21,549,852	25,494,025	26,810,379	29,363,243
Law, Safety and Justice	18,880,468	18,144,638	18,586,084	19,546,765
Public Works	19,568,578	8,377,004	9,464,679	7,778,536
Housing and Redevelopment Authority	2,472,522	2,269,562	2,286,707	2,500,933
Regional Railroad Authority	788,760	685,494	768,950	713,873
Operating Grants and Contributions	349,930,813	338,658,128	348,477,646	366,649,750
Capital Grants and Contributions	126,468,869	75,909,113	89,070,374	79,560,647
<b>Total Governmental Activities</b>	<b>609,910,992</b>	<b>555,465,393</b>	<b>579,167,898</b>	<b>595,209,467</b>
<u>Business-type Activities:</u>				
Charges for services:				
Hennepin Health Plan	161,168,368	144,120,318	127,883,397	231,003,831
Environment and Energy	51,262,909	50,713,519	52,352,065	53,834,305
Medical Center <sup>1</sup>			912,560,574	939,043,280
Other Enterprises	3,191,407	3,842,304	4,018,439	3,941,747
Operating Grants and Contributions	6,371,748	5,592,782	63,532,013	72,480,324
Capital Grants and Contributions	-	-	768,430	-
<b>Total Business-type Activities</b>	<b>221,994,432</b>	<b>204,268,923</b>	<b>1,161,114,918</b>	<b>1,300,303,487</b>
<b>Total Program Revenues</b>	<b>831,905,424</b>	<b>759,734,316</b>	<b>1,740,282,816</b>	<b>1,895,512,954</b>
<b>General Revenues, Transfers, and Special Items</b>				
<u>Governmental Activities:</u>				
Property Taxes	673,098,851	736,107,711	765,198,455	800,979,263
Sales Tax	34,254,757	35,769,164	36,468,191	57,266,835
Wheelage Tax	9,296,105	9,965,015	9,918,363	9,973,509
Other Taxes	2,974,387	3,470,495	3,514,045	3,344,822
Unrestricted Grants and Contributions	32,185,948	32,451,058	32,451,058	31,242,476
Unrestricted Investment Earnings (Losses) <sup>1</sup>	10,847,530	8,350,369	6,167,796	12,527,508
Transfers In (Out)	475,439	1,043,430	(17,323,096)	(8,396,008)
Change in Equity Interest in Component Unit <sup>2</sup>	14,762,892	33,383,200	-	-
Insurance Recoveries	-	-	-	-
<b>Total general revenues and transfers</b>	<b>777,895,909</b>	<b>860,540,442</b>	<b>836,394,812</b>	<b>906,938,405</b>
<u>Business-type Activities:</u>				
Property Taxes	-	-	-	-
Other Taxes	2,536,046	3,677,095	3,647,892	3,743,368
Transfers In (Out)	(475,439)	(1,043,430)	17,323,096	8,396,008
<b>Total Business-type Activities</b>	<b>2,060,607</b>	<b>2,633,665</b>	<b>20,970,988</b>	<b>12,139,376</b>
<b>Total General Revenues, Transfers, and Special Items</b>	<b>779,956,516</b>	<b>863,174,107</b>	<b>857,365,800</b>	<b>919,077,781</b>
<b>Total Revenues, Transfers, and Special Items</b>	<b>\$ 1,611,861,940</b>	<b>\$ 1,622,908,423</b>	<b>\$ 2,597,648,616</b>	<b>\$ 2,814,590,735</b>

<sup>1</sup> Total investment earning includes the net change in the fair value of investments. See Note 3 for actual investment income and realized gains/losses without the impact of changes in fair value.

<sup>2</sup> The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. 2016 was restated for comparison purposes but data is not available for prior years.

<sup>3</sup> Federal grant revenues totaling \$198,827,485 relating to the COVID-19 pandemic were received in 2020 to mitigate some of the economic disruption caused by the COVID-19 pandemic. Sales tax revenues and investment earnings decreased due to economic impacts of the pandemic. Federal grant revenues totaling \$181,494,303, \$134,231,668, and 122,504,075 related to pandemic recovery were received in 2021, 2022, and 2023, respectively.

Unaudited

Table 4

	2018	2019	2020	2021	2022	2023
\$	12,039,425	\$ 16,827,669	\$ 14,637,256	\$ 19,273,459	\$ 18,919,438	\$ 20,778,110
	58,597,385	57,141,476	55,734,790	48,991,682	48,587,795	54,915,367
	24,279,892	25,378,231	21,398,488	23,141,127	22,572,328	21,127,376
	24,466,065	25,264,511	20,031,597	24,573,788	25,066,712	25,844,636
	19,582,140	18,880,557	14,597,641	13,930,470	14,715,003	16,559,558
	6,661,736	9,305,077	7,546,082	6,608,286	5,668,180	6,591,785
	2,589,833	1,528,593	3,575,190	4,871,872	3,600,239	2,303,010
	488,816	547,719	487,523	577,727	1,262,583	473,791
	361,831,257	372,715,060	508,172,728	490,060,818	515,115,629	654,800,235
	88,511,524	66,788,101	56,341,420	55,931,772	74,429,704	27,292,105
	<u>599,048,073</u>	<u>594,376,994</u>	<u>702,522,715</u>	<u>687,961,001</u>	<u>729,937,611</u>	<u>830,685,973</u>
	234,468,514	213,812,696	256,562,245	327,212,725	445,078,043	424,734,106
	50,812,125	58,364,153	60,138,047	70,787,987	78,528,112	75,043,827
	981,700,323	1,021,757,979	955,633,560	1,143,140,548	1,243,721,190	1,336,672,421
	4,366,682	4,570,312	4,807,539	5,324,488	5,285,520	5,489,277
	70,651,612	90,781,039	237,071,865	113,850,864	98,554,053	129,588,614
	-	-	-	-	-	-
	<u>1,341,999,256</u>	<u>1,389,286,179</u>	<u>1,514,213,256</u>	<u>1,660,316,612</u>	<u>1,871,166,918</u>	<u>1,971,528,245</u>
	<u>1,941,047,329</u>	<u>1,983,663,173</u>	<u>2,216,735,971</u>	<u>2,348,277,613</u>	<u>2,601,104,529</u>	<u>2,802,214,218</u>
	829,362,438	885,201,195	915,936,953	903,936,662	948,263,013	958,383,810
	170,834,314	177,893,004	158,887,776	180,764,048	209,171,559	215,208,804
	10,468,350	10,678,140	19,305,219	20,294,603	19,719,096	20,096,378
	3,514,521	3,523,549	3,667,703	5,182,898	3,905,780	2,765,762
	32,605,262	31,702,806	35,914,968	36,043,078	44,292,862	36,563,432
	17,717,903	33,842,655	11,214,769	(6,238,737)	(61,920,688)	74,856,837
	(11,776,368)	(14,377,147)	(18,870,414)	(26,186,000)	(11,833,278)	(10,644,960)
	-	-	-	-	-	-
	-	-	-	768,750	-	-
	<u>1,052,726,420</u>	<u>1,128,464,202</u>	<u>1,126,056,974</u>	<u>1,114,565,302</u>	<u>1,151,598,344</u>	<u>1,297,230,063</u>
	-	-	-	-	-	261,246
	4,140,444	4,370,736	4,720,630	2,890,853	5,272,116	4,692,910
	11,776,368	14,377,147	18,870,414	26,186,000	11,833,278	10,644,960
	15,916,812	18,747,883	23,591,044	29,076,853	17,105,394	15,599,116
	<u>1,068,643,232</u>	<u>1,147,212,085</u>	<u>1,149,648,018</u>	<u>1,143,642,155</u>	<u>1,168,703,738</u>	<u>1,312,829,179</u>
\$	<u>3,009,690,561</u>	<u>3,130,875,258</u>	<u>3,366,383,989</u>	<u>3,491,919,768</u>	<u>3,769,808,267</u>	<u>4,115,043,397</u>

**Fund Balances - Governmental Funds**

Last Ten Years

General Fund						
Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2014	\$ 3,295,076 1.7%	15,130,850 7.6%	9,000,000 4.5%	36,308,948 18.3%	134,755,227 67.9%	198,490,101 100.0%
2015	\$ 3,786,580 1.9%	14,538,052 7.4%	-	39,060,573 19.9%	138,845,323 70.8%	196,230,528 100.0%
2016	\$ 3,634,594 1.9%	15,085,450 7.9%	-	42,751,107 22.6%	128,298,246 67.6%	189,769,397 100.0%
2017	\$ 3,711,556 1.7%	14,439,209 6.7%	-	39,704,269 18.6%	156,228,977 73.0%	214,084,011 100.0%
2018	\$ 2,447,895 1.2%	15,051,095 7.4%	-	37,305,151 18.3%	149,347,465 73.1%	204,151,606 100.0%
2019	\$ 2,442,985 1.1%	15,336,277 6.9%	-	46,121,699 20.7%	158,941,880 71.3%	222,842,841 100.0%
2020	\$ 3,100,646 1.4%	16,040,900 7.3%	-	61,861,604 28.3%	137,559,210 63.0%	218,562,360 100.0%
2021 <sup>1</sup>	\$ 6,998,271 2.9%	22,658,602 9.4%	-	50,561,810 20.9%	162,090,016 66.8%	242,308,699 100.0%
2022	\$ 6,732,134 2.9%	22,478,070 9.5%	-	49,452,252 21.0%	156,859,427 66.6%	235,521,883 100.0%
2023	\$ 7,434,349 2.4%	40,043,324 13.2%	-	79,232,031 26.0%	177,605,849 58.4%	304,315,553 100.0%

<sup>1</sup> The Library special revenue fund was consolidated into the General Fund beginning in 2021.

Unaudited



Table 5

All Other Governmental Funds				
Nonspendable	Restricted	Committed	Unassigned	Total
3,739,660 4.4%	220,495,528 50.3%	185,971,038 45.3%	-	\$ 410,206,226 100.0%
9,807,491 6.9%	164,488,646 44.1%	167,233,245 49.0%	-	\$ 341,529,382 100.0%
10,772,803 2.7%	234,651,766 58.2%	157,639,040 39.1%	-	\$ 403,063,609 100.0%
3,784,193 1.1%	177,485,513 51.4%	164,038,954 47.5%	-	\$ 345,308,660 100.0%
3,612,832 0.9%	252,841,007 64.3%	136,894,323 34.8%	-	\$ 393,348,162 100.0%
3,906,490 0.6%	449,017,383 76.4%	134,809,172 22.9%	-	\$ 587,733,045 100.0%
3,704,937 0.7%	420,856,843 71.6%	162,847,915 27.7%	-	\$ 587,409,695 100.0%
397,683 0.1%	515,311,119 72.2%	198,195,438 27.7%	-	\$ 713,904,240 100.0%
212,475 0.0%	513,652,819 69.8%	222,408,168 30.2%	-	\$ 736,273,462 100.0%
540,446 0.1%	504,020,540 70.6%	209,764,428 29.3%	(57,658) 0.0%	\$ 714,267,756 100.0%

**Change in Fund Balances - Governmental Funds**

Last Ten Years

Year	Excess (Deficiency) of Revenues Over Expenditures <sup>1</sup>	Other Financing Sources (Uses)				
		Bond Proceeds Net of Payments to Refund Bonds	Transfers In	Transfers Out	Leases and Subscriptions	Sale of Capital Assets
2014	\$ (9,038,656)	100,233,006	53,779,062	(53,303,623)	-	475,802
2015	\$ (73,545,921)	-	91,512,238	(90,386,342)	-	1,483,608
2016	\$ (171,544,571)	160,908,146	62,603,156	(62,603,156)	-	483,806
2017	\$ (197,273,841)	52,254,866	78,973,598	(78,973,598)	-	9,316,350
2018	\$ (147,729,152)	157,452,035	107,969,676	(107,969,676)	-	10,502,804
2019	\$ (135,202,349)	265,415,000	126,781,860	(126,781,860)	-	-
2020	\$ (332,034,131)	239,955,000	97,711,411	(97,711,411)	-	398,640
2021	\$ 18,646,837	100,000,000	71,385,348	(71,385,348)	189,280	3,448,774
2022 <sup>3</sup>	\$ (48,095,400)	46,517,413	175,945,001	(175,945,001)	8,104,555	13,374
2023 <sup>3</sup>	\$ (57,032,441)	100,000,000	259,531,410	(272,931,410)	5,090,655	-

<sup>1</sup> Note that the deficiency is the result of the exclusion of other financing sources and uses from this column. Therefore, capital projects expenditures are included while the bond proceeds funding the projects are not included.

<sup>2</sup> Governmental Funds' optional payments for early redemption of outstanding bond issues are included in the debt service amount used to calculate this percentage. This includes early redemptions of \$22,400,000 in 2014, \$24,800,000 in 2015, \$22,000,000 in 2016, \$127,822,940 in 2017, \$15,000,000 in 2018, \$11,165,000 in 2019, \$15,000,000 in 2020, \$21,855,000 in 2021, \$12,000,000 in 2022, and \$39,945,000 in 2023. The ratio would be lower if it was based only on required debt service expenditures. For example, 2021 would be 7.8%, and 2022 would be 7.2%, and 2023 would be 6.9%.

<sup>3</sup> The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available. The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Unaudited

Table 6

Bond and Note Premiums	Insurance Recoveries	Total	Net Change in Fund Balances	Debt Service as a Percentage of Noncapital Expenditures <sup>2</sup>
31,239,950	-	\$ 132,424,197	\$ 123,385,541	10.3 %
-	-	\$ 2,609,504	\$ (70,936,417)	9.5 %
65,225,715	-	\$ 226,617,667	\$ 55,073,096	8.0 %
42,409,439	-	\$ 103,980,655	\$ (93,293,186)	13.7 %
17,881,410	-	\$ 185,836,249	\$ 38,107,097	7.6 %
82,863,467	-	\$ 348,278,467	\$ 213,076,118	7.3 %
87,076,660	-	\$ 327,430,300	\$ (4,603,831)	6.8 %
27,187,243	768,750	\$ 131,594,047	\$ 150,240,884	9.1 %
9,042,464	-	\$ 63,677,806	\$ 15,582,406	8.4 %
12,129,750	-	\$ 103,820,405	\$ 46,787,964	8.8 %

**Governmental Fund Expenditures by Function**  
Last Ten Years

Year	Operations <sup>1,2</sup>	Disparity Reduction	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services <sup>5</sup>
2014	\$ 125,977,726 8.7 %	-	480,331,430 33.1	95,889,084 6.6	259,029,720 17.9	70,920,557 4.9	104,415,688 7.2
2015	\$ 144,168,683 9.6 %	-	515,973,604 34.5	70,720,068 4.7	266,219,052 17.8	67,495,212 4.5	111,517,176 7.5
2016 <sup>3</sup>	\$ 139,914,136 8.5 %	-	553,443,954 33.7	62,204,105 3.8	285,755,221 17.4	71,479,236 4.4	119,459,829 7.3
2017 <sup>4</sup>	\$ 139,086,773 7.7 %	-	590,273,036 32.4	70,618,049 3.9	304,342,954 16.8	69,273,932 3.8	122,723,437 6.8
2018	\$ 203,987,599 11.0 %	-	621,038,721 33.5	75,426,403 4.1	316,524,000 17.0	67,255,611 3.6	129,006,342 6.9
2019	\$ 322,041,481 17.0 %	-	604,984,913 31.9	74,255,063 3.9	327,864,150 17.3	75,470,618 4.0	126,299,163 6.7
2020	\$ 479,878,181 21.5 %	-	629,564,177 28.3	69,065,962 3.1	337,506,137 15.1	144,255,851 6.5	134,702,678 6.0
2021	\$ 272,371,516 14.9 %	-	618,690,968 33.7	75,092,172 4.1	335,476,036 18.3	66,120,765 3.6	114,976,808 6.3
2022 <sup>5</sup>	\$ 310,669,335 15.9 %	8,495,784 0.4	650,206,736 33.2	81,109,305 4.1	351,488,211 18.0	68,594,218 3.5	118,447,166 6.1
2023 <sup>5</sup>	\$ 305,427,156 14.2 %	22,743,059 1.1	731,481,852 33.7	98,758,897 4.6	379,807,463 17.6	70,714,642 3.3	124,712,984 5.8

<sup>1</sup> Note that the General Fund presentation of Operations expenses is very different from the Table 3 government-wide presentation. For example, Table 7 differs from Table 3 in that Table 7 includes certain expenses, such as those for capital assets and debt principal payments, due to the different measurement focus.

<sup>2</sup> Significant Operations expenditure fluctuations from year to year may relate to large contributions to other governments for capital projects where the resulting capital assets will not be owned by the County. For example, \$305.1 million, \$32.8 million, \$127.1 million and \$117.8 million was contributed the Metropolitan Council for light rail transit projects in 2020, 2021, 2022, and 2023, respectively.

<sup>3</sup> The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. As described in footnote 2 in Table 2, 2016 was restated for comparison, which resulted in the restatement (reduction) of certain offsetting Capital Projects Fund operations expenditures and issuance of debt inflows in 2016.

<sup>4</sup> The implementation of GASB 75 in 2018 changed the method for reporting expenses relating to postemployment benefits. 2017 was restated for comparison purposes but periods prior to 2017 were not restated because the information is not available. Debt Service Principal expenditures increased in 2017 due to two significant factors. The County optionally redeemed \$25.4 million of G.O. bonds. Additionally, the remaining \$83.6 million of outstanding G.O. debt relating to bonds that had been issued in 2010 to assist the CTIB joint venture were fully defeased in 2017 as a condition of the dissolution of CTIB. The revenue received from CTIB for the defeasance resulted in the elimination of the County's related note receivable from CTIB.

<sup>5</sup> The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available. The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Unaudited

Table 7

Housing and Redevelopment Authority	Regional Railroad Authority	Capital Projects	Debt Service, Principal	Debt Service, Interest	Intergovernmental	Total
9,264,852 0.6	24,025,579 1.7	137,325,079 9.5	93,594,868 6.5	47,070,712 3.3	-	\$ 1,447,845,295 100.0 %
13,003,451 0.9	23,768,353 1.6	150,822,026 10.1	83,567,824 5.6	47,073,271 3.2	-	\$ 1,494,328,720 100.0 %
43,224,198 2.6	24,538,111 1.5	183,261,307 11.2	111,689,556 6.8	45,864,968 2.8	-	\$ 1,640,834,621 100.0 %
36,471,605 2.0	54,902,255 3.0	172,583,098 9.5	185,409,020 10.2	55,981,166 3.1	13,738,566 0.8	\$ 1,815,403,891 100.0 %
13,393,100 0.7	39,825,242 2.1	246,422,060 13.2	79,790,449 4.3	46,174,808 2.5	21,307,332 1.1	\$ 1,860,151,667 100.0 %
8,711,659 0.5	43,710,690 2.3	158,190,495 8.4	80,125,800 4.2	51,531,000 2.7	21,098,166 1.1	\$ 1,894,283,198 100.0 %
41,887,215 1.9	81,257,409 3.6	144,239,058 6.5	89,001,244 4.0	56,595,823 2.5	21,650,626 1.0	\$ 2,229,604,361 100.0 %
13,746,587 0.7	11,129,473 0.6	141,189,533 7.7	97,562,837 5.3	64,181,129 3.5	23,356,858 1.3	\$ 1,833,894,682 100.0 %
19,811,239 1.0	4,691,634 0.2	167,417,372 8.6	87,896,143 4.5	66,382,418 3.4	22,431,184 1.1	\$ 1,957,640,745 100.0 %
32,026,315 1.5	9,476,228 0.4	181,409,491 8.4	116,025,335 5.4	68,260,880 3.2	16,674,514 0.8	\$ 2,157,518,816 100.0 %

**Governmental Fund Revenues by Source**

Last Ten Years

Year	Property Taxes	Sales Tax	Wheelage Tax	Other Taxes	Inter-governmental	Charges for Services
2014	\$ 712,632,987 49.5 %	34,254,757 2.4	9,296,105 0.6	2,974,387 0.2	502,234,132 34.9	136,680,039 9.6
2015	\$ 746,943,774 52.6 %	35,769,164 2.5	9,965,015 0.7	3,470,495 0.2	444,999,327 31.3	139,607,449 9.9
2016	\$ 771,058,972 52.5 %	36,468,191 2.5	9,918,363 0.7	3,514,045 0.2	472,035,912 32.1	137,518,611 9.4
2017 <sup>2</sup>	\$ 806,846,486 49.9 %	57,266,835 3.5	9,973,509 0.6	3,338,349 0.2	547,360,046 33.8	145,875,571 9.1
2018	\$ 842,488,555 49.2 %	170,834,314 10.0	10,468,350 0.6	3,514,521 0.2	484,719,090 28.3	147,901,689 8.5
2019	\$ 888,496,114 50.5 %	177,893,004 10.1	10,678,140 0.6	3,523,549 0.2	451,715,160 25.7	150,128,843 8.5
2020 <sup>3</sup>	\$ 933,749,484 49.2 %	158,887,776 8.4	19,305,219 1.0	3,667,703 0.2	593,777,977 31.3	143,716,181 7.7
2021 <sup>3</sup>	\$ 909,569,813 49.1 %	180,764,048 9.8	20,294,603 1.1	5,182,898 0.3	572,577,540 30.9	133,957,943 7.3
2022	\$ 956,102,037 50.1 %	209,171,559 11.0	19,719,096 1.0	3,905,780 0.2	614,843,696 32.2	129,742,262 6.8
2023	\$ 963,791,388 45.9 %	212,048,161 10.1	20,096,378 1.0	2,765,762 0.1	651,608,567 31.0	135,842,505 6.4

<sup>1</sup> See footnote 1 on Table 4 for information regarding the inclusion of unrealized gains and losses in investment earnings.

<sup>2</sup> Intergovernmental revenues increased \$89.9 million in 2017 when, as a condition of the dissolution of the CTIB joint venture, the County received revenues for the defeasance of the remaining outstanding G.O. debt relating to bonds that had been issued in 2010 to assist CTIB. The bonds were fully defeased and the County's related note receivable from CTIB was eliminated. A new transportation sales tax was effective beginning in late 2017.

<sup>3</sup> Governmental Funds received significant intergovernmental revenues in 2020 through 2022 to mitigate some of the economic disruption caused by the COVID-19 pandemic. See footnote 3 in Table 4 for details.

Unaudited

Table 8

Fines and Forfeits	Licenses and Permits	Opioid Settlements	Investment Earnings <sup>1</sup>	Other	Total
1,662,357 0.1	7,549,567 0.5	- -	11,188,951 0.8	20,333,357 1.4	\$ 1,438,806,639 100.0 %
1,767,015 0.1	7,816,949 0.6	- -	8,631,414 0.6	21,812,197 1.5	\$ 1,420,782,799 100.0 %
1,627,304 0.1	7,978,466 0.5	- -	6,337,260 0.4	22,832,926 1.6	\$ 1,469,290,050 100.0 %
1,471,221 0.1	8,112,225 0.5	- -	12,954,847 0.8	24,930,961 1.5	\$ 1,618,130,050 100.0 %
1,075,264 0.1	8,310,952 0.5	- -	18,146,864 1.1	24,962,916 1.5	\$ 1,712,422,515 100.0 %
1,179,249 0.1	8,590,254 0.5	- -	35,930,504 2.0	30,946,032 1.8	\$ 1,759,080,849 100.0 %
369,143 0.0	6,630,582 0.3	- -	12,022,313 0.6	25,443,852 1.3	\$ 1,897,570,230 100.0 %
319,584 0.0	7,698,190 0.4	- -	(6,527,334) -0.4	28,704,234 1.5	\$ 1,852,541,519 100.0 %
343,762 0.0	7,622,674 0.4	8,277,173 0.4	(64,707,357) -3.4	24,524,663 1.3	\$ 1,909,545,345 100.0 %
310,224 0.0	8,029,355 0.4	2,054,398 0.1	79,299,958 3.8	24,639,679 1.2	\$ 2,100,486,375 100.0 %

**Property Estimated Market Value (000s omitted) <sup>1</sup>**  
 Last Ten Years

Year	Real Estate					
	Residential Property	Multiple Dwelling	Commercial & Industrial	Agricultural	Public Utilities & Miscellaneous	Exempt
2014	\$ 95,014,228 61.0 %	10,607,391 6.8	26,807,208 17.2	689,117 0.4	33,456 0.0	21,249,594 13.6
2015	\$ 100,213,026 60.5 %	12,777,974 7.7	29,127,324 17.6	653,729 0.4	33,007 0.0	21,249,594 12.8
2016	\$ 105,538,203 60.2 %	15,110,310 8.6	31,057,471 17.7	626,311 0.4	37,624 0.0	21,249,594 12.1
2017	\$ 112,595,483 60.5 %	16,998,612 9.1	32,745,319 17.6	625,310 0.4	40,490 0.0	21,249,594 11.4
2018	\$ 121,055,934 58.6 %	19,169,684 9.3	34,298,045 16.6	609,956 0.3	39,389 0.0	29,293,485 14.2
2019	\$ 128,325,438 58.8 %	21,698,642 9.9	36,083,870 16.5	667,926 0.3	41,859 0.0	29,293,485 13.4
2020	\$ 133,004,321 58.2 %	24,449,210 10.7	38,388,183 16.8	704,655 0.3	51,000 0.0	29,807,594 13.0
2021	\$ 140,180,412 59.4 %	26,135,254 11.0	37,657,061 15.9	735,793 0.3	51,253 0.0	29,826,817 12.6
2022	\$ 161,754,523 60.8 %	29,108,360 10.9	40,067,014 15.1	858,481 0.3	53,914 0.0	32,694,206 12.3
2023	\$ 170,867,685 61.0 %	31,278,220 11.1	43,265,513 15.4	860,686 0.3	54,798 0.0	32,694,206 11.7

<sup>1</sup> Property estimated market value is for the assessment year indicated. Applicable taxes are collectible in the subsequent year.

<sup>2</sup> The tax rate is applied to tax capacity, which is determined by multiplying the taxable market value of each property by the statutory class rates for the specific use(s) on the property.

Source: Hennepin County Property Information System.

Unaudited



Table 9

<u>Total Real Estate</u>	<u>Personal Property</u>	<u>Total Estimated Market Value Including Exempt Property</u>	<u>Total Estimated Market Value</u>	<u>Total Direct Tax Rate <sup>2</sup></u>
154,400,994 99.0	1,540,312 1.0	\$ 155,941,306 100.0 %	\$ 134,691,712	46 %
164,054,654 99.0	1,604,661 1.0	\$ 165,659,315 100.0 %	\$ 144,409,721	45 %
173,619,513 99.0	1,750,967 1.0	\$ 175,370,480 100.0 %	\$ 154,120,886	46 %
184,254,808 99.0	1,825,398 1.0	\$ 186,080,206 100.0 %	\$ 164,830,612	43 %
204,466,493 99.0	1,993,722 1.0	\$ 206,460,215 100.0 %	\$ 177,166,730	42 %
216,111,220 99.0	2,103,357 1.0	\$ 218,214,577 100.0 %	\$ 188,921,092	41 %
226,404,963 99.0	2,187,136 1.0	\$ 228,592,099 100.0 %	\$ 198,784,505	38 %
234,586,590 99.2	1,986,516 0.8	\$ 236,573,106 100.0 %	\$ 206,746,289	39 %
264,536,498 99.4	1,473,804 0.6	\$ 266,010,302 100.0 %	\$ 233,316,096	35 %
279,021,108 99.5	1,513,040 0.5	\$ 280,534,148 100.0 %	\$ 247,839,942	35 %

## Property Tax Rates and Levies - Direct and Overlapping Governments

Last Ten Years

Hennepin County Direct Taxes					
<u>Payable Year</u>	<u>General Fund Rate</u>	<u>G.O. Debt Service Rate</u>	<u>Other</u>	<u>Total Direct Rates</u>	<u>Tax Levies</u>
2014	21.510 %	5.400 %	19.335 %	46.245 %	\$ 2,692,058,025
2015	20.710	5.400	19.220	45.330	2,743,541,472
2016	20.144	5.016	20.570	45.730	2,869,712,621
2017	19.857	4.878	18.033	42.768	2,958,325,463
2018	19.640	4.523	17.643	41.806	3,109,776,988
2019	19.240	4.238	17.557	41.035	3,275,426,285
2020	21.750	3.959	12.480	38.189	3,403,480,198
2021	22.455	4.034	12.024	38.513	3,412,246,511
2022	20.508	3.600	10.434	34.542	3,519,955,301
2023	20.988	3.499	10.194	34.681	3,689,919,162

<sup>1</sup> The Metropolitan Airport Commission, an overlapping government, receives all of its revenue from sources other than property taxes.

Unaudited

Table 10

<u>Metropolitan Transit Commission Tax</u>		<u>Metropolitan Council Tax</u>		<u>Metropolitan Mosquito Control District Tax</u>	
<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>
1.703 % \$	22,134,343	1.069 % \$	14,520,773	0.563 % \$	7,688,848
1.523	21,820,724	0.976	14,656,486	0.507	7,623,950
1.491	22,787,462	0.925	14,881,601	0.483	7,767,028
1.463	23,980,023	0.883	15,228,763	0.475	8,170,878
1.383	24,308,615	0.844	15,562,741	0.456	8,405,155
1.456	27,329,788	0.659	13,329,568	0.427	8,490,764
1.433	28,854,952	0.616	13,078,674	0.412	8,723,923
1.256	27,307,385	0.631	14,198,800	0.381	8,658,865
1.201	26,785,331	0.659	15,275,522	0.377	8,793,964
1.066	27,141,537	0.576	15,544,175	0.331	8,929,216

Hennepin County, Minnesota

**Principal Taxpayers <sup>1</sup>**  
 Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
MOAC Mall Holdings	\$ 15,019,250	1	0.53 %	\$ 12,984,250	1	0.87 %
BRI 1855 IDS Center LLC	5,397,050	2	0.19	3,859,250	3	0.26
SRI Eleven Mpls 225 LLC	5,014,650	3	0.18	3,533,250	5	0.24
WFM Office Owner LLC	4,735,250	4	0.17	3,577,250	4	0.24
CenterPoint Energy	4,614,156	5	0.16			
City Center 33 So Prop LLC	4,388,450	6	0.15	2,593,250	8	0.17
US Bank Corp	3,895,050	7	0.14	2,761,250	7	0.19
Wells REIT	3,659,250	8	0.13	2,911,250	6	0.20
South Sixth Office LLC	3,130,850	9	0.11			
AE Lender LLC	3,005,050	10	0.11			
Xcel Energy (NSP)				7,292,432	2	0.49
Hilton Hotels Corporation				2,529,250	9	0.17
Ridgedale Joint Venture				2,459,250	10	0.17
<b>Total</b>	<b>\$ 52,859,006</b>		<b>1.87 %</b>	<b>\$ 44,500,682</b>		<b>3.00 %</b>

<sup>1</sup> Xcel Energy includes both real and personal property tax capacity. All others are based on the tax capacity of individual parcels, with the exception of utilities.

Source: Hennepin County Property Information System.

Unaudited



**Tax Levies and Collections on Property Located Within the County**

Last Ten Years

Year	Current Tax Levy					
	County	All Other Taxing Districts/Special Assessments	Current Year Adjustments <sup>1</sup>	Total	Current Tax Collections Net of Refunds	Percent of Levy Collected
2014	\$ 737,085,368	\$ 1,970,205,401	\$ (15,232,744)	\$ 2,692,058,025	\$ 2,664,108,747	98.96 %
2015	754,696,348	1,994,826,865	(5,981,741)	2,743,541,472	2,732,383,895	99.59
2016	788,618,398	2,091,614,243	(10,520,020)	2,869,712,621	2,863,352,382	99.78
2017	823,315,723	2,157,324,318	(22,314,578)	2,958,325,463	2,948,159,290	99.66
2018	856,817,660	2,265,626,291	(12,666,963)	3,109,776,988	3,090,563,442	99.38
2019	897,233,940	2,391,597,844	(13,405,499)	3,275,426,285	3,258,252,595	99.48
2020	934,876,350	2,482,052,643	(13,448,795)	3,403,480,198	3,393,176,814	99.70
2021	934,965,405	2,490,473,709	(13,192,603)	3,412,246,511	3,392,788,559	99.43
2022	966,419,216	2,567,829,418	(14,293,333)	3,519,955,301	3,494,911,949	99.29
2023	999,425,600	2,719,481,560	(28,987,998)	3,689,919,162	3,651,678,433	98.96

<sup>1</sup> Adjustments include abatements, cancellations, and increases to the current year levy.

Unaudited

Table 12

<u>Prior Year Collections Net of Refunds</u>	<u>Total Tax Collections</u>	<u>Uncollected Current Tax Levy</u>	<u>Percent of Current Tax Levy Uncollected</u>
(4,695,777)	\$ 2,659,412,970	\$ 27,949,278	1.04 %
2,373,939	2,734,757,834	11,157,577	0.41
(1,470,007)	2,861,882,375	6,360,239	0.22
(4,870,907)	2,943,288,383	10,166,173	0.34
(851,579)	3,089,711,863	19,213,546	0.62
1,913,671	3,260,166,266	17,173,690	0.52
12,302,883	3,405,479,697	10,303,384	0.30
9,226,024	3,402,014,583	19,457,952	0.57
2,964,617	3,497,876,566	25,043,352	0.71
(13,177,950)	3,638,500,483	38,240,729	1.04

## Net Tax Capacity and Taxable Market Value of Property

Last Ten Years

Assessment Year	Property Outside the City of Minneapolis		Minneapolis	
	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value
2014	\$ 1,079,365,752	\$ 94,514,474,174	\$ 410,514,191	\$ 35,136,247,648
2015	1,147,830,415	100,627,634,030	454,641,259	38,952,721,161
2016	1,225,469,292	106,688,710,677	493,479,516	42,812,588,043
2017	1,304,690,419	113,730,370,808	533,535,674	46,774,230,040
2018	1,392,585,502	121,532,445,186	586,430,142	51,664,025,894
2019	1,487,545,247	129,895,715,054	625,162,153	55,348,967,846
2020	1,563,969,055	136,857,875,524	697,098,964	58,391,790,384
2021	1,631,381,661	143,141,564,535	704,727,774	59,717,760,945
2022	1,911,697,254	166,949,089,587	760,971,267	63,788,249,391
2023	2,052,772,775	177,218,629,896	806,678,443	66,635,499,909

Unaudited



Table 13

	Total		Net Tax Capacity to Taxable Market Value	Percentage of Total County Net Tax Capacity	
	Net Tax Capacity	Taxable Market Value		Outside Minneapolis	Minneapolis
\$	1,489,879,943	\$ 129,650,721,822	1.1 %	72.4 %	27.6 %
	1,602,471,674	139,580,355,191	1.1	71.6	28.4
	1,718,948,808	149,501,298,720	1.1	71.3	28.7
	1,838,226,093	160,504,600,848	1.1	71.0	29.0
	1,979,015,644	173,196,471,080	1.1	70.4	29.6
	2,112,707,400	185,244,682,900	1.1	70.4	29.6
	2,261,068,019	195,249,665,908	1.2	69.2	30.8
	2,336,109,435	202,859,325,480	1.2	69.8	30.2
	2,672,668,521	230,737,338,978	1.2	71.5	28.5
	2,859,451,218	243,854,129,805	1.2	71.8	28.2

Hennepin County, Minnesota

**Tax Capacity of Taxable Property by Municipality <sup>1</sup>**  
 Current Year Assessments

	Tax Capacity			Adjustment		Net Tax Capacity	Average Tax Rate <sup>2</sup>
	Real Estate	Personal Property	Total	Fiscal Disparities	Tax Increment Financing/ Value Capture		
Bloomington	\$ 230,788,593	731,922	\$ 231,520,515	\$ (15,173,464)	(13,624,797)	\$ 202,722,254	104 %
Brooklyn Center	38,389,511	265,812	38,655,323	5,611,667	(863,728)	43,403,262	123
Brooklyn Park	133,194,385	581,039	133,775,424	3,268,540	(1,221,853)	135,822,111	109
Champlin	39,153,805	219,895	39,373,700	2,339,288	(1,254,149)	40,458,839	94
Chanhassen (part)	2,362,330	11,454	2,373,784	(846,299)	-	1,527,485	84
Corcoran	19,067,434	589,036	19,656,470	96,037	-	19,752,507	106
Crystal	30,577,401	257,906	30,835,307	3,393,498	(311,074)	33,917,731	116
Dayton (part)	23,191,073	604,366	23,795,439	(254,782)	(1,319,398)	22,221,259	97
Deephaven	24,269,352	47,548	24,316,900	(25,829)	-	24,291,071	77
Eden Prairie	175,150,030	1,323,445	176,473,475	(10,532,376)	(3,817,370)	162,123,729	93
Edina	204,854,872	790,909	205,645,781	(11,709,358)	(3,221,622)	190,714,801	97
Excelsior	10,554,005	61,476	10,615,481	(766,145)	(206,195)	9,643,141	87
Fort Snelling	-	194,805	194,805	-	-	194,805	69
Golden Valley	68,176,507	377,016	68,553,523	(6,043,580)	(1,366,236)	61,143,707	124
Greenfield	7,871,581	165,190	8,036,771	(6,914)	-	8,029,857	97
Greenwood	6,861,795	61,148	6,922,943	(129,167)	-	6,793,776	70
Hanover (part)	1,325,969	3,496	1,329,465	(172)	-	1,329,293	99
Hopkins	36,341,343	155,004	36,496,347	(647,002)	(3,126,685)	32,722,660	132
Independence	11,869,765	196,432	12,066,197	62,274	-	12,128,471	94
International Airport	-	12,132,853	12,132,853	-	-	12,132,853	42
Long Lake	5,482,962	13,402	5,496,364	(471,898)	(337,188)	4,687,278	95
Loretto	1,110,949	3,436	1,114,385	3,164	-	1,117,549	122
Maple Grove	169,346,014	1,062,005	170,408,019	(6,375,132)	(2,247,557)	161,785,330	92
Maple Plain	3,920,356	14,712	3,935,068	(122,917)	-	3,812,151	106
Medicine Lake	1,664,785	14,994	1,679,779	(13,962)	-	1,665,817	100
Medina	30,819,511	311,064	31,130,575	(1,201,063)	-	29,929,512	83
Minneapolis	835,450,301	4,385,290	839,835,591	(10,920,409)	(22,236,739)	806,678,443	117
Minnnetonka	161,182,834	610,810	161,793,644	(10,025,799)	(3,656,415)	148,111,430	100
Minnnetonka Beach	6,723,506	3,077	6,726,583	(15,557)	-	6,711,026	82
Minnetrista	32,706,904	386,460	33,093,364	471,329	-	33,564,693	82
Mound	24,481,895	49,256	24,531,151	691,224	(1,153,241)	24,069,134	93
New Hope	35,016,778	251,525	35,268,303	382,158	(1,934,799)	33,715,662	126
Orono	57,794,187	178,452	57,972,639	(276,101)	(111,650)	57,584,888	77
Osseo	5,013,927	27,484	5,041,411	(122,583)	(639,296)	4,279,532	130
Plymouth	217,280,357	1,218,419	218,498,776	(12,475,013)	(1,391,345)	204,632,418	89
Richfield	58,501,674	258,697	58,760,371	2,102,722	(6,379,615)	54,483,478	122
Robbinsdale	19,083,610	118,316	19,201,926	2,765,004	(2,028,273)	19,938,657	116
Rockford	515,923	183,048	698,971	-	-	698,971	102
Rogers	44,020,586	490,320	44,510,906	(5,474,748)	(810,152)	38,226,006	99
St. Anthony (part)	10,212,404	53,050	10,265,454	456,897	(353,685)	10,368,666	136
St. Bonifacius	3,524,193	21,858	3,546,051	192,639	-	3,738,690	91
St. Louis Park	120,551,050	361,440	120,912,490	(6,025,679)	(13,822,199)	101,064,612	116
Shorewood	31,847,435	140,532	31,987,967	89,766	(256,177)	31,821,556	83
Spring Park	5,535,716	16,304	5,552,020	(134,850)	(154,775)	5,262,395	90
Tonka Bay	11,295,695	8,883	11,304,578	(56,695)	-	11,247,883	74
Wayzata	41,296,500	84,994	41,381,494	(2,980,473)	(5,072,856)	33,328,165	81
Woodland	5,838,818	14,846	5,853,664	-	-	5,853,664	69
<b>Total</b>	<b>\$ 3,004,218,621</b>	<b>\$ 29,053,426</b>	<b>\$ 3,033,272,047</b>	<b>\$ (80,901,760)</b>	<b>\$ (92,919,069)</b>	<b>\$ 2,859,451,218</b>	

<sup>1</sup> Tax capacity is for the 2023 assessment year, for taxes payable in 2024. In Minnesota, tax capacity is the basis of property taxation. Tax capacity is based on State determined class rates applied to estimated market value (e.g. a residential homestead valued at \$75,000 x 1% = \$750 tax capacity). Different property classifications are assigned different class rates.

<sup>2</sup> Tax rates are expressed as percentages of total tax capacity.

Unaudited



### Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities					
	General Obligation Bonds	General Obligation Notes	Revenue Bonds	Lease Revenue Certificates of Participation	Lease and Subscription Payables <sup>4</sup>	Notes Payable
2014	\$ 933,862,600	\$ 13,293,242	\$ 266,899,972	\$ 2,985,220		\$ 5,899,012
2015	868,376,433	9,276,778	249,497,753	-		5,380,920
2016 <sup>3</sup>	984,173,168	6,525,000	236,295,534	-		4,862,828
2017 <sup>2</sup>	912,827,483	3,320,000	204,901,559	-		4,344,736
2018	1,005,692,157	2,240,000	185,985,139	-		3,826,644
2019	1,275,208,578	1,130,000	161,313,719	-		3,308,552
2020	1,512,635,323	-	135,837,299	-		2,790,460
2021	1,519,127,623	-	106,185,341	-	32,505,910	2,272,368
2022	1,454,609,000	-	99,139,059	-	33,683,505	-
2023	1,477,019,071	-	49,973,258	-	37,911,764	-

<sup>1</sup> See Table 23 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>2</sup> In 2010, the County assisted the Counties Transit Improvement Board (CTIB) in obtaining more favorable financing terms by issuing \$102.8 million of general obligation sales tax revenue bonds and loaning the proceeds to CTIB. In 2017, CTIB repaid the County in full, which allowed the County to defease the bonds.

<sup>3</sup> The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. 2016 was restated for comparison purposes, but data is not available for prior years due to the Medical Center's own implementation of GASB 80 that added two blended component units to Medical Center financial statements in 2016.

<sup>4</sup> The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available. The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Note: Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements.

Unaudited

Table 15

Business-type Activities			Total Primary Government		
General Obligation Bonds	Lease and Subscription Payables <sup>4</sup>	Total Outstanding Debt	Total Debt as a Percentage of Personal Income <sup>1</sup>	Total Debt Per Capita <sup>1</sup>	
\$ 975,000	-	\$ 1,223,915,046	1.68%	\$ 1,010	
825,000	-	1,133,356,884	1.44%	927	
73,356,771	-	1,305,213,301	1.64%	1,067	
162,455,247	-	1,287,849,025	1.55%	1,045	
206,307,769	-	1,404,051,709	1.58%	1,121	
209,942,201	-	1,650,903,050	1.75%	1,311	
209,267,473	-	1,860,530,555	1.92%	1,470	
208,024,244	33,058,764	1,901,174,250	1.87%	1,483	
204,348,598	27,569,394	1,819,349,556	1.68%	1,435	
196,440,737	38,148,851	1,799,493,681	1.59%	1,428	

Hennepin County, Minnesota

### Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita Last Ten Years

Year	Net General Obligation Debt <sup>1</sup>				Property Estimated Market Value <sup>2</sup>	Population <sup>3</sup>	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
	Total	Less Debt Not Supported by Tax Levy	Less Amount Available for Debt Service	Net				
2014	\$ 948,130,842	\$ 105,960,000	\$ 14,597,849	\$ 827,572,993	\$ 134,691,712,000	1,212,064	0.61 %	\$ 682.78
2015	878,478,211	101,195,000	17,702,437	759,580,774	144,409,721,000	1,223,149	0.53	621.00
2016	1,064,054,939	96,250,000	26,697,045	941,107,894	154,120,886,000	1,232,483	0.61	763.59
2017	1,078,602,730	11,630,000	18,219,325	1,048,753,405	164,830,612,000	1,252,024	0.64	837.65
2018	1,214,239,926	10,965,000	21,718,920	1,181,556,006	177,166,730,000	1,259,428	0.67	938.17
2019	1,486,280,779	210,275,000	16,559,894	1,259,445,885	188,921,092,000	1,265,843	0.67	994.95
2020	1,721,902,796	352,475,000	19,795,307	1,349,632,489	198,784,505,000	1,281,565	0.68	1,053.11
2021	1,727,151,867	341,000,000	18,288,232	1,367,863,635	206,746,289,000	1,267,416	0.66	1,079.25
2022	1,658,957,598	328,910,000	11,191,051	1,318,856,547	233,316,096,000	1,260,121	0.57	1,046.61
2023	1,673,459,808	316,235,000	18,217,038	1,339,007,770	247,839,942,000	1,258,713	0.54	1,063.79

<sup>1</sup> Debt that is secured in whole or part by the authority to levy taxes on real estate. See Table 17 for similar information relating to all G.O. debt, including G.O. debt not supported by tax levies. Per M.S. 475.51, net general obligation debt is determined by deducting from the total general obligation debt the cash available for servicing the debt and debt intended to be financed primarily by means other than a real estate tax levy. The debt of the Regional Railroad Authority is included, which is a limited tax obligation of the Regional Railroad Authority.

<sup>2</sup> Estimated market value is for the assessment year indicated and is per the Hennepin County Taxpayer Services Department. Applicable taxes are collectible in the subsequent year.

<sup>3</sup> Source: U.S. Census Bureau.

Unaudited

Hennepin County, Minnesota

**Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita**  
Last Ten Years

Year	Net General Obligation Debt <sup>1</sup>			Property Estimated Market Value <sup>2</sup>	Population <sup>3</sup>	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
	Total	Less Amount Available for Debt Service	Net				
2014	\$ 948,130,842	\$ 14,597,849	\$ 933,532,993	\$ 134,691,712,000	1,212,064	0.69 %	\$ 770.20
2015	878,478,211	17,702,437	860,775,774	144,409,721,000	1,223,149	0.60	703.74
2016	1,064,054,939	26,697,045	1,037,357,894	154,120,886,000	1,232,483	0.67	841.68
2017	1,078,602,730	18,219,325	1,060,383,405	164,830,612,000	1,252,024	0.64	846.94
2018	1,214,239,926	21,718,920	1,192,521,006	177,166,730,000	1,259,428	0.67	946.88
2019	1,486,280,779	16,559,894	1,469,720,885	188,921,092,000	1,265,843	0.78	1,161.06
2020	1,721,902,796	19,795,307	1,702,107,489	198,784,505,000	1,281,565	0.86	1,328.15
2021	1,727,151,867	18,288,232	1,708,863,635	206,746,289,000	1,267,416	0.83	1,348.31
2022	1,658,957,598	11,191,051	1,647,766,547	233,316,096,000	1,260,121	0.71	1,307.63
2023	1,673,459,808	18,217,038	1,655,242,770	247,839,942,000	1,258,713	0.67	1,315.03

<sup>1</sup> See Table 16 for similar information that is only for levy-supported G.O. debt. The debt of the Regional Railroad Authority is included, which is a limited tax obligation of the Regional Railroad Authority.

<sup>2</sup> Estimated market value is for the assessment year indicated and is per the Hennepin County Taxpayer Services Department. Applicable taxes are collectible in the subsequent year.

<sup>3</sup> Source: U.S. Census Bureau.

Unaudited

Hennepin County, Minnesota

**Direct, Overlapping, and Underlying Levy-supported General Obligation Debt**

December 31, 2023

Governmental Unit	Debt <sup>1</sup>		Percent Applicable To County <sup>2</sup>	Amount Applicable to County
	Total	Net		
Direct:				
Hennepin County	\$ 1,065,365,000	\$ 1,050,774,757	100.00 %	\$ 1,050,774,757
Hennepin County Regional Railroad	81,665,000	80,622,443	100.00	80,622,443
Total Direct Debt	1,147,030,000	1,131,397,200		1,131,397,200
Overlapping:				
Metropolitan Council <sup>3</sup>	1,694,829,000	89,723,130	46.33	41,568,726
Metropolitan Airport Commission	1,471,225,000	-	-	-
Total Overlapping Debt	3,166,054,000	89,723,130		41,568,726
Underlying:				
School Districts	2,764,728,000	2,229,779,503	100.00	2,229,779,503
Municipalities	2,079,652,459	714,580,086	100.00	714,580,086
Three Rivers Park District	59,870,000	49,655,074	100.00	49,655,074
Miscellaneous (Watersheds, HRAs, EDAs, etc.) - Excludes RRA	1,712,699,000	100,305,180	100.00	100,305,180
Total Underlying Debt	6,616,949,459	3,094,319,843		3,094,319,843
Total	\$ 10,930,033,459	\$ 4,315,440,173		\$ 4,267,285,769

<sup>1</sup> Debt that is secured in whole or part by the authority to levy taxes on real estate. See Table 19 for similar information relating to all G.O. debt, including G.O. debt not supported by levies. Per M.S. 475.51, net general obligation debt is determined by deducting from the total general obligation debt the cash available for servicing the debt, and debt that is intended to be financed primarily by means other than a real estate tax levy.

<sup>2</sup> The percentages reflect the portion of the general obligation debt secured by taxable real estate located within the County.

<sup>3</sup> Includes Metropolitan Council Transit Operations debt.

Unaudited



Hennepin County, Minnesota

**Direct, Overlapping, and Underlying Governmental Activities Debt**

December 31, 2023

Governmental Unit	Debt Outstanding <sup>1</sup>	Estimated Percentage Applicable	Amount Applicable to County
Direct:			
Hennepin County	\$ 1,483,239,093	100.00 %	\$ 1,483,239,093
Hennepin County Regional Railroad	81,665,000	100.00	81,665,000
Total Direct Debt	1,564,904,093		1,564,904,093
Overlapping:			
Metropolitan Council	1,694,829,000	46.33	785,214,276
Metropolitan Airport Commission	1,471,225,000	46.33	681,618,543
Total Overlapping Debt	3,166,054,000		1,466,832,819
Total Direct and Overlapping Debt	\$ 4,730,958,093		\$ 3,031,736,912
Underlying:			
School Districts	2,764,728,000	100.00	2,764,728,000
Municipalities	2,079,652,459	100.00	2,079,652,459
Three Rivers Park District	59,870,000	100.00	59,870,000
Miscellaneous (Watersheds, HRAs, EDAs, etc.) - Excludes RRA	1,712,699,000	100.00	1,712,699,000
Total Underlying Debt	\$ 6,616,949,459		\$ 6,616,949,459

<sup>1</sup> See Table 18 for similar information that is only for levy-supported G.O. debt.

Unaudited

Hennepin County, Minnesota

**Legal Debt Margin Information**  
Last Ten Years

Year	Debt Limit <sup>1</sup>	Total Net Debt Applicable to Limit	Legal Debt Margin	Net Debt Applicable to Limit as a Percentage of Debt Limit
2014	\$ 3,889,521,655	\$ 827,572,993	\$ 3,061,948,662	21.28%
2015	4,332,291,618	759,580,774	3,572,710,844	17.53%
2016	4,623,626,544	941,107,894	3,682,518,650	20.35%
2017	4,944,918,369	1,048,753,405	3,896,164,964	21.21%
2018	5,315,001,888	1,181,556,006	4,133,445,882	22.23%
2019	5,667,632,760	1,259,445,885	4,408,186,875	22.22%
2020	5,963,535,150	1,349,632,489	4,613,902,661	22.63%
2021	6,202,388,670	1,367,863,635	4,834,525,035	22.05%
2022	6,999,482,880	1,318,856,547	5,680,626,333	18.84%
2023	7,435,198,260	1,339,007,770	6,096,190,490	18.01%

<b>Computation of 2023 Legal Debt Margin</b>	
2023 estimated market value of taxable property	<u>\$ 247,839,942,000</u>
Debt limit, 3% of estimated market value	\$ 7,435,198,260
Amount of levy supported debt	\$ 1,357,224,808
Less amount available for debt service	<u>18,217,038</u>
Legal Debt Margin	<u>\$ 6,096,190,490</u>

<sup>1</sup> See MN Statute 475.53.

Unaudited



**Sales Tax Revenue Bond and Note Coverage**Last Ten Years <sup>1</sup>

	2014	2015	2016
<b>Net Revenues <sup>2</sup></b>	<b>\$ 33,771,519</b>	<b>\$ 35,294,545</b>	<b>\$ 36,013,974</b>
<b>First Lien Revenue Bond Coverage:</b>			
First lien principal	\$ 1,300,000	\$ 1,400,000	\$ 1,550,000
First lien interest	6,999,875	6,934,875	6,864,875
Total first lien debt service	<u>\$ 8,299,875</u>	<u>\$ 8,334,875</u>	<u>\$ 8,414,875</u>
First lien coverage	4.07	4.23	4.28
<i>First lien principal optionally redeemed using sales tax revenues</i>	\$ -	\$ -	\$ -
<b>Second Lien Revenue Bond Coverage:</b>			
Total first lien debt service	\$ 8,299,875	\$ 8,334,875	\$ 8,414,875
Second lien principal	3,590,000	3,930,000	4,280,000
Second lien interest	4,789,925	4,616,925	4,454,725
Total second lien debt service	<u>8,379,925</u>	<u>8,546,925</u>	<u>8,734,725</u>
Total first and second lien debt service	<u>\$ 16,679,800</u>	<u>\$ 16,881,800</u>	<u>\$ 17,149,600</u>
Second lien coverage	2.02	2.09	2.10
<i>Second lien principal optionally redeemed using sales tax revenues</i>	\$ -	\$ -	\$ -
<b>Third Lien Revenue Bond and Note Coverage:</b>			
Total first and second lien debt service	\$ 16,679,800	\$ 16,881,800	\$ 17,149,600
Third lien principal	800,000	800,000	-
Third lien interest	16,375	6,676	21,289
Third lien remarketing and liquidity provider fees	132,514	93,937	49,715
Total third lien debt service	<u>948,889</u>	<u>900,613</u>	<u>71,004</u>
Total first, second and third lien debt service	<u>\$ 17,628,689</u>	<u>\$ 17,782,413</u>	<u>\$ 17,220,604</u>
Third lien coverage	1.92	1.98	2.09
<i>Third lien principal optionally redeemed using sales tax revenues</i>	\$ 10,000,000	\$ 10,900,000	\$ 7,000,000
<b>Total Sales Tax Revenue Bond and Note Coverage:</b>			
Sales tax revenue bond and note principal	\$ 5,690,000	\$ 6,130,000	\$ 5,830,000
Sales tax revenue bond and note interest	11,806,175	11,558,476	11,340,889
Remarketing and liquidity provider fees	132,514	93,937	49,715
Total sales tax revenue bond and note debt service	<u>\$ 17,628,689</u>	<u>\$ 17,782,413</u>	<u>\$ 17,220,604</u>
Total coverage	1.92	1.98	2.09
<i>Total principal optionally redeemed using sales tax revenues</i>	\$ 10,000,000	\$ 10,900,000	\$ 7,000,000

<sup>1</sup> Initial first lien sales tax revenue bonds were issued in 2007, and refunded in 2017 with first lien sales tax refunding revenue bonds. Initial third lien sales tax revenue bonds were issued in 2008 and prepaid in 2016. Second lien sales tax revenue notes were issued in 2008 and refunded in 2017. The second lien bonds were reissued as third lien sales tax revenue bonds in December 2017. There are currently no second lien bonds.

<sup>2</sup> Net revenues equals revenues received from the State less administrative fees on a modified accrual basis. The State remits sales tax to the County in the second month after the tax is initially collected (e.g., amounts received in January and February are properly reported as revenues for November and December of the prior year).

Unaudited

Table 21

2017	2018	2019	2020	2021	2022	2023
<u>\$ 36,444,848</u>	<u>\$ 37,696,559</u>	<u>\$ 39,296,388</u>	<u>\$ 35,200,993</u>	<u>\$ 41,139,355</u>	<u>\$ 47,541,530</u>	<u>\$ 48,252,175</u>
\$ 4,370,000	\$ 3,975,000	\$ 4,230,000	\$ 4,535,000	\$ 4,900,000	\$ 5,220,000	\$ 7,495,000
5,113,719	5,625,750	5,427,000	5,215,500	4,988,750	4,743,750	4,482,750
<u>\$ 9,483,719</u>	<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>
3.84	3.93	4.07	3.61	4.16	4.77	4.03
\$ 9,019,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,945,000
<u>\$ 9,483,719</u>	<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>
4,655,000	-	-	-	-	-	-
4,267,725	-	-	-	-	-	-
8,922,725	-	-	-	-	-	-
<u>\$ 18,406,444</u>	<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>
1.98	N/A	N/A	N/A	N/A	N/A	N/A
\$ 18,822,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 18,406,444</u>	<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>
-	13,600,000	14,100,000	14,600,000	10,000,000	-	-
-	1,412,272	1,294,401	377,950	88,755	-	-
-	-	-	3,900	1,300	1,300	-
-	15,012,272	15,394,401	14,981,850	10,090,055	1,300	-
<u>\$ 18,406,444</u>	<u>\$ 24,613,022</u>	<u>\$ 25,051,401</u>	<u>\$ 24,732,350</u>	<u>\$ 19,978,805</u>	<u>\$ 9,965,050</u>	<u>\$ 11,977,750</u>
1.98	1.53	1.57	1.42	2.06	4.77	N/A
\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 9,855,000	\$ -	\$ -
\$ 9,025,000	\$ 17,575,000	\$ 18,330,000	\$ 19,135,000	\$ 14,900,000	\$ 5,220,000	\$ 7,495,000
9,381,444	7,038,022	6,721,401	5,593,450	5,077,505	4,743,750	4,482,750
-	-	-	3,900	1,300	1,300	1,430
<u>\$ 18,406,444</u>	<u>\$ 24,613,022</u>	<u>\$ 25,051,401</u>	<u>\$ 24,732,350</u>	<u>\$ 19,978,805</u>	<u>\$ 9,965,050</u>	<u>\$ 11,979,180</u>
1.98	1.53	1.57	1.42	2.06	4.77	4.03
\$ 27,842,146	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 9,855,000	\$ -	\$ 39,945,000

Hennepin County, Minnesota

### Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures Last Ten Years

Year	Debt Service Expenditures <sup>1,2</sup>			Total Expenditures Governmental Funds	Debt Service Expenditures to Total Expenditures
	Principal	Interest and Fiscal Charges	Total		
2014	\$ 73,914,868	\$ 30,717,538	\$ 104,632,406	\$ 1,447,845,295	7.23 %
2015	62,382,824	31,175,502	93,558,326	1,494,328,720	6.26
2016 <sup>3</sup>	56,414,556	30,857,794	87,272,350	1,640,834,621	5.32
2017	71,920,587	38,354,557	110,275,144	1,815,403,891	6.07
2018	62,215,449	39,136,786	101,352,235	1,860,151,667	5.45
2019	56,795,800	44,809,599	101,605,399	1,894,283,198	5.36
2020	64,866,244	51,002,373	115,868,617	2,229,604,361	5.20
2021	70,993,002	58,625,891	129,618,893	1,833,894,682	7.07
2022	79,407,966	61,065,434	140,473,400	1,957,640,745	7.18
2023	63,462,100	63,150,600	126,612,700	2,157,518,816	5.87

<sup>1</sup> Includes principal and interest payments for governmental fund bonds and notes. The debt of the Regional Railroad Authority is included, which is a limited tax obligation of the Regional Railroad Authority. The debt service expenditures for sales tax revenue bonds are excluded.

<sup>2</sup> The County's optional payments for early redemption of outstanding property tax supported bond issues, including \$13,970,000 in 2015, \$15,000,000 in 2016, \$34,414,206 in 2017, \$15,000,000 in 2018, \$6,165,000 in 2019, \$10,000,000 in 2020, \$12,000,000 in 2021 and \$12,000,000 in 2022, are included in the debt service expenditures above. The percentage in the last column above would be lower if it was based only on required debt service expenditures. For example, 2020 would be 4.75% and 2021 would be 6.41%, and 2022 would be 6.71%.

<sup>3</sup> The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. As described in footnote 2 in Table 2, 2016 was restated for comparison, which resulted in the restatement (reduction) of certain offsetting Capital Projects Fund operations expenditures and issuance of debt inflows in 2016. Debt service expenditures for principal were updated to exclude the \$38,125,000 current refunding.

Unaudited

Hennepin County, Minnesota

**Demographic and Economic Statistics**

Last Ten Years

Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Total Income	Median Age <sup>3</sup>	Persons 25 years and older who are high school graduates <sup>1</sup>	PK-12 School Enrollment <sup>4</sup>	Unemployment Rate <sup>6</sup>
2014	1,212,064	\$ 65,033	\$ 78,824,158,112	36.1	92.3 %	164,151	3.7 %
2015	1,223,149	65,231	79,787,232,419	36.1	92.7	166,106	3.3
2016	1,232,483	67,427	83,102,631,241	36.2	92.6	168,629	3.4
2017	1,252,024	71,067	88,977,589,608	36.5	92.8	170,683	3.2
2018	1,259,428	74,698	94,076,752,744	36.5	93.0	177,653	2.5
2019	1,265,843	76,552	96,902,813,336	36.8	93.2	178,657	2.8
2020	1,281,565	79,183	101,478,161,395	36.7	93.3	173,481	6.2
2021	1,267,416	85,505	108,370,405,080	37.4	93.6	171,453	3.6
2022	1,260,121	89,851	113,223,131,971	37.7	93.9	170,899	2.5
2023	1,258,713	N/A <sup>5</sup>	N/A <sup>5</sup>	N/A <sup>5</sup>	93.8	171,344	2.7

## Sources:

<sup>1</sup> U.S. Census Bureau<sup>2</sup> Bureau of Economic Analysis, County Table<sup>3</sup> U.S. Census Bureau, U.S. Community Survey Estimates<sup>4</sup> Fall registration for public schools - Minnesota State Department of Education<sup>5</sup> Information not available at time of publication.<sup>6</sup> Minnesota Department Of Employment And Economic Development (12-month average of figures not seasonally adjusted)

Unaudited

Hennepin County, Minnesota

**Labor Force Size and Unemployment Rate**

Last Ten Years

Year	Hennepin County		Metropolitan Area <sup>1</sup>		State		National	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2014	672,114	3.7 %	1,917,301	3.9 %	2,974,102	4.1 %	155,921,833	6.2 %
2015	679,549	3.3	1,938,858	3.4	3,010,367	3.7	157,129,917	5.3
2016	679,285	3.4	1,938,642	3.6	3,001,131	3.9	159,106,500	4.9
2017	694,060	3.2	1,979,780	3.3	3,046,697	3.6	160,319,750	4.4
2018	707,209	2.5	2,016,208	2.7	3,099,006	2.9	162,075,000	3.9
2019	711,530	2.8	2,023,566	3.0	3,113,673	3.3	163,538,667	3.7
2020 <sup>2</sup>	706,189	6.2	2,005,559	6.0	3,075,445	5.8	160,742,333	8.1
2021	693,226	3.6	1,973,734	3.6	3,024,835	3.6	161,298,000	5.4
2022	703,572	2.5	2,009,050	2.6	3,077,500	2.7	164,287,167	3.7
2023	708,690	2.7	2,025,415	2.8	3,099,923	2.8	167,116,417	3.6

Source: Minnesota Department Of Employment And Economic Development (12-month average of figures not seasonally adjusted)

<sup>1</sup> Labor statistics for the metropolitan area include Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, St. Croix, Washington and Wright counties.<sup>2</sup> Unemployment rates reflect adverse impacts of the COVID-19 pandemic.

Unaudited



Hennepin County, Minnesota

**Employment Information by Industry**

Last Ten Years

Industry	Hennepin County Industry Ranking									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Health care and social assistance	1	1	1	1	1	1	1	1	1	1
Professional and technical services	2	2	2	2	2	2	2	2	2	2
Finance and insurance	4	4	4	4	4	4	3	3	3	3
Government and government enterprises	3	3	3	3	3	3	4	4	4	4
Retail trade	5	5	5	5	5	5	5	5	5	5
Manufacturing	6	6	6	6	6	6	6	6	6	6
Administrative and waste services	7	7	7	7	8	8	8	7	7	7
Accommodation and food services	8	8	8	8	7	7	7	9	9	8
Real estate	12	12	12	11	11	10	10	10	10	9
Transportation and warehousing	14	13	13	13	13	12	12	13	11	10
Management of companies and enterprises	11	11	11	12	12	13	9	8	8	11
Wholesale trade	9	9	9	9	9	9	13	11	12	12
Other services, except public administration	10	10	10	10	10	11	11	12	13	13
Construction	13	14	14	14	14	14	14	14	14	14
Arts, entertainment, and recreation	15	15	15	15	15	15	15	16	15	15
Educational services	16	16	16	16	16	16	16	15	16	16
Information	17	17	17	17	17	17	17	17	17	17
Utilities	18	18	18	18	18	18	18	18	18	18
Forestry, fishing, mining, other	19	19	19	19	19	19	19	19	19	19
Farm	20	20	20	20	20	20	20	20	20	20

Note: 2023 information was not available at the time of publication.

Source: Bureau of Economic Analysis

Unaudited

Hennepin County, Minnesota

**Principal Employers**

Current Year and Nine Years Ago

	2023 <sup>2</sup>			2014 <sup>1</sup>		
	Employees (rounded to nearest 1,000)	Rank	Percentage of Total State Employment	Employees (rounded to nearest 1,000)	Rank	Percentage of Total County Employment
<u>State of Minnesota Principal Employers</u>						
Mayo Foundation	49,000	1	1.58%	33,000	3	1.11%
State of Minnesota	38,000	2	1.23%	54,000	1	1.82%
Fairview Health Services	38,000	3	1.23%			
Target Corporation	35,000	4	1.13%	31,000	4	1.04%
United States Federal Government	34,000	5	1.10%	45,000	2	1.52%
University of Minnesota				25,000	5	0.84%
	<u>194,000</u>		<u>6.27%</u>	<u>188,000</u>		<u>6.33%</u>

<sup>1</sup> Statewide information from Twin Cities Business Lists and Research - Top 25 Minnesota Employers from 2014 Business Information Guide Data specific to Hennepin County is no longer available.

<sup>2</sup> Source for 2023: Statewide information from the Minneapolis / St. Paul Business Journal.

Unaudited



## Employees by Function/Program

Last Ten Years

	2014	2015	2016	2017
<b><u>Governmental Activities:</u></b>				
Operations . . . . .	2,005	2,073	2,138	2,289
Human Services . . . . .	3,084	3,264	3,482	3,586
Health . . . . .	259	280	281	290
Law, Safety and Justice . . . . .	2,249	2,245	2,313	2,369
Public Works . . . . .	343	367	373	366
Resident Services . . . . .	N/A	N/A	N/A	N/A
Disparity Reduction . . . . .	N/A	N/A	N/A	N/A
<b><u>Business-type Activities:</u></b>				
Hennepin Health Plan . . . . .	82	70	91	109
Environment and Energy . . . . .	85	90	94	94
Medical Center <sup>1</sup> . . . . .	N/A	N/A	7,286	7,143
	<u>8,107</u>	<u>8,389</u>	<u>16,058</u>	<u>16,246</u>
<i>Percent change from prior year, excluding Medical Center . . . . .</i>	<i>4.2%</i>	<i>3.5%</i>	<i>4.6%</i>	<i>3.8%</i>
Total Unionized Employees	5,315	5,504	10,275	10,404
Total Full-Time Equivalents	7,608	7,890	14,305	14,450

<sup>1</sup> The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit, and employee information was restated for 2016 for comparison. Periods prior to 2016 were not restated because the information is not available due to the Medical Center's own implementation of GASB 80 that added two blended component units to Medical Center financial statements in 2016.

Unaudited

Table 27

2018	2019	2020	2021	2022	2023
2,251	2,257	2,184	2,039	2,227	1,220
3,506	3,274	3,260	3,151	3,361	3,714
300	303	278	269	292	297
2,386	2,426	2,410	2,153	2,365	2,332
374	372	360	361	319	341
N/A	N/A	N/A	N/A	N/A	1,107
N/A	N/A	N/A	N/A	88	86
114	106	103	99	103	109
97	99	93	93	96	103
7,276	7,246	7,334	7,167	7,050	7,349
<u>16,304</u>	<u>16,083</u>	<u>16,022</u>	<u>15,332</u>	<u>15,901</u>	<u>16,658</u>
-0.8%	-2.1%	-1.7%	-6.0%	8.4%	5.2%
10,507	10,395	10,398	9,974	10,173	10,643
14,497	14,330	14,267	14,207	14,757	15,400

## Operating Indicators

Last Ten Years

	2014	2015	2016
<b><u>Governmental Activities Operating Indicators by Function/Program</u></b>			
<b><u>Operations</u></b>			
Library items circulated (millions) . . . . .	16.0	16.0	16.0
eLibrary visits (millions) . . . . .	20.0	20.0	20.0
Number of library volunteer hours supplementing service . . . . .	100,000	100,000	100,000
<b><u>Human Services</u></b>			
Cash assistance programs use . . . . .	N/A	N/A	52,273
Children, custodial and non-custodial parents in child support system . . . . .	N/A	N/A	145,080
Emergency assistance programs use . . . . .	N/A	N/A	1,437
Food support or MFIP food portion use . . . . .	N/A	N/A	117,026
<b><u>Health</u></b>			
NorthPoint Health & Wellness Center patient statistics:			
Medical, Behavioral & Dental Visits . . . . .	85,358	96,962	95,345
Medical Examiner			
Number of Autopsies Performed . . . . .	1,060	1,176	1,288
<b><u>Law, Safety and Justice</u></b>			
Sheriff's Office:			
Number of mortgage foreclosure sales . . . . .	1,752	1,545	1,054
Number of jail bookings . . . . .	34,116	34,343	31,554
Community Corrections:			
Percent of client recidivism . . . . .	22.9%	20.0%	24.3%
<b><u>Public Works</u></b>			
Present pavement serviceability rating (portion rated good or better) . . . . .	59%	60%	66%
Engineering costs as a percent of actual capital project costs . . . . .	18%	18%	18%
<b><u>Business-type Activities Operating Indicators by Function/Program</u></b>			
<b><u>Hennepin Health</u></b>			
Administrative Cost Ratio . . . . .	14.0%	15.5%	15.0%
Enrollment <sup>1</sup> . . . . .	13,290	13,734	12,144
<b><u>Medical Center</u></b>			
Number of clinic visits . . . . .	N/A	N/A	620,781
Number of Medical Center inpatient discharges . . . . .	N/A	N/A	23,051
<b><u>Environment and Energy</u></b>			
Recycling rate . . . . .	41.0%	45.0%	51.0%

<sup>1</sup> In 2017, Hennepin Health added 21,000 new enrollees previously served by a different HMO.

<sup>2</sup> Impacts of the COVID-19 pandemic resulted in temporary library closures that decreased library indicators, increased Hennepin Health enrollments, and decreased Medical Center visits for medical concerns that were unrelated to the pandemic.

Sources: Various County departments

Unaudited

Table 28

2017	2018	2019	2020 <sup>2</sup>	2021 <sup>2</sup>	2022 <sup>2</sup>	2023
15.1	18.3	17.7	9.0	13.8	16.2	17.3
12.8	12.2	12.0	8.6	8.9	9.2	10.8
75,076	72,045	62,774	11,523	4,150	10,750	18,124
51,609	50,390	47,440	51,473	41,803	41,417	42,248
132,602	138,088	135,920	136,104	130,588	126,875	124,947
1,179	1,276	1,498	954	628	890	641
111,901	108,064	103,003	117,157	104,951	113,383	115,794
104,054	105,059	102,135	79,121	87,264	88,898	85,990
1,310	1,196	1,303	1,437	1,467	1,396	1,380
809	630	494	231	173	338	352
32,154	32,154	30,950	21,173	18,208	22,006	25,123
20.4%	22.0%	23.0%	22.0%	16.0%	15.0%	15.0%
63%	65%	60%	63%	62%	62%	61%
24%	23%	28%	21%	23%	22%	22%
10.4%	12.0%	11.6%	9.9%	8.5%	7.2%	8.6%
25,529	27,500	24,613	27,842	25,073	36,571	32,250
628,037	628,735	643,739	585,180	662,753	626,917	630,479
22,050	21,718	21,349	19,282	18,965	16,587	17,129
50.0%	49.0%	49.0%	42.0%	39.0%	41.0%	43.0%

**Capital Asset Statistics by Function/Program**

Last Ten Years

	2014	2015	2016
<u>Operations</u>			
Building square footage occupied by Operations/Resident Services . . . . .	190,343	233,684	246,979
Building square footage occupied by the Libraries . . . . .	1,017,502	1,017,502	1,041,136
Size of Library collection (copies) . . . . .	4,815,158	4,995,316	4,995,316
<u>Human Services</u> <sup>1</sup>			
Building square footage occupied by Human Services . . . . .	422,338	421,624	337,666
<u>Health</u>			
Building square footage - NorthPoint Health & Wellness <sup>2</sup> . . . . .	39,964	39,964	43,422
Building square footage - Medical Examiner . . . . .	29,430	29,430	29,430
Building square footage - Hennepin County Medical Center . . . . .	N/A	N/A	3,301,101
<u>Law, Safety and Justice</u>			
Building square footage - Public Safety Facility Cells/Sheriff's Jail . . . . .	359,083	383,128	383,128
Building square footage occupied by the Corrections Department . . . . .	571,792	571,792	571,879
Building square footage occupied by the Sheriff's Office (w/o Jail) . . . . .	174,229	174,229	174,305
<u>Public Works</u>			
County roads and highways (center line miles) . . . . .	570	570	570
Number of bridges . . . . .	145	146	147
<u>Hennepin Health</u>			
Building square footage occupied by Hennepin Health . . . . .	32,957	32,957	32,957

<sup>1</sup> Square footage excludes common areas.

<sup>2</sup> The \$100 million NorthPoint campus expansion project limited access to various spaces throughout 2023. Construction is expected to be completed to allow full access to the expanded space in 2024.

Sources: Various County departments

Unaudited



Table 29

2017	2018	2019	2020	2021	2022	2023
254,889	257,319	261,606	271,086	295,240	281,347	254,567
1,074,505	1,072,901	1,075,285	1,059,260	1,059,260	1,049,262	1,051,779
4,943,703	4,979,909	4,984,797	5,201,785	5,029,195	4,955,222	4,928,096
288,858	397,514	397,304	372,274	349,496	333,650	293,049
43,422	43,422	52,083	52,083	54,162	54,162	54,162
29,430	29,311	29,311	29,311	29,311	64,383	64,383
3,314,481	3,761,310	3,801,977	3,778,628	3,675,566	3,675,566	3,651,788
385,312	409,101	409,101	399,288	392,613	392,613	399,487
571,878	565,448	581,635	578,249	573,079	507,051	486,071
174,108	174,723	168,435	168,048	163,452	173,490	179,036
570	570	570	570	566	566	569
147	147	147	148	149	149	150
25,574	25,574	25,574	25,574	25,574	10,957	10,957

**Selected Per Capita Measures of Financial Condition**  
Last Ten Years

	2014	2015	2016	2017
<b>PROPERTY TAX LEVY</b>				
County <sup>1</sup> .....	\$ 608	617	640	658
% Change	2.0	1.5	3.7	2.7
County and other <sup>2</sup> .....	\$ 2,221	2,243	2,328	2,363
% Change	2.3	1.0	3.8	1.5
<b>REVENUES</b>				
Total governmental funds <sup>3</sup> .....	\$ 1,187	1,162	1,192	1,292
% Change	7.9	(2.1)	2.6	8.4
Intergovernmental .....	\$ 414	364	383	437
% Change	22.2	(12.1)	5.2	14.1
<b>EXPENDITURES</b>				
Total governmental funds <sup>3</sup> .....	\$ 1,195	1,222	1,331	1,450
% Change	0.5	2.2	8.9	8.9
Capital projects .....	\$ 113	123	149	138
% Change	(6.4)	9.1	20.9	(7.3)
<b>LEVY-SUPPORTED GENERAL OBLIGATION DEBT</b>				
Net direct <sup>4</sup> .....	\$ 683	621	764	838
% Change	4.1	(9.1)	23.0	9.6
Net direct, overlapping, and underlying G.O. ....	\$ 2,238	2,240	2,507	2,622
% Change	3.7	0.1	11.9	4.6
PROPERTY ESTIMATED MARKET VALUE .....	\$ 111,126	118,064	125,049	131,651
% Change	7.0	6.2	5.9	5.3
EMPLOYEES PER 10,000 CAPITA <sup>5</sup> .....	62.8	64.5	114.3	115.4
% Change	1.9	2.7	77.1	1.0

<sup>1</sup> The levy includes state-paid aids and credits such as Homestead and Agricultural Credit Aid, Agricultural Preserve Credit, Disparity Aid, and Equalization Aid. The levy does not include County Program Aid or Education Aid.

<sup>2</sup> Includes the County, municipalities, school districts, watershed districts, and other taxing jurisdictions.

<sup>3</sup> 2017 revenues and expenditures include the \$83.6 million received upon the dissolution of the Counties Transit Improvement Board (CTIB) joint venture. The revenues were used for the early defeasance of bonds the County had issued in 2010 to assist the CTIB in obtaining more favorable financing terms.

<sup>4</sup> Includes only debt secured in whole or part by the authority to levy taxes on real estate. Therefore, revenue bonds are excluded.

<sup>5</sup> Includes full-time and part-time employees converted to full-time equivalents. The employee count was restated in 2016 to include Medical Center employees due to the blending of the Medical Center, which had been a discretely presented component unit previously.

Unaudited

Table 30

2018	2019	2020	2021	2022	2023
680	709	729	738	767	794
3.5	4.2	2.9	1.1	4.0	3.5
2,469	2,588	2,656	2,692	2,793	2,932
4.5	4.8	2.6	1.4	3.8	4.9
1,360	1,390	1,481	1,462	1,515	1,669
5.2	2.2	6.5	(1.3)	3.7	10.1
385	357	463	452	488	518
(12.0)	(7.3)	29.8	(2.5)	8.0	6.1
1,477	1,496	1,740	1,447	1,554	1,714
1.9	1.3	16.3	(16.8)	7.4	10.3
196	125	113	111	133	144
41.9	(36.2)	(9.9)	(1.0)	19.3	8.5
938	995	1,053	1,079	1,047	1,064
12.0	6.1	5.8	2.5	(3.0)	1.6
2,944	3,089	3,255	3,317	3,365	3,390
12.3	4.9	5.4	1.9	1.5	0.7
140,672	149,245	155,111	163,124	185,154	196,899
6.9	6.1	3.9	5.2	13.5	6.3
115.1	113.2	111.3	112.1	117.1	122.3
(0.3)	(1.6)	(1.7)	0.7	4.5	4.5

**Selected Ratio Measures of Financial Condition**

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt service expenditures for property tax supported bonds to: <sup>1</sup>				
County property tax levy .....	11.2 %	12.4 %	15.9 %	13.4 %
Governmental fund expenditures .....	5.7	6.3	7.4	6.1
Net general obligation debt to:				
Property taxable market value .....	0.64	0.53	0.61	0.64
Legal debt margin .....	27.0	21.3	25.6	26.9
Direct, overlapping, and underlying net G.O. debt .....	30.5	27.7	30.5	31.9
Governmental fund revenues .....	57.5	53.5	64.1	64.8
General obligation debt due within ten years				
To total general obligation debt .....	58.5	61.7	55.0	58.0
Unassigned General Fund fund balance <sup>2</sup>				
To general fund expenditures .....	23.4	24.6	22.1	25.6

<sup>1</sup> In years when the County made optional payments for early redemption of outstanding bond issues, the optional amounts are included for the calculation of the debt service ratios. The County's optional payments for early redemption of outstanding property tax supported bond issues were \$13,970,000 in 2015, \$15,000,000 in 2016, \$34,414,206 in 2017, \$15,000,000 in 2018, \$6,165,000 in 2019, \$10,000,000 in 2020, \$12,000,000 in 2021, and \$12,000,000 in 2022.

Unaudited

Table 31

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
11.8 %	11.3 %	12.4 %	13.9 %	14.5 %	12.7 %
5.4	5.4	5.2	7.1	7.2	5.9
0.67	0.68	0.69	0.67	0.57	0.55
28.6	28.6	29.3	28.3	23.2	22.0
31.9	32.2	32.4	32.5	31.1	31.4
69.0	71.6	71.1	73.8	69.1	63.7
58.0	58.0	51.3	52.6	54.7	56.7
23.6	24.4	17.9	20.3	19.8	20.3





## Mission

The mission of Hennepin County is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.



Hennepin County does not discriminate and provides equal access to employment, programs and services without regard to race, color, creed, religion, age, sex (except when sex is a bona fide occupational qualification), disability, marital status, sexual orientation, public assistance status, socio-economic status, education, ethnicity and/or national origin. If you believe you have been discriminated against, contact the Human Resources Department, A-400 Government Center, 300 S. Sixth St., Minneapolis MN 55487, or call 612-348-2163. (9/09)

[www.hennepin.us/financial-reports](http://www.hennepin.us/financial-reports)

This material can be provided in alternative forms. For further information, please call 612-348-5125.



Printed on 30% recycled post-consumer fiber.