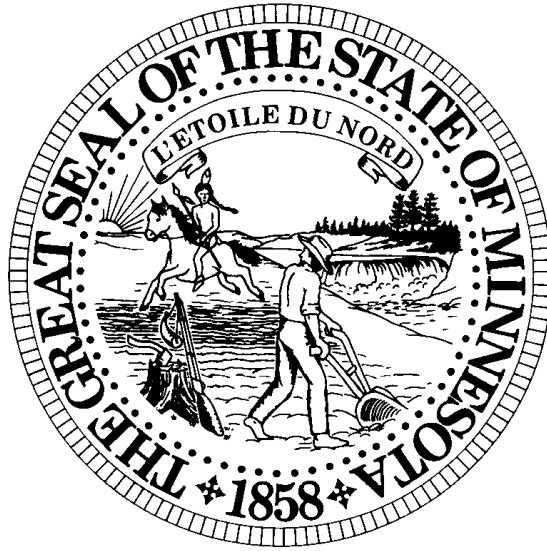


STATE OF MINNESOTA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2000

PREPARED BY
DEPARTMENT OF FINANCE
PAMELA WHEELLOCK, COMMISSIONER
400 CENTENNIAL BUILDING
658 CEDAR STREET
ST. PAUL, MINNESOTA 55155

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**STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2000**

TABLE OF CONTENTS

INTRODUCTION

	Page
Transmittal Letter from the Commissioner of Finance	vii
Certificate of Achievement.....	xvii
State Organization Chart	xviii
Principal State Officials.....	xix

FINANCIAL SECTION

Auditor's Opinion	2
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GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units.....	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units.....	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Appropriated Special Revenue Funds - Budgetary Basis.....	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units	11
Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units	12
Combined Statement of Changes in Plan Net Assets - Pension and Investment Trust Funds.....	15
University of Minnesota Statement of Changes in Fund Balances - Consolidated Totals	16
University of Minnesota Statement of Current Funds Revenues, Expenditures and Other Changes	17
Notes to the Financial Statements	19

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds:	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Appropriated Special Revenue Funds - Budgetary Basis.....	72
Natural Resources Funds:	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis	78
Capital Projects Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83
Enterprise Funds:	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	88
Combining Statement of Cash Flows	90
Internal Service Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	96
Combining Statement of Cash Flows	98
Fiduciary Funds:	
Combining Balance Sheet	103
Pension and Investment Trust Funds:	
Combining Statement of Plan Net Assets	104
Combining Statement of Changes in Plan Net Assets	105

Table of Contents (Continued)

	Page
Defined Benefit Pension Funds:	
Combining Statement of Plan Net Assets	106
Combining Statement of Changes in Plan Net Assets	108
Defined Contribution Funds:	
Combining Statement of Plan Net Assets	110
Combining Statement of Changes in Plan Net Assets	111
Nonexpendable Trust Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenses and Changes in Fund Balances.....	113
Combining Statement of Cash Flows.....	114
Expendable Trust Funds:	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	118
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	120
General Fixed Assets Account Group:	
Schedule of General Fixed Assets - By Source	122
Schedule of General Fixed Assets - By Function and Activity	123
Schedule of Changes in General Fixed Assets - By Function and Activity	124
General Long-Term Obligation Account Group:	
Statement of Changes in General Long-Term Obligations	126
Component Unit Funds:	
Combining Balance Sheet	129
Combining Balance Sheet – Governmental Fund Types.....	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund Types	132
Combining Balance Sheet – Proprietary Fund Types	134
Combining Statement of Revenues, Expenses and Changes in Retained Earnings – Proprietary Fund Types.....	135
Combining Statement of Cash Flows – Proprietary Fund Types.....	136
 GENERAL OBLIGATION DEBT SCHEDULES	
Scheduled Debt Service for Fiscal Years 2000-2020	138
Authorized But Unissued General Obligation Debt.....	150

STATISTICAL SECTION

General Governmental Revenues by Source.....	156
General Governmental Expenditures by Function and Net Transfers-Out	156
Assessed Value of Taxable Property.....	158
Market Value of Taxable Property.....	158
Schedule of General Obligation Bonded Debt per Capita.....	159
Schedule of Ratio of Annual Debt Service for General Obligation Bonded Debt to General Expenditures	159
Schedules of Revenue Bond Coverage.....	160
Minnesota Commercial Bank Deposits	161
Minnesota Population, Per Capita Personal Income and Unemployment Rate.....	161
New Housing Units Authorized in Permit-Issuing Localities	161
Employment Mix in Minnesota	162
Minnesota Based Companies Included in the Fortune 500	162
Average Daily Public School Membership	162
Miscellaneous Statistics.....	164

This document is available in alternate formats upon request.

INTRODUCTION

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State of Minnesota
Department of Finance

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December 8, 2000

The Honorable Jesse Ventura, Governor

Members of the Legislature

In accordance with Minnesota Statutes, Section 16A.50, the Department of Finance is pleased to submit the Comprehensive Annual Financial Report for the state of Minnesota for the fiscal year ended June 30, 2000. This report includes the financial statements for the state, and the disclosures necessary to accurately present the financial condition and results of operations for the year then ended. The report has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units.

The Department of Finance is responsible for the accuracy, fairness and completeness of the financial statements, including all disclosures, presented in this report. The information presented is accurate in all material respects and includes all disclosures necessary for an understanding of the state's financial activities.

The report is divided into three sections: Introductory Section; Financial Section, including the auditor's opinion and basic financial statements; and the Statistical Section, containing financial and other data for current and prior years. The Notes to the Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. The notes include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.

Financial Reporting Entity

The financial reporting entity consists of all the funds and account groups of the primary government, as well as its component units. Component units are legally separate organizations for which the state is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body, and either (a) the ability of the state to impose its will, or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government.

The Housing Finance Agency, Higher Education Services Office, Public Facilities Authority, Minnesota Technology, Inc., Metropolitan Council, Rural Finance Authority, Agricultural and Economic Development Board, Export Finance Authority, University of Minnesota, Workers Compensation Assigned Risk Plan, Minnesota Partnership for Action Against Tobacco, and the National Sports Center Foundation are component units reported discretely. The state has either the ability to impose its will over these agencies or provides substantial funding.

Economic Condition and Outlook

Minnesota's economy performed well in fiscal year 2000. Personal income grew at an annual rate of 6.1 percent during the fiscal year, 0.2 percentage points above the U.S. average. Despite a weak agricultural sector, the state continues its record of outperforming the U.S. economy and moving up in the state rankings of per capita personal income. In calendar 1999, per capita personal income in Minnesota was 7 percent above the national average. Per capita personal income was only 2 percent above the national averages in the early 1990s. Minnesota ranked 10th among all states in personal income per capita in 1999 compared to a ranking of 16th in 1990.

Minnesota's unemployment remains low. Labor markets have been very tight in the state for several years, and labor force participation rates continue to be among the highest in the nation. Minnesota's unemployment rate has been at two-thirds, or less, of the national average since early 1997. In fiscal year 2000, Minnesota's unemployment rate averaged just 2.7 percent, 1.4 percentage points below the U.S. average. Despite widespread reports of employers having difficulties in finding new workers, payroll employment grew by more than 55,000 during the past fiscal year. On a percentage basis, the statewide employment growth rate of 2.2 percent equaled the national average. In the key manufacturing sector payroll employment held constant in fiscal year 2000, resisting the U.S. trend of shrinking manufacturing employment. Nationally, manufacturing employment fell by 1 percent.

Minnesota's economy is projected to grow at roughly the same rate as the U.S. economy during fiscal year 2001. Payroll employment growth is projected to be 1.2 percent, 0.1 percentage point greater than the expected U.S. average. Personal income in Minnesota is expected to grow at a rate of 6.2 percent, exceeding the U.S. average by 0.1 percentage point. Low commodity prices and a reduction in the federal program payments are expected to cause agricultural incomes to be weak. But, wage growth in Minnesota is projected to be noticeably stronger in Minnesota than nationally, due to the continuation of the tight labor market. The health of the state's retail and service sector firms is projected to reduce the impact of declines in mining sector employment and a slight weakening in Minnesota's manufacturing.

Major Program Initiatives

- **Minnesota's Tobacco Settlement.** On May 8, 1998, Minnesota settled its lawsuit with the tobacco industry resulting in a new revenue stream for the state. A small portion of the settlement (\$202 million) was dedicated for specific purposes and will not be a part of the state's general revenues. The bulk of the settlement was directed to the General Fund.

Part of the state's settlement comes as a series of one-time payments, which end after fiscal year 2003. In 1999, the Governor and the legislature created two endowments (medical education and tobacco use prevention) with the first four of the one-time payments. The two remaining one-time payments and the annual, on-going payments are revenues to the General Fund. The value of these payments will level off at \$194 million by fiscal year 2004. All of these payments are counted as General Fund revenues and are subject to the appropriation process.

Actual and Estimated General Fund Non-Dedicated Tobacco Revenues*
(In Thousands)

Fiscal Year	Settlement Payments	Annual Payments	Total General Fund
1999**	\$ 460,800	\$ -	\$460,800
2000**	-	104,900	104,900
2001	-	114,800	114,800
2002	221,100	151,100	372,200
2003	113,100	154,300	267,400
Total	<u>\$ 334,200</u>	<u>\$ 525,100</u>	<u>\$859,300</u>

* Amounts are based on the November 2000 forecast. This forecast reflects adjustments to the base payments for inflation (upward) and consumption (downward).

** Amounts represent actual payments and the 1999 amount consists of two payments.

- K-12 Education. State aid to education increased by \$359 million (more than 10 percent) in fiscal year 2000. As in previous years, much of the increase was in the general education program, the primary source of general operating funds for school districts. In this program, school districts received a \$167 increase per pupil unit in the basic per pupil funding amount, with another \$43 increase per pupil unit for costs related to implementation of the state's graduation standards. This increase the amount per pupil by \$210 for fiscal year 2000 to \$3,740 per pupil unit. Significant funds were also added for class size reduction in grades K-3. Signaling the near completion of the state's takeover of special education costs, funding for special education increased by \$75 million in fiscal year 2000, to total \$456 million.
- Sales Tax Rebate. A sales tax rebate of \$635.6 million was approved by the 2000 legislature. This follows a \$1.3 billion rebate in the previous year. The law specifies that the rebate is a reduction of fiscal year 2000 sales tax revenue and appropriated money from the General Fund to make the payments. Payments were based on estimated sales tax paid by individuals, as reported on individual income tax returns.
- Year 2000. The state of Minnesota entered the year 2000 successfully, with no significant difficulties, allowing the project office established to oversee Y2K activities to disband.

Financial Information

The Department of Finance is responsible for the Minnesota Accounting and Procurement System (MAPS) and the information warehouse from which these financial statements were prepared. MAPS is maintained primarily on a budgetary basis of accounting. However, certain accrual information is recorded in MAPS. The budgetary basis recognizes revenues and expenditures essentially on a cash basis, except that encumbrances at year end are considered expenditures. Since this budgetary basis differs from GAAP, adjustments to accounting data are necessary to provide financial statements in accordance with GAAP. These disparate bases result in budgetary fund balances, which often differ significantly from those calculated under GAAP.

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

- **Budget Process.** The state's fiscal period is a biennium. The governor's biennial budget is presented to the legislature in January of odd numbered years for the upcoming biennium. State statutes require a balanced budget. Specific legislative appropriations are required for several funds. These funds include the General, Trunk Highway, Highway User Tax Distribution, State Airports, Environmental, Minnesota Resources, Natural Resources, Game and Fish, Solid Waste, Health Care Access, and Special Compensation funds.

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

- **General Fund.** During fiscal year 2000, the total fund balance, on a GAAP basis, for the General Fund decreased by \$76.7 million to \$1.955 billion. On June 30, 2000, the unreserved, undesignated portion of the fund balance reflected a positive balance of \$451.2 million, after providing for a \$972.0 million budgetary reserve. This compares with a \$62.1 million unreserved, undesignated fund balance at the end of fiscal year 1999 with a \$1.3 billion budgetary reserve. On a budgetary basis, the June 30, 2000 unrestricted (undesignated) fund balance for the General Fund was \$861 million compared with a balance of \$483 million at the end of 1999.

General Fund revenues and transfers-in totaled \$12.035 billion for fiscal year 2000, up 7.7 percent from those for fiscal year 1999. General Fund expenditures and transfers-out for the year totaled \$12.135 billion, an increase of 5.7 percent from the previous year. Of this amount, \$8.122 billion (67 percent) is in the form of grants and subsidies to local governments, individuals and non-profit organizations.

- **General Government Functions.** General government functions are funded from the General, special revenue, capital projects and Debt Service Funds. These funds account for the activities of most state operations, including those also financed from transportation, natural resources and federal revenue sources, plus numerous other smaller revenue sources. The total fund balances for all of these funds decreased by \$103.8 million, with a General Fund balance decrease of \$76.7 million, special revenue funds increase of \$142.8 million, capital projects funds decrease of \$11.0 million and Debt Service Fund increase of \$48.7 million.

The net revenues, expenditures and transfers for these funds are presented below (expressed in thousands). The percent of total and the increases or decreases over fiscal year 1999 are also presented.

Net Revenues:	June 30, 2000	Percent of Net Revenues	Increase (Decrease) Over June 30, 1999	
			Dollars	Percent
Individual Income Taxes	\$ 5,591,326	30.5%	\$ (104,338)	-1.8%
Corporate Income Taxes	834,243	4.6%	66,879	8.7%
Sales Tax	3,114,521	17.0%	995,118	47.0%
Fuel Taxes	611,112	3.3%	23,158	3.9%
Other Taxes	2,354,872	12.8%	124,065	5.6%
Federal Revenues	4,205,802	22.9%	479,148	12.9%
Investment/Interest Income	294,140	1.6%	(20,171)	-6.4%
Tuition and Student Fees	344,038	1.9%	52,851	18.2%
Other Revenues	982,157	5.4%	(135,459)	-12.1%
Total Net Revenues	<u>\$ 18,332,211</u>	<u>100.0%</u>	<u>\$ 1,481,251</u>	<u>8.8%</u>

Overall revenues remain consistent. The increase in corporate income taxes was the result of a favorable economic climate. The sales tax rebate decreased from \$1.3 billion to \$635.6 million, which resulted in an increase in sales tax revenue. The increase in tuition and student fees is due to an increase in both enrollment and tuition fees. Other revenue consists of license fees, departmental earnings, care and hospitalization and various miscellaneous earnings.

Expenditures and Net Transfers:	June 30, 2000	Percent of Total	Increase (Decrease) Over June 30, 1999	
			Dollars	Percent
Expenditures:				
Protection of Persons and Property	\$ 269,215	1.4%	\$ 14,986	5.9%
Transportation	462,805	2.5%	35,454	8.3%
Resource Management	353,025	1.9%	31,979	10.0%
Economic and Manpower Development	230,924	1.2%	(7,746)	-3.2%
Education	1,058,300	5.7%	52,207	5.2%
Health and Social Services	919,937	4.9%	35,018	4.0%
General Government	370,952	2.0%	11,246	3.1%
Capital Outlays	678,126	3.6%	41,623	6.5%
Debt Service	447,085	2.4%	(206,425)	-31.6%
Grants and Subsidies	12,103,255	64.9%	598,183	5.2%
Total Expenditures	<u>\$ 16,893,624</u>	<u>90.6%</u>	<u>\$ 606,525</u>	<u>3.7%</u>
Net Transfers-Out	<u>1,750,466</u>	<u>9.4%</u>	<u>412,287</u>	<u>30.8%</u>
Total Expenditures and Net Transfers	<u>\$ 18,644,090</u>	<u>100.0%</u>	<u>\$ 1,018,812</u>	<u>5.8%</u>

Overall expenditures also remain consistent. The increase in transportation resulted from costs associated with the planning of the proposed light rail transit during fiscal year 2000. The decrease in debt service is due to Minnesota refunding \$198.7 million of bonds during fiscal year

1999 which resulted in substantial increase in debt service expenditures in the prior year. The increase in resource management is primarily due to the dry weather, which caused an increase in emergency fire expenditures.

- Enterprise Fund Operations. Retained earnings for the enterprise funds increased by \$8 million to \$175.7 million. Enterprise funds provide services to the general public and are expected to recover full costs, primarily through user charges. Included among the enterprise funds is the State Lottery Fund, whose income of \$60.5 million after taxes was transferred to other state funds. This is consistent with fiscal year 1999. The State Colleges & Universities Revenue Fund reported net income of \$3.8 million compared with \$1.3 million in fiscal year 1999.
- Internal Service Fund Operations. State internal service funds provide a variety of services to state agencies. These include computer services, motor pool, telecommunications, printing, management of the capitol complex buildings and insurance (employee health and life, and auto liability). The objective of these funds is to recover the full costs of services provided to other governmental organizations. The internal service funds reported net income of \$17.5 million for fiscal year 2000 with total operating revenues of \$502.7 million. The internal service funds ended the year with total retained earnings of \$100.2 million, which is up \$17.4 million over last year. The largest fluctuation in retained earnings occurred in the Employee Insurance Fund, with net income of \$17.0 million compared to a net loss of \$3.8 million in fiscal year 1999. This increase in net income resulted from the fund switching to a self-insured plan during fiscal year 2000 and an increase in premiums on January 1, 2000.
- Fiduciary Fund Operations. Contributions to the various pension plans are set in statute at rates expected to fully amortize the unfunded pension benefit obligations of all plans by about 2020, with differing years for each fund. In recent years, contributions have been sufficient to cover the actuarially determined contribution requirements for most funds. Actuarial valuations are performed annually for all defined benefit pension funds, and the results are used to determine any changes needed in the contribution rates.

Grants totaling than \$927.2 million were provided from the expendable trust funds, primarily to local governments and individuals. Of this amount, \$491.0 million of the various highway taxes went to cities and counties for roads and bridges. Another \$20.9 million from earnings on the Endowment School Fund assets was distributed to school districts. Most of the remainder of the grants, \$384.8 million, was for unemployment benefits funded by taxes on employers. The fund balance for the Reemployment Insurance Fund increased by \$51.3 million to \$655.6 million.

- Debt Administration. Minnesota's credit ratings on general obligation bonds continued at AAA by Standard & Poor's Corporation and Fitch Investors Service, Inc., and Aaa by Moody's Investors Service.

The state issued \$360.0 million of new general obligation bonds, \$214.5 million of general obligation bonds were redeemed and an additional \$2.0 million of state guaranteed bonds were defeased during 2000, leaving an outstanding balance of \$2.5 billion.

The state has a debt management policy, which has three goals:

- Maintain AAA/Aaa bond ratings
- Minimize state borrowing costs
- Provide a reasonable financing capacity within a prudent debt limit

The state debt management policy has four guidelines. The first requires that the ratio of budgeted biennial debt service expenditures for general obligation bonded debt, paid by transfers from the General Fund, should not exceed 3.0 percent of total projected biennial General Fund non-dedicated revenues, net of refunds, on a budgetary basis. The ratio of transfers to net non-dedicated revenues for the biennium ending June 30, 2001 is estimated to be 2.3 percent.

The second and third guidelines state that general obligation bonded debt should not exceed 2.5 percent of the total personal income for the state, and also that the total debt of state agencies and the University of Minnesota should not exceed 3.5 percent of total personal income. These ratios were 1.6 percent and 2.6 percent, respectively, based on debt outstanding at June 30, 2000, and estimated personal income for the year ended on that date.

The fourth guideline states that the total amount of state general obligation debt, moral obligation debt, state bond guarantees, equipment capital leases and real estate leases should not exceed 5.0 percent of the total personal income for the state. The ratio was 3.2 percent based on information at June 30, 2000.

- **Cash Management.** The majority of cash is held in the state treasury and commingled in state bank accounts. The cash in individual funds may be invested separately where permitted by statute. However, cash in most funds is invested as a part of an investment pool. Investment earnings of the pools are allocated to the individual funds where provided by statute. Earnings for all other participants are credited to the General Fund.

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

The State Board of Investment manages the majority of the state's investing. Minnesota Statute broadly restricts investment to obligations and stocks of U.S. and Canadian governments, their agencies and their registered corporations, short-term obligations of specified high quality, restricted participation as a limited partner in venture capital, real estate, or resource equity investments and restricted participation in registered mutual funds.

- **Risk Management.** The state is prohibited by statute from insuring property against loss. Certain agencies and programs are exempted from this prohibition, these include; the Minnesota Correctional Facility - Stillwater, State Universities, Community Colleges, Family Farm Security

Program, Department of Military Affairs, Iron Range Resources and Rehabilitation Board, and the Sibley House. The Commissioner of the Department of Administration may authorize the purchase of insurance on state properties should it be deemed necessary and appropriate to protect buildings and content. All losses of state property are self-insured or are covered by programs of the Risk Management Fund (an internal service fund) or by insurance policies purchased by the Risk Management Fund on behalf of state agencies.

Employee's health and a portion of dental insurance are self-insured. Employee's life and the remaining dental insurance are provided through contracts with outside organizations. Premiums collected for these benefits have been more than sufficient to cover claims submitted.

Audits

The independent Office of the Legislative Auditor performs post-audits of the activities of state agencies. Accordingly, they performed the audit of these financial statements and their opinion is included. They also issue an audit report or management letter to state agencies and a summary report to the legislature.

As a part of the audit of these financial statements, a single audit of federal programs is being conducted by the Office of the Legislative Auditor. This audit meets the requirements of the federal Single Audit Act. The audit covers federal program activities for state agencies for the year ended June 30, 2000. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in March 2001.

Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the state of Minnesota for its comprehensive annual financial report for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The state of Minnesota has received a Certificate of Achievement for each of the last fifteen fiscal years through June 30, 1999. The Department of Finance believes this current report continues to conform to the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

Acknowledgments

Although the Department of Finance accepts final responsibility for this report, staff in many other state agencies and component units provided much of the data. Assistance from these organizations ranged from providing necessary data to actual preparation of financial statements for their agencies' funds. I want to express my appreciation for the dedication of the many people in the Department of Finance who helped in the preparation of this report, as well as for the many people in other agencies, without whose efforts this report would not have been possible.

Sincerely,

A handwritten signature in black ink, reading "Pamela Wheelock". The signature is written in a cursive, flowing style.

Pamela Wheelock
Commissioner

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Minnesota

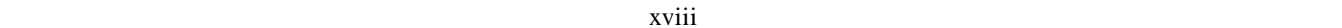
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esler
Executive Director



STATE OF MINNESOTA
Principal Officials

EXECUTIVE BRANCH

GOVERNOR:	Jesse Ventura
LIEUTENANT GOVERNOR:	Mae Schunk
ATTORNEY GENERAL:	Mike Hatch
STATE TREASURER:	Carol C. Johnson
SECRETARY OF STATE:	Mary Kiffmeyer
STATE AUDITOR:	Judith H. Dutcher

LEGISLATIVE BRANCH

SPEAKER OF THE HOUSE OF REPRESENTATIVES
Steve Sviggum

PRESIDENT OF THE SENATE
Allan H. Spear

JUDICIAL BRANCH

CHIEF JUSTICE OF THE SUPREME COURT
Kathleen Blatz

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FINANCIAL SECTION



Independent Auditor's Report

Members of the Legislature

The Honorable Jesse Ventura, Governor

Ms. Pamela Wheelock, Commissioner of Finance

We have audited the accompanying general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Public Facilities Authority, Metropolitan Council, Minnesota Technology Incorporated, Higher Education Services Office, Minnesota Partnership for Action Against Tobacco, Housing Finance Agency, Minnesota Workers Compensation Assigned Risk Plan, National Sports Center Foundation, and University of Minnesota, which represent 98 percent of the assets and 99 percent of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned discretely presented component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

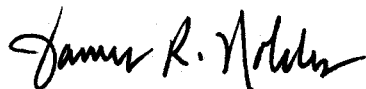
In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Minnesota as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Members of the Legislature
The Honorable Jesse Ventura, Governor
Ms. Pamela Wheelock, Commissioner of Finance
Page 2

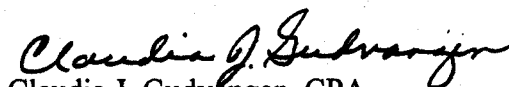
The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Minnesota. Such information has been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The Introduction and Statistical Sections listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Minnesota. Such additional information has not been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2000, on our consideration of the State of Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



James R. Nobles
Legislative Auditor



Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

December 1, 2000

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General Purpose Financial Statements

STATE OF MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2000
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents.....	\$ 3,214,044	\$ 1,289,816	\$ 378,765	\$ 251,794
Investments.....	31,244	8,164	-	117,332
Accounts Receivable.....	490,505	154,342	15	6
Settlement Receivable.....	-	-	-	-
Interfund Receivables.....	128,638	57,073	8,905	14,628
Due from Other Governmental Units.....	-	-	-	-
Due from Primary Government.....	-	-	-	-
Due from Component Units.....	-	-	-	48,298
Accrued Investment/Interest Income.....	65,554	29	-	1,799
Federal Aid Receivable.....	-	556,490	-	-
Inventories.....	-	13,934	-	-
Food Stamps.....	-	28,901	-	-
Deferred Costs.....	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents.....	-	-	-	-
Investments.....	-	-	-	-
Loans Receivable.....	-	-	-	-
Interfund Receivables.....	-	-	-	-
Due from Other Governmental Units.....	-	-	-	-
Other Restricted Assets.....	-	-	-	-
Loans and Notes Receivable.....	6,746	100,766	94,210	-
Advances to Other Funds.....	-	3,000	60	-
Securities Lending Collateral.....	686,911	181,420	-	59,559
Fixed Assets (Net).....	-	-	-	-
Other Assets.....	-	2,418	-	-
Amount Available for Debt Service.....	-	-	-	-
Amount to be Provided for Debt Service.....	-	-	-	-
Total Assets and Other Debits.....	<u>\$ 4,626,642</u>	<u>\$ 2,393,413</u>	<u>\$ 481,895</u>	<u>\$ 493,416</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Warrants Payable.....	\$ -	\$ -	\$ -	\$ -
Accounts Payable.....	1,626,384	667,851	59,084	-
Interfund Payables.....	42,186	137,076	26,333	-
Payable to Other Governmental Units.....	-	-	-	-
Due to Component Units.....	146,251	1,781	-	-
Due to Primary Government.....	-	-	-	-
Deferred Revenue.....	170,188	61,755	-	-
Payable from Restricted Assets:				
Accounts Payable.....	-	-	-	-
Interfund Payable.....	-	-	-	-
General Obligation Bonds Payable.....	-	-	-	-
Revenue Bonds Payable.....	-	-	-	-
Accrued Bond Interest Payable.....	-	-	-	-
Other Payable from Restricted Assets.....	-	-	-	-
General Obligation Bonds Payable.....	-	-	-	-
Loans and Notes Payable.....	-	-	-	-
Revenue Bonds Payable.....	-	-	-	-
Grants Payable.....	-	-	-	-
Claims Payable.....	-	-	-	-
Compensated Absences Payable.....	-	-	-	-
Advances from Other Funds.....	-	-	-	-
Workers Compensation Liability.....	-	-	-	-
Securities Lending Collateral.....	686,911	181,420	-	59,559
Funds Held in Trust.....	-	-	-	-
Other Liabilities.....	-	1,211	-	-
Total Liabilities.....	<u>\$ 2,671,920</u>	<u>\$ 1,051,094</u>	<u>\$ 85,417</u>	<u>\$ 59,559</u>
Equity and Other Credits:				
Contributed Capital.....	\$ -	\$ -	\$ -	\$ -
Investment in General Fixed Assets.....	-	-	-	-
Retained Earnings:				
Reserved Retained Earnings.....	-	-	-	-
Unreserved Retained Earnings.....	-	-	-	-
Fund Balances:				
Reserved for Encumbrances.....	106,615	90,821	4,843	-
Budgetary Reserve.....	972,000	127,259	-	-
Other Reserved Fund Balances.....	9,746	196,802	259,760	433,857
Unreserved Fund Balances:				
Designated Fund Balances.....	415,151	409,274	-	-
Undesignated Fund Balances.....	451,210	518,163	131,875	-
Total Equity and Other Credits.....	<u>\$ 1,954,722</u>	<u>\$ 1,342,319</u>	<u>\$ 396,478</u>	<u>\$ 433,857</u>
Total Liabilities, Equity and Other Credits.....	<u>\$ 4,626,642</u>	<u>\$ 2,393,413</u>	<u>\$ 481,895</u>	<u>\$ 493,416</u>

The notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		PRIMARY GOVERNMENT	COMPONENT UNITS
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	TOTALS (MEMORANDUM ONLY)	
\$ 71,874	\$ 123,592	\$ 3,943,301	\$ -	\$ -	\$ 9,273,186	\$ 1,290,471
34,802	19,761	44,299,063	-	-	44,510,366	2,217,707
19,447	28,502	94,532	-	-	787,349	272,455
-	-	-	-	-	-	57,700
8,826	28	45,069	-	-	263,167	765
-	-	-	-	-	-	9,872
-	-	-	-	-	-	157,333
-	-	-	-	-	48,298	-
923	426	183,253	-	-	251,984	33,685
-	-	46	-	-	556,536	64,571
14,452	1,176	2,197	-	-	31,759	33,435
-	-	-	-	-	28,901	-
657	1,532	-	-	-	2,189	13,659
-	-	-	-	-	-	479,173
17,671	-	-	-	-	17,671	302,007
-	-	-	-	-	-	687,328
-	-	-	-	-	-	6,665
-	-	-	-	-	-	21,918
-	-	-	-	-	-	97,868
35,509	-	22,988	-	-	260,219	2,161,187
-	-	-	-	-	3,060	-
-	20,814	4,024,034	-	-	4,972,738	75,189
93,737	32,207	19,792	3,445,891	-	3,591,627	2,621,544
1,261	-	-	-	-	3,679	1,160
-	-	-	-	229,735	229,735	31,465
-	-	-	-	3,100,926	3,100,926	139,599
<u>\$ 299,159</u>	<u>\$ 228,038</u>	<u>\$ 52,634,275</u>	<u>\$ 3,445,891</u>	<u>\$ 3,330,661</u>	<u>\$ 67,933,390</u>	<u>\$ 10,776,756</u>
\$ -	\$ -	\$ 203,144	\$ -	\$ -	\$ 203,144	\$ -
28,509	62,742	1,364,277	-	-	3,808,847	280,070
14,854	1,352	41,366	-	-	263,167	7,371
-	-	-	-	-	-	799
-	-	9,301	-	-	157,333	-
-	-	-	-	-	-	51,930
3,255	3,063	4,345	-	-	242,606	62,613
1,616	-	-	-	-	1,616	21,116
-	-	-	-	-	-	59
-	-	-	-	-	-	73,065
715	-	-	-	-	715	588,433
-	-	-	-	-	-	69,757
4,674	-	-	-	-	4,674	87,837
4,619	-	-	-	2,527,281	2,531,900	750,609
2,482	27,144	-	-	5,241	34,867	335,586
28,195	-	29,000	-	56,595	113,790	2,122,794
-	-	-	-	-	-	13,014
-	-	-	-	306,948	306,948	398,475
7,180	3,629	2,094	-	276,358	289,261	61,573
60	3,000	-	-	-	3,060	-
-	-	-	-	136,660	136,660	-
-	20,814	4,024,034	-	-	4,972,738	75,189
-	-	29,315	-	-	29,315	113,100
1,501	-	261	-	21,578	24,551	26,070
<u>\$ 97,660</u>	<u>\$ 121,744</u>	<u>\$ 5,707,137</u>	<u>\$ -</u>	<u>\$ 3,330,661</u>	<u>\$ 13,125,192</u>	<u>\$ 5,139,460</u>
\$ 25,848	\$ 6,064	\$ -	\$ -	\$ -	\$ 31,912	\$ 962,334
-	-	-	3,445,891	-	3,445,891	1,016,752
11,649	81,860	-	-	-	93,509	724,039
164,002	18,370	-	-	-	182,372	1,102,224
-	-	8,868	-	-	211,147	38,079
-	-	-	-	-	1,099,259	-
-	-	46,082,588	-	-	46,982,753	1,030,019
-	-	790,638	-	-	1,615,063	578,557
-	-	45,044	-	-	1,146,292	185,292
<u>\$ 201,499</u>	<u>\$ 106,294</u>	<u>\$ 46,927,138</u>	<u>\$ 3,445,891</u>	<u>\$ -</u>	<u>\$ 54,808,198</u>	<u>\$ 5,637,296</u>
<u>\$ 299,159</u>	<u>\$ 228,038</u>	<u>\$ 52,634,275</u>	<u>\$ 3,445,891</u>	<u>\$ 3,330,661</u>	<u>\$ 67,933,390</u>	<u>\$ 10,776,756</u>

STATE OF MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
Net Revenues:				
Individual Income Taxes.....	\$ 5,591,326	\$ -	\$ -	\$ -
Corporate Income Taxes.....	834,243	-	-	-
Sales Taxes.....	3,112,373	-	-	2,148
Motor Vehicle License Taxes.....	926	596,248	-	-
Fuel Taxes.....	-	611,112	-	-
Other Taxes.....	1,387,264	367,788	-	2,646
Tobacco Settlement.....	104,926	-	-	-
Federal Revenues.....	20,183	4,185,619	-	-
Licenses and Fees.....	151,860	210,127	-	-
Care and Hospitalization Revenues.....	39,543	505	-	-
Tuition and Student Fees.....	324,396	19,642	-	-
Departmental Services.....	52,601	125,860	-	-
Investment/Interest Income.....	190,573	64,958	547	38,062
Deferred Compensation Contributions.....	-	-	-	-
Securities Lending Income.....	6,004	-	-	-
Other Revenues.....	139,664	150,917	108	42
Net Revenues.....	\$ 11,955,882	\$ 6,332,776	\$ 655	\$ 42,898
Expenditures:				
Current:				
Protection of Persons and Property.....	\$ 130,116	\$ 138,383	\$ 716	\$ -
Transportation.....	3,141	448,556	11,108	-
Resource Management.....	131,480	194,957	26,588	-
Economic and Manpower Development.....	75,161	155,445	318	-
Education.....	935,108	93,686	29,506	-
Health and Social Services.....	583,643	336,282	12	-
General Government.....	274,457	48,710	41,850	25
Securities Lending Rebates and Fees.....	5,910	-	-	-
Total Current Expenditures.....	\$ 2,139,016	\$ 1,416,019	\$ 110,098	\$ 25
Capital Outlay.....	31,773	549,483	96,870	-
Debt Service.....	42,984	12,779	146	391,176
Grants and Subsidies.....	8,121,715	3,848,345	133,195	-
Deferred Compensation Withdrawals.....	-	-	-	-
Total Expenditures.....	\$ 10,335,488	\$ 5,826,626	\$ 340,309	\$ 391,201
Excess of Revenues Over (Under)				
Expenditures.....	\$ 1,620,394	\$ 506,150	\$ (339,654)	\$ (348,303)
Other Financing Sources (Uses):				
General Obligation and Revenue Bonds.....	\$ -	\$ 2,000	\$ 356,900	\$ 4,191
Operating Transfers-In.....	78,787	912,349	97,004	336,060
Operating Transfers to Debt Service.....	(317,816)	(5,856)	(12,302)	-
Other Operating Transfers-Out.....	(568,558)	(1,237,326)	(3,314)	-
Transfers-In from Primary Government.....	-	-	-	-
Transfers-Out to Primary Government.....	-	-	-	-
Transfers-In from Component Units.....	385	-	-	11,031
Transfers-Out to Component Units.....	(913,158)	(24,007)	(103,745)	-
Capital Leases.....	3,643	5,658	-	-
Net Other Financing Sources (Uses).....	\$ (1,716,717)	\$ (347,182)	\$ 334,543	\$ 351,282
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (96,323)	\$ 158,968	\$ (5,111)	\$ 2,979
Fund Balances, Beginning, as Reported.....	\$ 2,031,411	\$ 1,199,516	\$ 407,429	\$ 385,193
Prior Period Adjustments.....	-	-	-	45,685
Change in Fund Structure.....	-	-	-	-
Fund Balances, Beginning, as Restated.....	\$ 2,031,411	\$ 1,199,516	\$ 407,429	\$ 430,878
Residual Equity Transfers-In.....	19,891	-	-	-
Residual Equity Transfers-Out.....	(257)	(14,051)	(5,840)	-
Change in Inventory.....	-	(2,114)	-	-
Fund Balances, Ending.....	\$ 1,954,722	\$ 1,342,319	\$ 396,478	\$ 433,857

The notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE		PRIMARY GOVERNMENT	
EXPENDABLE	TOTALS	COMPONENT	
TRUST	(MEMORANDUM ONLY)	UNITS	
\$ -	\$ 5,591,326	\$ -	
-	834,243	-	
-	3,114,521	-	
-	597,174	-	
-	611,112	-	
383,672	2,141,370	49,566	
221,785	326,711	3,800	
12,073	4,217,875	4,687	
-	361,987	-	
-	40,048	-	
-	344,038	-	
-	178,461	-	
168,701	462,841	17,040	
140,146	140,146	-	
3,256	9,260	-	
36,021	326,752	57,886	
<u>\$ 965,654</u>	<u>\$ 19,297,865</u>	<u>\$ 132,979</u>	
\$ 59	\$ 269,274	\$ -	
7,389	470,194	49,762	
3,905	356,930	19,309	
2,240	233,164	13,080	
7,126	1,065,426	10,234	
1,255	921,192	30,100	
586	365,628	39,984	
3,010	8,920	-	
<u>\$ 25,570</u>	<u>\$ 3,690,728</u>	<u>\$ 162,469</u>	
9,413	687,539	3,655	
-	447,085	57,168	
927,182	13,030,437	160,108	
151,048	151,048	-	
<u>\$ 1,113,213</u>	<u>\$ 18,006,837</u>	<u>\$ 383,400</u>	
\$ (147,559)	\$ 1,291,028	\$ (250,421)	
\$ -	\$ 363,091	\$ 47,048	
819,038	2,243,238	1,910	
-	(335,974)	-	
(8,277)	(1,817,475)	(4,685)	
-	-	223,608	
-	-	(8,932)	
-	11,416	-	
(18,975)	(1,059,885)	-	
-	9,301	-	
<u>\$ 791,786</u>	<u>\$ (586,288)</u>	<u>\$ 258,949</u>	
\$ 644,227	\$ 704,740	\$ 8,528	
\$ 1,819,254	\$ 5,842,803	\$ 514,649	
-	45,685	-	
469,461	469,461	-	
<u>\$ 2,288,715</u>	<u>\$ 6,357,949</u>	<u>\$ 514,649</u>	
-	19,891	-	
-	(20,148)	(14,693)	
-	(2,114)	-	
<u>\$ 2,932,942</u>	<u>\$ 7,060,318</u>	<u>\$ 508,484</u>	

STATE OF MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND AND APPROPRIATED SPECIAL REVENUE FUNDS BUDGETARY BASIS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Individual Income Taxes.....	\$ 5,446,620	\$ 5,546,730	\$ 100,110	\$ -	\$ -	\$ -
Corporate Income Taxes.....	742,110	811,177	69,067	-	-	-
Sales Taxes.....	3,076,722	3,097,320	20,598	-	-	-
Motor Vehicle License Taxes.....	-	-	-	608,112	608,112	-
Fuel Taxes.....	-	-	-	610,502	610,641	139
Tobacco Taxes.....	-	-	-	7,158	7,295	137
Other Taxes.....	1,399,186	1,409,906	10,720	188,464	202,943	14,479
Federal Revenues.....	-	-	-	313,800	333,105	19,305
Licenses and Fees.....	-	-	-	59,992	71,232	11,240
Care and Hospitalization Revenues.....	22,780	18,833	(3,947)	-	-	-
Tuition and Student Fees.....	265,463	325,155	59,692	-	-	-
Departmental Services.....	54,966	36,206	(18,760)	83,477	78,332	(5,145)
Investment/Interest Income.....	151,700	187,718	36,018	37,940	47,124	9,184
Other Revenues.....	359,867	524,432	164,565	151,988	143,564	(8,424)
Net Revenues.....	\$ 11,519,414	\$ 11,957,477	\$ 438,063	\$ 2,061,433	\$ 2,102,348	\$ 40,915
Expenditures:						
Protection of Persons and Property.....	\$ 154,067	\$ 153,992	\$ 75	\$ 98,976	\$ 98,976	\$ -
Transportation.....	70,177	70,177	-	945,703	941,106	4,597
Resource Management.....	219,228	218,952	276	139,975	133,898	6,077
Economic and Manpower Development.....	197,629	197,282	347	109,540	109,540	-
Education.....	5,383,881	5,383,269	612	744	744	-
Health and Social Services.....	2,987,511	2,973,749	13,762	152,488	152,455	33
General Government.....	1,618,689	1,552,628	66,061	21,566	21,052	514
Total Expenditures.....	\$ 10,631,182	\$ 10,550,049	\$ 81,133	\$ 1,468,992	\$ 1,457,771	\$ 11,221
Excess of Revenues Over (Under)						
Expenditures.....	\$ 888,232	\$ 1,407,428	\$ 519,196	\$ 592,441	\$ 644,577	\$ 52,136
Other Financing Sources (Uses):						
Operating Transfers-In.....	\$ 248,963	\$ 234,936	\$ (14,027)	\$ 688,142	\$ 723,201	\$ 35,059
Operating Transfers to Debt Service.....	(255,037)	(255,037)	-	(3,820)	(3,820)	-
Other Operating Transfers-Out.....	(247,009)	(247,009)	-	(1,221,317)	(1,221,317)	-
Transfers-Out to Component Units.....	(913,158)	(913,158)	-	(4,803)	(4,803)	-
Net Other Financing Sources (Uses).....	\$ (1,166,241)	\$ (1,180,268)	\$ (14,027)	\$ (541,798)	\$ (506,739)	\$ 35,059
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (278,009)	\$ 227,160	\$ 505,169	\$ 50,643	\$ 137,838	\$ 87,195
Fund Balances, Beginning, as Reported	\$ 1,987,350	\$ 1,987,350	\$ -	\$ 574,517	\$ 574,517	\$ -
Prior Period Adjustments.....	-	33,711	33,711	(1)	4,566	4,567
Fund Balances, Beginning, as Restated.....	\$ 1,987,350	\$ 2,021,061	\$ 33,711	\$ 574,516	\$ 579,083	\$ 4,567
Budgetary Fund Balances, Ending.....	\$ 1,709,341	\$ 2,248,221	\$ 538,880	\$ 625,159	\$ 716,921	\$ 91,762
Less: Appropriation Carryover.....	-	415,151	(415,151)	-	95,549	(95,549)
Less: Budgetary Reserve.....	972,000	972,000	-	127,259	127,259	-
Undesignated Fund Balances, Ending.....	\$ 737,341	\$ 861,070	\$ 123,729	\$ 497,900	\$ 494,113	\$ (3,787)

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2000
(IN THOUSANDS)**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	PRIMARY GOVERNMENT TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST		
Operating Revenues:					
Net Sales.....	\$ 445,981	\$ 18,321	\$ 12,191	\$ 476,493	\$ 18,437
Interest Income.....	1,160	-	-	1,160	159,957
Investment Income.....	-	-	33,700	33,700	66,540
Rental and Service Fees.....	116,089	117,291	-	233,380	201,818
Insurance Premiums.....	10,327	361,229	-	371,556	33,741
Other Income.....	2,949	5,822	11	8,782	7,949
Total Operating Revenues.....	\$ 576,506	\$ 502,663	\$ 45,902	\$ 1,125,071	\$ 488,442
Less: Cost of Goods Sold.....	319,938	11,089	-	331,027	-
Gross Margin.....	\$ 256,568	\$ 491,574	\$ 45,902	\$ 794,044	\$ 488,442
Operating Expenses:					
Interest and Financing Costs.....	\$ -	\$ -	\$ -	\$ -	\$ 152,111
Purchased Services.....	69,861	156,960	85	226,906	67,467
Salaries and Fringe Benefits.....	85,252	34,616	4,896	124,764	187,394
Claims.....	9,643	253,038	-	262,681	14,930
Depreciation.....	8,960	11,996	-	20,956	65,610
Amortization.....	-	638	-	638	59
Supplies and Materials.....	8,818	5,670	-	14,488	22,432
Indirect Costs.....	3,621	2,967	-	6,588	23,682
Other Expenses.....	9,419	1,523	-	10,942	48,129
Total Operating Expenses.....	\$ 195,574	\$ 467,408	\$ 4,981	\$ 667,963	\$ 581,814
Operating Income (Loss).....	\$ 60,994	\$ 24,166	\$ 40,921	\$ 126,081	\$ (93,372)
Nonoperating Revenues (Expenses):					
Investment Income.....	\$ 8,083	\$ 10,472	\$ -	\$ 18,555	\$ 51,066
Grants and Subsidies.....	284	-	-	284	173,718
Other Nonoperating Revenues.....	2,269	-	-	2,269	89,677
Interest and Financing Costs.....	(2,543)	(1,409)	-	(3,952)	(27,600)
Rebate Costs.....	(2,347)	(5,800)	-	(8,147)	-
Grants, Aids and Subsidies.....	(1,002)	-	-	(1,002)	(199,014)
Other Nonoperating Expenses.....	(2,157)	-	-	(2,157)	968
Gain (Loss) on Sale of Fixed Assets.....	(10)	493	143	626	(5,806)
Net Nonoperating Revenues (Expenses).....	\$ 2,577	\$ 3,756	\$ 143	\$ 6,476	\$ 83,009
Income Before Operating Transfers.....	\$ 63,571	\$ 27,922	\$ 41,064	\$ 132,557	\$ (10,363)
Operating Transfers-In.....	8,534	2,375	-	10,909	2,776
Operating Transfers to Debt Service.....	(86)	-	-	(86)	-
Other Operating Transfers-Out.....	(65,478)	(12,838)	(22,296)	(100,612)	(1)
Transfers-In from Primary Government.....	-	-	-	-	122,530
Net Income (Loss).....	\$ 6,541	\$ 17,459	\$ 18,768	\$ 42,768	\$ 114,942
Depreciation on Fixed Assets Acquired with Contributed Capital.....	352	-	-	352	31,546
Increase (Decrease) in Retained Earnings/Fund Balances.....	\$ 6,893	\$ 17,459	\$ 18,768	\$ 43,120	\$ 146,488
Retained Earnings/Fund Balances, Beginning, as Reported.....	\$ 167,704	\$ 82,771	\$ 1,044,545	\$ 1,295,020	\$ 1,679,775
Prior Period Adjustments.....	1,054	-	-	1,054	-
Change in Fund Structure.....	-	-	(469,461)	(469,461)	-
Retained Earnings/Fund Balances, Beginning, as Restated.....	\$ 168,758	\$ 82,771	\$ 575,084	\$ 826,613	\$ 1,679,775
Retained Earnings/Fund Balances, Ending.....	\$ 175,651	\$ 100,230	\$ 593,852	\$ 869,733	\$ 1,826,263

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2000
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	PRIMARY GOVERNMENT TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	NON- EXPENDABLE TRUST		
Cash Flows from Operating Activities:					
Operating Income (Loss).....	\$ 60,994	\$ 24,166	\$ 40,921	\$ 126,081	\$ (93,372)
Adjustments to Reconcile Operating Income to					
Net Cash Flows from Operating Activities:					
Depreciation.....	\$ 8,960	\$ 12,132	\$ -	\$ 21,092	\$ 65,610
Amortization.....	-	638	-	638	59
Write-off of Equipment.....	(27)	-	-	(27)	-
Investment Income.....	-	-	(33,700)	(33,700)	(66,540)
Interest and Financing Costs.....	-	-	-	-	152,111
Loan Principal Repayments.....	5,247	-	-	5,247	303,291
Loans Issued.....	(5,950)	-	-	(5,950)	(485,225)
Provision for Loan Defaults.....	1,391	-	-	1,391	(1,305)
Customer Deposits.....	-	-	-	-	41,236
Return of Customer Deposits.....	-	-	-	-	(32,096)
Net Nonoperating Revenues (Expenses).....	1,603	-	-	1,603	1,468
Change in Assets and Liabilities:					
Accounts Receivable.....	6,537	5,541	(560)	11,518	5,938
Inventories.....	918	22	-	940	24
Other Assets.....	(311)	(1,148)	-	(1,459)	360
Accounts Payable.....	(197)	8,047	150	8,000	2,303
Deferred Revenues.....	(337)	1,916	-	1,579	1,344
Claims and Judgments Payable.....	-	-	-	-	(30,000)
Other Liabilities.....	(173)	102	-	(71)	(6,117)
Net Reconciling Items to be Added to					
(Deducted from) Operating Income.....	\$ 17,661	\$ 27,250	\$ (34,110)	\$ 10,801	\$ (47,539)
Net Cash Flows from Operating Activities.....	\$ 78,655	\$ 51,416	\$ 6,811	\$ 136,882	\$ (140,911)
Cash Flows from Noncapital Financing Activities:					
Grant Receipts.....	\$ 950	\$ -	\$ -	\$ 950	\$ 362,820
Grant Disbursements.....	(1,002)	-	-	(1,002)	(207,693)
Transfers-In.....	8,428	2,375	-	10,803	96,577
Transfers-Out.....	(68,387)	(12,838)	(20,860)	(102,085)	(4,467)
Advances from Other Funds.....	-	6,200	-	6,200	-
Repayments of Advances from Other Funds.....	(680)	(5,660)	-	(6,340)	-
Contributed Capital.....	258	-	-	258	-
Rebate Costs.....	(1,002)	(5,200)	-	(6,202)	-
Proceeds from Bond Sales.....	-	-	-	-	444,772
Repayment of Debt.....	-	-	-	-	(493,738)
Bond Issuance Costs.....	-	-	-	-	(895)
Interest Paid.....	-	-	-	-	(155,004)
Net Cash Flows from Noncapital Financing Activities.....	\$ (61,435)	\$ (15,123)	\$ (20,860)	\$ (97,418)	\$ 42,372
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets.....	\$ (9,217)	\$ (9,873)	\$ -	\$ (19,090)	\$ (116,181)
Investment Leasehold Improvements.....	-	(6)	-	(6)	-
Proceeds (Costs) of Disposal of Fixed Assets.....	(2,148)	1,289	762	(97)	53
Capital Contributions.....	-	-	-	-	63,665
Proceeds from Capital Lease.....	-	83	-	83	-
Capital Lease Payments.....	(248)	-	-	(248)	-
Proceeds from Loans.....	-	9,641	-	9,641	-
Repayment of Loan Principal.....	(174)	(13,404)	-	(13,578)	-
Proceeds from Bond Sales.....	-	-	-	-	75,432
Repayment of Bond Principal.....	(944)	-	-	(944)	(75,614)
Interest Paid.....	(2,544)	(669)	-	(3,213)	(30,273)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (15,275)	\$ (12,939)	\$ 762	\$ (27,452)	\$ (82,918)

STATE OF MINNESOTA

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	PRIMARY GOVERNMENT TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	NON- EXPENDABLE TRUST		
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments.....	\$ 211,938	\$ 2,504	\$ 42,024	\$ 256,466	\$ 1,628,839
Purchase of Investments.....	(217,839)	(7,457)	(45,912)	(271,208)	(1,642,267)
Investment Earnings.....	7,809	9,864	22,398	40,071	119,346
Net Cash Flows from Investing Activities.....	\$ 1,908	\$ 4,911	\$ 18,510	\$ 25,329	\$ 105,918
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 3,853	\$ 28,265	\$ 5,223	\$ 37,341	\$ (75,539)
Cash and Cash Equivalents, Beginning, as Reported.....	\$ 68,021	\$ 95,327	\$ 192,576	\$ 355,924	\$ 1,175,591
Change in Fund Structure.....	-	-	(170,739)	(170,739)	-
Cash and Cash Equivalents, Beginning, as Restated.....	\$ 68,021	\$ 95,327	\$ 21,837	\$ 185,185	\$ 1,175,591
Cash and Cash Equivalents, Ending.....	\$ 71,874	\$ 123,592	\$ 27,060	\$ 393,265	\$ 1,100,052

Noncash Investing, Capital, and Financing Activities:

Depreciation reported on the Statement of Cash Flows exceeds that reported on the Statement of Revenues, Expenses and Changes in Retained Earnings for the Internal Service Funds because a portion of the depreciation is included in the Cost of Goods Sold.

Depreciation on Fixed Assets Acquired with Contributed Capital	\$ 352	\$ -	\$ -	\$ 352	\$ 31,546
Change in Capitalization Policy	-	-	-	-	5,795
Fixed Assets Acquired Under Capital Leases	2,573	-	-	2,573	744
Fixed Assets Acquired Through Loans	-	1,669	-	1,669	-
Increase in Fair Value of Investments	-	-	11,428	11,428	-

Reconciliation of Cash and Cash Equivalents to the Combined Balance Sheet:

Cash and Cash Equivalents for the Nonexpendable Trust Funds and the Component Units as of June 30, 2000, on the Combined Statement of Cash Flows is reconciled to the Cash and Cash Equivalents on the Combined Balance Sheet as follows:

Cash and Cash Equivalents June 30, 2000: (In Thousands)

Fiduciary Funds:	
Pension Trust Funds.....	\$ 2,361,640
Investment Trust Funds.....	24,320
Nonexpendable Trust Funds.....	27,060
Expendable Trust Funds.....	1,277,342
Agency Funds.....	252,939
Total Fiduciary Funds.....	\$ 3,943,301
Component Units:	
Governmental Funds.....	\$ 168,251
Proprietary Funds.....	1,100,052
University Fund.....	501,341
Total Component Units.....	\$ 1,769,644

The notes are an integral part of the financial statements.

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STATE OF MINNESOTA

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS PENSION AND INVESTMENT TRUST FUNDS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PENSION TRUST FUNDS			INVESTMENT TRUST	TOTAL
	DEFINED BENEFIT	DEFINED CONTRIBUTION	TOTAL PENSION TRUST	SUPPLEMENTAL RETIREMENT	
Additions:					
Contributions:					
Employer.....	\$ 473,991	\$ 24,025	\$ 498,016	\$ -	\$ 498,016
Member.....	428,943	19,694	448,637	-	448,637
Contributions from Other Sources.....	2,112	-	2,112	-	2,112
Participating Plans.....	-	-	-	70,379	70,379
Total Contributions.....	\$ 905,046	\$ 43,719	\$ 948,765	\$ 70,379	\$ 1,019,144
Net Investment Income:					
Investment Income.....	\$ 3,703,128	\$ 75,901	\$ 3,779,029	\$ 31,172	\$ 3,810,201
Less: Investment Expense.....	(28,476)	-	(28,476)	(237)	(28,713)
Net Investment Income.....	\$ 3,674,652	\$ 75,901	\$ 3,750,553	\$ 30,935	\$ 3,781,488
Securities Lending Revenues (Expenses):					
Securities Lending Income.....	\$ 225,039	\$ 1,736	\$ 226,775	\$ 2,125	\$ 228,900
Borrower Rebates.....	(203,603)	(1,553)	(205,156)	(1,908)	(207,064)
Management Fees.....	(6,105)	(50)	(6,155)	(58)	(6,213)
Net Securities Lending Revenue.....	\$ 15,331	\$ 133	\$ 15,464	\$ 159	\$ 15,623
Total Investment Income.....	\$ 3,689,983	\$ 76,034	\$ 3,766,017	\$ 31,094	\$ 3,797,111
Transfers From Other Funds.....	\$ 12,020	\$ 2,406	\$ 14,426	\$ -	\$ 14,426
Other Additions.....	3,973	281	4,254	-	4,254
Total Additions.....	\$ 4,611,022	\$ 122,440	\$ 4,733,462	\$ 101,473	\$ 4,834,935
Deductions:					
Benefits.....	\$ 1,739,523	\$ -	\$ 1,739,523	\$ -	\$ 1,739,523
Refunds/Withdrawals.....	133,713	44,307	178,020	73,402	251,422
Administrative Expenses.....	29,852	9,608	39,460	-	39,460
Transfers to Other Funds.....	9,428	4,998	14,426	-	14,426
Total Deductions.....	\$ 1,912,516	\$ 58,913	\$ 1,971,429	\$ 73,402	\$ 2,044,831
Net Increase.....	\$ 2,698,506	\$ 63,527	\$ 2,762,033	\$ 28,071	\$ 2,790,104
Net Assets Held in Trust for Pension Benefits, Beginning.....	\$ 39,396,699	\$ 786,551	\$ 40,183,250	\$ 426,990	\$ 40,610,240
Net Assets Held in Trust for Pension Benefits, Ending.....	\$ 42,095,205	\$ 850,078	\$ 42,945,283	\$ 455,061	\$ 43,400,344

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

UNIVERSITY OF MINNESOTA STATEMENT OF CHANGES IN FUND BALANCES - CONSOLIDATED TOTALS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	CONSOLIDATED TOTALS
Revenues and Other Additions:	
Unrestricted Revenues.....	\$ 661,106
Federal Appropriations.....	17,357
Transfers from Primary Government.....	708,434
Federal Grants and Contracts.....	293,936
State Grants and Contracts.....	27,096
Other Government Grants and Contracts.....	4,168
Private Gifts, Grants, and Contracts.....	237,908
Endowment Income.....	15,681
Investment Income.....	14,124
Realized Gains and Adjustments to Market Value, Net.....	171,196
Student Loan Interest.....	2,215
Expended for Plant Facilities.....	255,165
Retirement of Indebtedness.....	4,343
Other Additions.....	783
Total Revenues and Other Additions.....	<u>\$ 2,413,512</u>
Expenditures and Other Deductions:	
Education and General.....	\$ 1,641,859
Auxiliary Enterprises.....	156,377
Indirect Costs Recovered.....	64,721
Adjustments to Carrying Value of Loans.....	368
Administrative and Collection Costs.....	700
Expended for Plant Facilities.....	237,493
Transfer to Primary Government.....	2,484
Retirement of Indebtedness.....	4,343
Debt Incurred.....	5,955
Interest on Indebtedness.....	21,785
Depreciation of Investment in Plant.....	113,846
Disposal of Plant.....	7,383
Total Expenditures and Other Deductions.....	<u>\$ 2,257,314</u>
Net Increase for the Year	<u>\$ 156,198</u>
Fund Balance and Investment in Fixed Assets, Beginning.....	<u>\$ 2,171,837</u>
Fund Balance and Investment in Fixed Assets, Ending.....	<u><u>\$ 2,328,035</u></u>
Fund Balance and Investment in Fixed Assets:	
Investment in Fixed Assets	\$ 1,004,572
Fund Balance	1,323,453
Total	<u><u>\$ 2,328,025</u></u>

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

UNIVERSITY OF MINNESOTA STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	UNRESTRICTED	RESTRICTED	TOTAL
Revenues and Transfers from Primary Government:			
Tuition and Fees.....	\$ 281,369	\$ -	\$ 281,369
Federal Appropriations.....	-	17,357	17,357
Transfers from Primary Government.....	510,192	80,961	591,153
Federal Grants and Contracts.....	53,150	237,228	290,378
State Grants and Contracts.....	1,272	54,386	55,658
Other Government Grants and Contracts.....	252	3,821	4,073
Private Gifts, Grants and Contracts.....	7,858	218,839	226,697
Endowment Income.....	120	15,629	15,749
Investment Income.....	23,577	1,409	24,986
Realized Gains (Losses) and Adjustments to Market Value, Net.....	(6,309)	(63)	(6,372)
Sales and Services of Educational Activities.....	98,667	-	98,667
Sales and Services of Auxiliary Enterprises.....	201,150	-	201,150
Total Revenues and Transfers from Primary Government.....	\$ 1,171,298	\$ 629,567	\$ 1,800,865
Expenditures and Mandatory Transfers:			
Education and General:			
Instruction.....	\$ 389,969	\$ 82,806	\$ 472,775
Research.....	59,919	313,751	373,670
Public Service.....	37,579	128,109	165,688
Academic Support.....	168,606	43,639	212,245
Student Services.....	55,388	5,404	60,792
Institutional Support.....	139,706	3,462	143,168
Operation and Maintenance of Plant.....	116,223	675	116,898
Scholarship and Fellowships.....	46,869	49,754	96,623
Education and General Expenditures.....	\$ 1,014,259	\$ 627,600	\$ 1,641,859
Mandatory Transfers for:			
Principal and Interest.....	\$ 5,629	\$ 97	\$ 5,726
Student Aid Matching.....	689	(506)	183
Total Education and General.....	\$ 1,020,577	\$ 627,191	\$ 1,647,768
Auxiliary Enterprises:			
Expenditures.....	\$ 154,001	\$ 2,376	\$ 156,377
Mandatory Transfers for:			
Principal and Interest.....	971	-	971
Renewals and Replacements.....	708	-	708
Total Auxiliary Enterprises.....	\$ 155,680	\$ 2,376	\$ 158,056
Total Current Expenditures and Mandatory Transfers.....	\$ 1,176,257	\$ 629,567	\$ 1,805,824
Other Transfers, Additions (Deductions):			
Excess of Restricted Additions Over Expenditures.....	\$ -	\$ 5,643	\$ 5,643
Refunded to Grantors.....	-	(1,017)	(1,017)
Nonmandatory Transfers.....	(2,743)	11,931	9,188
Total Other Transfers, Additions (Deductions).....	\$ (2,743)	\$ 16,557	\$ 13,814
Net Increase (Decrease) for the Year.....	\$ (7,702)	\$ 16,557	\$ 8,855

The notes are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2000

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

The reporting policies of the state of Minnesota conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity of the State of Minnesota

This report includes the various state departments, agencies, institutions and organizational units, which are controlled by or dependent upon the Minnesota legislature and/or its constitutional officers. The state, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete. GASB has set forth criteria to be used in determining financial accountability. These criteria include the state's ability to appoint a voting majority of an organization's governing body, and either the state's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state. As required by GAAP, these financial statements include the state of Minnesota (the primary government) and its component units.

Discretely presented component units. These are entities that are legally separate from the state, but for which the state is financially accountable, or their relationship with the state is such that exclusion would cause the state's financial statements to be misleading or incomplete. These component units are reported in a separate column and separately identified in the note disclosures because of their separate legal status.

- *Metropolitan Council (MC)* (governmental and proprietary fund types). MC is responsible for coordinating the planning and development of the seven-county metropolitan area. MC operates the public transit system and the regional sewage collection and treatment system. The council members are appointed by the governor with the chair responsible for the council activities. MC includes the Metropolitan Sports Facilities Commission as a component unit. MC's fiscal year ends December 31.
- *Minnesota Technology Incorporated (MTI)* (governmental fund type). MTI fosters long-term economic growth and job creation by stimulating innovation and the development of new products, services and production processes through technology transfer, applied research and financial assistance. The state's General Fund provides most of the funding for MTI.
- *Higher Education Services Office (HESO)* (governmental and proprietary fund types). HESO makes and guarantees loans to qualified post-secondary students. HESO provides the state grant and loan program services for which the state provides administrative funding. Revenue bonds are issued in its own name with limitations set by the legislature.
- *Export Finance Authority (EFA)* (governmental fund type). EFA aids and facilitates the financing of exports from the state. Excess revenue is transferred to the state's General Fund.
- *Agricultural and Economic Development Board (AEDB)* (governmental fund type). AEDB provides services to state government by administering state programs for agricultural and economic development. AEDB may issue revenue bonds for the purpose of financing development projects.

- *Rural Finance Authority (RFA)* (governmental fund type). RFA administers a number of state agriculture programs, including the homestead redemption program, loan restructuring program and agricultural improvement program. RFA is under the administrative control of a commissioner appointed by the governor. The state has issued general obligation bond debt for the programs administered by RFA.
- *Minnesota Partnership for Action Against Tobacco (MPAAT)* (governmental fund type). MPAAT issues grants to health, community and academic organizations throughout Minnesota in support of research and cessation activities that will encourage and help tobacco users quit. MPAAT is funded by a tobacco lawsuit settlement with the state of Minnesota.
- *Housing Finance Agency (HFA)* (proprietary fund type). HFA provides money for loans and technical assistance for the construction and rehabilitation of housing for families of low and moderate incomes. HFA is under the administrative control of a commissioner appointed by the governor. HFA issues bonds in its own name.
- *Public Facilities Authority (PFA)* (governmental and proprietary fund types). PFA provides assistance to municipalities, primarily for wastewater treatment construction projects. A state agency provides administrative services to PFA. The state provides funding for PFA. The board members determine the funding for local government projects.
- *Workers' Compensation Assigned Risk Plan (WCARP)* (proprietary fund type). WCARP is the source of workers' compensation and employers' liability coverage for Minnesota employers who have been unable to obtain an insurance policy through the voluntary market. The state Commissioner of the Department of Commerce enters into administrative contracts, sets premium rates and makes assessments. The Commissioner has the authority to assess all licensed workers' compensation insurance companies doing business in Minnesota an amount sufficient to fully fund the obligations of the plan to the extent that the assets of the plan are inadequate to meet its obligations. WCARP's fiscal year ends December 31.
- *National Sports Center Foundation (NSCF)* (proprietary fund type). NSCF is under contract with the Minnesota Amateur Sports Commission to operate the National Sports Center facility primarily for the purpose of holding youth-oriented athletic and other non-athletic functions and events. NSCF is responsible for certain improvements to the facility and the operating costs of the facility. The commission approves the foundation's spending budget, approves all rates and fees and has ownership of any reserve funds. The assets belong to the state. The foundation's fiscal year ends December 31.
- *University of Minnesota (U of M)* (college and university fund type). The U of M was established on a permanent basis by the Minnesota constitution. The state appropriates a large percentage of the U of M's operating budget. The legislature elects the 12-member board of regents, which governs the U of M, but the state does not have direct authority over the U of M's management. The state has issued debt for the U of M capital projects.

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

Metropolitan Council
Mears Park Centre
230 East Fifth Street
St. Paul, Minnesota 55101

Minnesota Technology Incorporated
400 Mill Place, 111 Third Avenue South
Minneapolis, Minnesota 55401

Public Facilities Authority
Department of Trade & Economic Development
500 Metro Square Bldg., 121 East Seventh Place
St. Paul, Minnesota 55101

Higher Education Services Office
1450 Energy Park Drive, Suite 350
St. Paul, Minnesota 55108

Agricultural & Economic Development Board
Dept. of Trade & Economic Development
500 Metro Square Bldg., 121 East Seventh Place
St. Paul, Minnesota 55101

Export Finance Authority
Dept. of Trade & Economic Development
1000 World Center, 30 East Seventh Street
St. Paul, Minnesota 55101

Rural Finance Authority
Department of Agriculture
90 West Plato Boulevard
St. Paul, Minnesota 55107

Workers' Compensation Assigned Risk Plan
Park Glen Management Company
4500 Park Glen Road, Suite 410
Minneapolis, Minnesota 55416

Minnesota Partnership for Action Against Tobacco
590 Park Street
Suite 400
St. Paul, Minnesota 55103

National Sports Center Foundation
National Sports Center
1700 105 Avenue Northeast
Blaine, Minnesota 55449

Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

University of Minnesota
301 Morrill Hall, 100 Church Street Southeast
Minneapolis, Minnesota 55455

Related entities. These are entities for which the state is accountable because the state appoints a voting majority of the board, but for which the state does not have financial accountability. The following are related entities not included in the reporting entity:

- *Higher Education Facilities Authority.* The governor appoints a majority of the board. The Authority can issue revenue bonds and notes in its name. The state has no statutory authority to affect the operations of the Authority.
- *Joint Underwriting Association.* The governor appoints a majority of each board. The board establishes the operating plan and determines premium rates and assessments. Membership in the association is a condition for doing business in the state.
- *Medical Malpractice Joint Underwriting Association.* The governor appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments. Membership in the association is a condition for doing business in the state.
- *Metropolitan Airports Commission.* The governor appoints a majority of the voting commissioners. The state has no statutory authority to directly affect the commission's activities and operations. Holders of the commission's debt instruments have no recourse against the state.
- *State Fund Mutual Insurance Company.* The governor appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments.
- *Workers' Compensation Reinsurance Association.* The governor appoints a majority of the board. The association supports itself solely from revenues derived from premiums charged to its members. The state has no authority to affect the operations of the association.

The following organizations also prepare and publish their own financial reports, which may contain differences in presentation resulting from differing reporting emphasis. Copies of their reports may be obtained directly from the organization.

State Lottery
2645 Long Lake Road
Roseville, Minnesota 55113

Minnesota State Retirement System
175 West Lafayette Frontage Road, Suite 300
St. Paul, Minnesota 55107

Public Employees Retirement Association
Suite 200
514 St. Peter Street
St. Paul, Minnesota 55102

State Board of Investment
Capitol Professional Office Building
590 Park Street, Suite 200
St. Paul, Minnesota 55103

Teachers Retirement Association
500 Gallery Professional Building
17 West Exchange Street
St. Paul, Minnesota 55102

MnSCU Revenue Bond Fund
c/o MnSCU Campus Services Unit
1450 Energy Park Drive, Ste. 300
St. Paul, MN 55108

Classification of Funds

Individual funds have been established as stipulated by legal provisions or by administrative discretion. The funds presented are classified as follows:

Governmental Funds. These funds account for the acquisition, use and balances of expendable financial resources and the related current liabilities. Most state operations are accounted for in this fund category. Included in this classification are the General Fund (which accounts for all financial resources except those required to be accounted for in another fund), special revenue, capital projects and debt service fund types. The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects). The capital project funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, most general obligation long-term debt principal and interest.

Proprietary Funds. These funds account for all assets, liabilities and equities, and match revenues and expenses to determine net income and capital maintenance. The fund types included in this category are the enterprise and internal service funds.

Fiduciary Funds. These funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Included in this fund category are expendable and nonexpendable trust, pension and investment trust and agency fund types. Depending on their nature, fiduciary funds are classified as governmental (expendable trust funds) or proprietary funds (pension, investment and nonexpendable trust funds) for accounting measurement purposes. Agency funds are custodial in nature; thus, they do not measure results of operations.

Account Groups. These account for the fixed asset acquisitions and the general obligation long-term indebtedness for all governmental fund types.

Component Units. These account for the assets, liabilities and operations of discretely presented component units. Statements other than balance sheets are combined with statements of funds using a similar basis of accounting.

Basis of Accounting

All proprietary, pension, investment and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized as they are incurred. The accrual basis of accounting is also used for contributions, benefits and refunds paid for defined benefit and defined contribution pension plans. All proprietary funds, except the Workers' Compensation Assigned Risk Plan (WCARP) (component unit), follow applicable GASB guidance or Financial Accounting Standard Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with, or contradict, GASB pronouncements. WCARP has elected to follow all applicable FASB statements issued after November 30, 1989 that do not contradict GASB pronouncements.

All governmental, expendable trust and agency funds are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting includes the following recognition principles:

Revenues. Individual income, sales and unemployment compensation taxes and federal grants are the major revenue sources susceptible to accrual. Tax revenues are recognized in the period they become both measurable and available to finance expenditures of the current period. *Measurable* means that taxpayer liability is supported by sufficient documentation and can be reasonably estimated. *Available* means the revenue is collectible by the close of the books in September. Similarly, anticipated refunds of such taxes are recorded as reductions in revenue in the period when the claim is received and the state's liability is measurable. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenues to which the state does not yet have legal entitlement, are reported as deferred revenue until the related commitment arises, at which time revenue is recognized.

Taxpayer assessed revenues are recognized in accordance with GASB Statement 22, "Accounting for Taxpayer Assessed Tax Revenues". This principle requires that revenues are recognized in the accounting period in which they become susceptible to accrual. These tax revenues include sales, income, gasoline, medical providers and miscellaneous taxes, which are accrued in the fiscal period when they become both measurable and available to finance expenditures.

Expenditures and related liabilities. Expenditures and related liabilities are recognized when fund obligations are incurred as a result of the receipt of the goods and services, except principal and interest on long-term debt, which are recorded when due. Grant expenditures are discussed separately.

Encumbrances. Encumbrance accounting is used for budgetary control and reporting purposes only. In the financial statements, encumbrances are recorded in the balance sheet as a reservation of fund balance for subsequent year expenditures, except for those long-term commitments which rely significantly on future resources, as discussed in Note 10.

College and university type. College and university type (University of Minnesota) is accounted for on the accrual basis of accounting in accordance with accounting principles outlined in the American Institute of Certified Public Accountants' audit guide, Audits of Colleges and Universities and guidelines suggested by the National Association of College and University Business Officers. Under these standards, two types of operating statements are prepared, which should not be combined with governmental or proprietary statements. Only the combined totals are presented for the statement of revenues, expenses and changes in fund balance.

The above guidelines normally permit recognition of revenues and receivables when the state appropriates funds. For consistency in reporting intra-entity transactions, the state does not apply this guideline to transactions between the primary government and the college and university type.

Grant Expenditures and Liabilities Recognition

Grants are contributions of cash or other assets by the state to other governmental units, individuals or non-governmental organizations. Because the state does not receive a direct service for grant payments, expenditures and liabilities are not recognized at the point goods and services are received.

Grants are normally paid on an entitlement or reimbursement basis. Reimbursements may be for specific services provided to eligible recipients or for eligible types of expenditures. Reimbursement grants are recognized as expenditures and liabilities in the year in which the grantee incurs the costs of specific services to eligible recipients or makes eligible expenditures. Entitlement grants may be based on services provided by the grantee, but are not based on the cost of providing the service. Expenditures and related liabilities for these grants are recognized as the service is provided if the amount owed is reasonably estimable soon after the end of the fiscal year. Other types of entitlement grants are recognized in the fiscal year in which the resources were appropriated.

Compensated Absences

State employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in the collective bargaining agreements. Such leave is liquidated in cash only at the time of termination from state employment. For governmental funds, the liability for compensated absences is reported in the General Long-Term Obligation Account Group. This liability is reported as a fund liability by all other fund types.

Cash Equivalents and Investments

Cash equivalents are short-term, highly liquid investments having original maturities (remaining time to maturity at acquisition) of three months or less. Cash management pools and money market funds that are used essentially as demand deposit accounts are also included in cash equivalents. Investments are reported at fair value. The basis for determining the fair value of investments that are not based on market quotations includes analysis of future cash flows, audited financial statements and independent appraisals.

Inventories

Inventories for governmental funds are recorded as expenditures when purchased and are not a resource available for appropriation. There are exceptions to this. The Trunk Highway Fund (special revenue fund) inventories are valued using the weighted-average cost. Inventories of the Miscellaneous Special Revenue (special revenue) and the Northeast Minnesota Economic Protection (expendable trust) funds consist of repossessed properties held for resale and are valued at market. Inventories for proprietary funds are expensed when consumed. Inventories maintained by the various funds are determined by annual and periodic physical counts. Inventories of the enterprise funds are valued using the first-in first-out, average cost and specific cost methods. Inventories of the internal service funds are valued using the first-in first-out method.

Restricted Assets

Mandatory asset segregations are presented in various enterprise funds as restricted assets. Such segregations are required by bond covenants and other external restrictions. The excess of restricted assets over liabilities payable from restricted assets will first be used for bonds payable. The remainder, if any, is included in reserved retained earnings.

Fixed Assets

Governmental Fund Types. Fixed assets for these funds are reported in the General Fixed Assets Account Group. General fixed assets are recorded at cost or, for donated assets, at fair value at the date of acquisition. An inventory of land and buildings for the general fixed assets was completed in 1985. Historical cost records for older fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used in these situations. Tax forfeited land is not included in land inventory because the state does not take permanent title. When the land is sold, proceeds are distributed to local jurisdictions. Public domain (infrastructure) general fixed assets, such as highways, curbs, bridges and lighting systems, are not capitalized. Depreciation is not provided on the general fixed assets nor is interest capitalized during construction.

Proprietary and Fiduciary Fund Types. Fixed assets for these funds are stated at cost or, for donated assets, at fair value at date of acquisition. Such assets are depreciated or amortized on a straight-line basis over the useful life of the assets. Estimated useful lives are as follows:

Buildings	40-50 years
Improvements (large)	20-50 years
Improvements (small)	3-10 years
Equipment	3-12 years

Depreciation on fixed assets acquired with resources externally restricted for that purpose is closed to contributed capital after being recognized in operations.

Depreciation reported on the Statement of Cash Flows exceeds that reported on the Statement of Revenues, Expenses and Changes in Retained Earnings for the internal service funds because a portion of depreciation is included in the cost of goods sold.

General Long-Term Liabilities

All unmatured long-term indebtedness not reported in a proprietary or fiduciary fund is accounted for in the General Long-Term Obligation Account Group. Included among these liabilities are the non-current portions of liabilities resulting from debt issuances, compensated absences, closure and postclosure care for landfills, workers' compensation claims and arbitrage rebate requirements (see Note 7).

Deferred Costs

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the current period. In the proprietary funds, these costs are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method, which approximates the effective interest method. The deferred costs reported are primarily for bond issuance costs of the enterprise funds.

Deferred Compensation Plan

The state offers a deferred compensation plan created in accordance with Internal Revenue Service Code, Section 457. The plan is available to all public employees in the state and is administered by Great West Life and Annuity. The State Board of Investment (SBI) and two insurance companies manage investments. The portion of the plan where participants have selected investment options provided by the two insurance companies is excluded from the state's financial statements because the funds are not under the state's control. The portion of the plan where participants have selected investment options provided by SBI is accounted for in the State Deferred Compensation Fund, an expendable trust fund, with its investments reported at fair value.

Under this plan, compensation is deferred for income tax purposes in accordance with Section 457 and is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with state statute, effective July 1, 1997 contributions are held for the exclusive benefit of the participants and their beneficiaries. These amounts will be held in trust, in custodial accounts or in qualifying contracts as required by federal law. The state is not liable for any investment losses under the plan, but does have the duty of due care of a prudent investor where SBI manages the investments.

Budgeting and Budgetary Control

Minnesota operates on a two-year (biennial) budget cycle ending on June 30 of odd-numbered years. Appropriations in the biennial budget are usually for a single year; however, where specified, single year appropriations are available for either year of the biennium. The governor's budget for the biennium is developed by the Department of Finance and presented to the legislature for approval. Specific appropriations are required for all expenditures from the General Fund and all special revenue funds except the Federal, Maximum Effort School Loan, Iron Range Resources and Rehabilitation, Petroleum Tank Cleanup and Miscellaneous Special Revenue funds. Some appropriations are "open appropriations" for entitlement type and some interfund transfer programs. In these cases, the amount that is needed to fulfill the obligation for the fiscal year is made available; i.e., there is no limit on the amount which can be expended for the program. Estimates of the amount needed for such programs are included in the budget forecast.

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

It is standard practice for unencumbered appropriation balances to cancel to the fund at the end of the fiscal year. However, if specifically provided for in law, or if statutory authority is invoked by the agency, the unencumbered balance may be carried forward between fiscal years. The budget and the state accounting system are maintained essentially on a cash basis with the exception that, at year end, encumbered amounts are included in the expenditures of the year appropriated for budgetary reporting. The accounting system controls expenditures by appropriation line item as established in the legally adopted appropriation bills. There are no instances where expenditures exceed the authorized limits at the legal level of budgetary control. A separate report showing the detail of legal level of control and actual expenditures is available from the Department of Finance.

Memorandum Only Totals Column

The totals columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. The information in these columns does not present consolidated financial position, results of operations or cash flows.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

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

The following table summarizes the state's cash and cash equivalents, including amounts reported as restricted assets at December 31, 1999 or June 30, 2000, whichever is applicable (in thousands). Cash with the U.S. Treasury is available for the cash demands of the Reemployment Insurance Fund (expendable trust fund).

Cash and Cash Equivalents
June 30, 2000 or December 31, 1999

	Primary Government	Component Units
Cash in Bank	\$ 83,785	\$ 10,512
Cash on Hand and Imprest Cash	2,318	11,359
Cash with Fiscal Agent	456	-
Cash with U.S. Treasury	666,847	-
Cash Equivalent Investments:		
Cash Management Investment Pools	8,299,798	458,567
Other Cash Equivalent Investments	<u>219,982</u>	<u>1,289,206</u>
Total Cash and Cash Equivalents	<u>\$ 9,273,186</u>	<u>\$ 1,769,644</u>

Deposits

At June 30, 2000, the primary government's bank balance was \$92,067,000. For component units at December 31, 1999 or June 30, 2000, whichever is applicable, the bank balances were \$30,486,000. These bank balances were adjusted by items in transit to arrive at the state's cash in bank balance. The bank balances were fully covered by federal depository insurance or collateral held by the state's agent in the state's name or held by the component unit in the component unit's name (lowest risk category). Minnesota Statutes, Section 9.031 requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. This statute further requires that such insurance and collateral shall be in amounts sufficient to ensure that the deposits do not exceed 90 percent of the sum of the insured amount and the fair value of the collateral. During the year, certain bank accounts administered by Minnesota State Colleges and Universities carried balances exceeding the legally secured amount. Neither the frequency of the occurrence nor the amounts involved can be quantified.

Investments

The majority of the state's investing is managed by the Minnesota State Board of Investment (SBI). Minnesota Statutes, Section 11A.24 broadly restricts investments of the primary government to obligations and stocks of United States and Canadian governments, their agencies and their registered corporations, short-term obligations of specified high quality, restricted participation as a limited partner in venture capital, real estate, or resource equity investments and restricted participation in registered mutual funds. The state has invested in derivatives. The risks and exposure of these investments at June 30, 2000 cannot be determined.

Primary Government
Investments at June 30, 2000
(In Thousands)

Investment Type	Fair Value
Repurchase Agreements	\$ 49,258
Commercial Paper	3,841,691
Short Term Corporate Notes	2,900
U.S. Treasury Obligations	2,038,617
Mortgaged Backed	7,289,976
Corporate Obligations	5,355,521
Foreign & Other Obligations	594,668
Corporate Stocks	28,089,471
Other Equity	<u>2,742,239</u>
Total Investments in Risk Category 1	\$ 50,004,341
Trustee Managed Pools (not categorized)	<u>3,043,476</u>
Total Investments	<u><u>\$ 53,047,817</u></u>

Component Units
Investments at June 30, 2000 and December 31, 1999
(In Thousands)

Investment Type	Risk Category			Fair Value
	1	2	3	
Repurchase Agreements	\$ 69,475	\$ -	\$ -	\$ 69,475
Commercial Paper	489,000	-	-	489,000
Short Term Corporate Notes	58,758	-	-	58,758
U.S. Treasury Obligations	583,635	-	34,617	618,252
Mortgaged Backed	676,496	-	-	676,496
Corporate Obligations	929,186	-	-	929,186
Municipal & Other Obligations	141,048	-	-	141,048
Corporate Stocks	845,225	-	-	845,225
Other Equity	<u>103,716</u>	-	-	<u>103,716</u>
Total Investments	\$ 3,896,539	\$ -	\$ 34,617	\$ 3,931,156
Trustee Managed Pools/ Mutual Funds	<u>336,331</u>	-	-	<u>336,331</u>
Total Investments	<u><u>\$ 4,232,870</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,617</u></u>	<u><u>\$ 4,267,487</u></u>

The investment table above shows the state's risk category 1 and other investments, including cash equivalents, at their carrying and fair values. Risk category 1 includes securities which are insured or registered or are held by the state or its agent in the state's name. Investments in risk category 2 include uninsured and unregistered securities held by the counter party's trust department or agent in the component unit's name. Neither the primary government nor the component units have investments in risk category 2. Investments in risk category 3 include uninsured and unregistered securities held by the counter party or by its trust department or agent, but not in the component unit's name. The primary government has no investments in risk category 3.

State statutes do not prohibit Minnesota from participating in securities lending transactions. Minnesota has, by way of Custodial Trust Agreements, authorized State Street Bank and Trust Company (State Street) and Wells Fargo Bank, Minnesota, N.A., (Wells Fargo) to act as agents in lending the Minnesota's securities to broker-dealers and banks pursuant to a form of loan agreement.

During the fiscal year, State Street and Wells Fargo lent on behalf of Minnesota, certain securities held by State Street or Wells Fargo as custodian and received cash (both United States and foreign currency) and securities issued or guaranteed by the United States government, sovereign debt of foreign countries and irrevocable bank letters of credit as collateral. Neither State Street nor Wells Fargo has the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than one hundred percent (100%) of the fair value of the loaned securities.

Minnesota did not impose any restrictions during the fiscal year on the amount of the loans that either State Street or Wells Fargo made on its behalf. State Street and Wells Fargo indemnified Minnesota by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. No borrower failed to return loaned securities or pay distributions thereon during the fiscal year. In addition, there were no losses during the fiscal year resulting from default of the borrowers.

During the fiscal year, Minnesota and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in the separately managed funds of the Minnesota State Board of Investments.

Primary Government
Securities Lending Analysis, June 30, 2000
(In Thousands)

	<u>Wells Fargo</u>	<u>State Street</u>
Fair Value of Securities on Loan	\$ 1,017,709	\$ 4,185,767
Collateral Held	\$ 1,034,660	\$ 4,300,635
Average Duration	27 days	78 days
Average Weighted Maturity	28 days	464 days

Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2000, Minnesota had no credit risk exposure to borrowers because the amounts the state owes the borrowers exceed the amounts the borrowers owe the state.

Funds not invested by SBI are primarily MnSCU agency funds. Investments for these funds must also conform to the above statute and may be further restricted by bond indentures.

3. CAMBRIDGE BANK LITIGATION FUNDS

Revenue bonds were issued to satisfy the claims and judgments resulting from litigation. The Cambridge Litigation Revenue Fund, the Cambridge Litigation Revenue Bond Fund and the Cambridge Litigation Revenue Bond Debt Service Fund are used to record revenues, bond proceeds, claims and judgments and debt service payments. These funds are presented as part of the General Fund and the Debt Service Fund (governmental funds).

The General Fund, as presented herein, includes the Cambridge Litigation Revenue Fund and the Cambridge Litigation Revenue Bond Fund, which were established and maintained in the state treasury and on the state's books and records as a separate Special Revenue Fund, pursuant to Minnesota Statutes, Section 16A.67. The Cambridge Litigation Revenue Fund and the Cambridge Litigation Revenue Bond Fund were established by the Commissioner of Finance's order dated May 1, 1996, which was entitled "Order of the Minnesota Commissioner of Finance for Issuance and Sale of \$200,000,000 State Revenue Bonds, Series 1996A" (the "Order") and are required to be maintained until the State Revenue Bonds, Series 1996A, and any other revenue bonds hereafter issued and made payable from the Cambridge Litigation Revenue Bond Fund (the "Revenue Bonds") are paid or discharged in accordance with the Order. The Cambridge Litigation Revenue Fund is used to record receipts of certain non-tax revenues (comprising departmental earnings, medical payments and non-dedicated lottery revenues, all as defined in the Order), revenue bond proceeds and investment earnings, and the disbursement of revenue bond proceeds to pay costs of a judgment against the state and related claims described below, and the transfer of revenues and investment earnings first to the Cambridge Litigation Revenue Bond Debt Service Fund to pay debt service on the revenue bonds, and second to the General Fund to pay costs of state government.

The terms, departmental earnings, medical payments and non-dedicated lottery revenues are defined in the Order substantially as follows:

- *Departmental Earnings* are certain license fees, service fees and other charges imposed by or pursuant to the state law, which are collected from the general public and regulated businesses and professions. The use of these fees is not otherwise restricted by federal law and is not determined to constitute a tax of statewide application on any class of property, income, transaction or privilege. In addition, these fees, penalties and interest may not be dedicated to another fund.
- *Medical Payments* are all amounts paid to the state by non-state resources for payment of, or as reimbursement for payment by the state from its General Fund of, costs incurred for the care and treatment of mentally ill and developmentally disabled persons at regional treatment centers.
- *Non-dedicated Lottery Revenues* are all lottery net income not dedicated and required by the State Constitution, Article XI, Section 14 to be transferred to the Environment and Natural Resources Trust Fund (expendable trust fund).

For the fiscal year ended June 30, 2000, the funding received by and transferred from the Cambridge Litigation Revenue Fund, including revenues, investment earnings and the moneys received by and disbursed from the Cambridge Litigation Revenue Bond Fund, were as follows:

Cambridge Litigation Revenue Fund and Cambridge Litigation Revenue Bond Fund (In Thousands)	
Net Revenues:	
License and Fees	\$ 109,342
Care & Hospitalization	41,462
Department Services	34,387
Penalties & Fines	1,425
Investment/Interest Income	458
Net Revenues	\$ 187,074
Other Financing Sources (Uses):	
Operating Transfers	\$ 31,292
Transfers to Debt Service and General Funds	(219,135)
Net Other Financing Sources (Uses)	\$ (187,843)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (769)

The 1997 legislature appropriated \$16,600,000 from the General Fund to pay any additional claims. The total remaining claims are estimated to be \$1,600,000 for the General Fund as of June 30, 2000. No additional claims are expected to be paid from the Cambridge Litigation Revenue Bond Fund. The principal and interest on claims paid during fiscal year 2000 totaled \$121,000 and \$163,000 respectively.

The Cambridge Litigation Revenue Fund and the Cambridge Litigation Revenue Bond Fund, while maintained and administered as separate funds on the official books and records of the state as covenanted and agreed in the Order, have been presented as part of the General Fund for financial reporting purposes for the following reasons. First, the purpose for which the revenue bonds were issued is to fund a portion of the judgment entered against the state in *Cambridge State Bank vs. James*, 514 N.W.2d 565 (Minn. 1994) and related claims, wherein the Minnesota Supreme Court held that certain banks were entitled to a refund of taxes paid on income from federal obligations. The judgment and related claims are obligations of the General Fund and have been recorded as an accrued liability in the General Long-Term Obligation Account Group. Second, the revenues appropriated to the Cambridge Litigation Revenue Fund, prior to the establishment of the Cambridge Litigation Revenue Fund, have been revenues

of the General Fund. Third, revenues appropriated to the Cambridge Litigation Revenue Fund, which are not required to be transferred to the Cambridge Litigation Revenue Bond Debt Service Fund to pay debt service on the Revenue Bonds, are required to be and have been transferred to the General Fund, and once so transferred, are available only for General Fund purposes.

4. INTERFUND ACTIVITY

Primary Government

Primary Government Interfund receivables and payables at June 30, 2000, including the current portion of interfund advances, are summarized as follows (in thousands):

Primary Government					
Fund	Receivables	Payables	Fund	Receivables	Payables
General Fund	\$ 128,638	\$ 42,186	Fiduciary Funds:		
Special Revenue Funds:			Pension Trust Funds:		
Trunk Highway	\$ 28,971	\$ -	Defined Benefit Pension Funds:		
Highway UserTax Distribution	-	50,710	Public Employees Retirement	\$ 876	\$ 325
State Airports	430	-	Public Employees Correctional	33	116
Federal	12,588	59,235	Police and Fire	292	638
Maximum Effort School Loan	-	2,278	State Employees Retirement	567	5
Natural Resources	3,254	-	State Patrol Retirement	-	86
Health Care Access	-	11,807	Correctional Employees Retirement	-	228
Miscellaneous Special Revenue	11,830	13,046	Judicial Retirement	-	223
Total Special Revenue Funds	\$ 57,073	\$ 137,076	Elective State Officers	200	1
Capital Projects Funds:			Legislative Retirement	7,076	31
General Projects	\$ 8,905	\$ -	Defined Contribution Funds:		
Transportation	-	15,190	Unclassified Employees Retirement	188	181
Building	-	11,143	Public Employees Retirement	-	122
Total Capital Projects Funds	\$ 8,905	\$ 26,333	Nonexpendable Trust Fund:		
Debt Service Fund	\$ 14,628	\$ -	Permanent School	-	10,625
Enterprise Funds:			Expendable Trust Funds:		
College & University Enterprise Act.	\$ 7,696	\$ 2,099	Municipal State-Aid Street	3,821	-
State Operated Community Services	103	-	County State-Aid Highway	15,050	-
State Lottery	-	12,755	Endowment School	5,846	-
State College & Universities Revenue	999	-	Endowment	959	1,439
Enterprise Activities	28	-	Environment & Natural Resources	4,175	-
Total Enterprise Funds	\$ 8,826	\$ 14,854	Reemployment Insurance	211	7,436
Internal Service Funds:			Agency Fund:		
State Printer	\$ 28	\$ -	Miscellaneous Agency	5,775	19,910
Central Motor Pool	-	1,296	Total Fiduciary Funds	\$ 45,069	\$ 41,366
Central Services	-	56	Total Primary Government	\$ 263,167	\$ 263,167
Total Internal Service Funds	\$ 28	\$ 1,352			

The noncurrent portion of interfund advances for the primary government at June 30, 2000 is summarized as follows (in thousands):

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 3,000	\$ -
Special Revenue Fund:		
Health Care Access	60	-
Internal Service Fund:		
Central Motor Pool	-	3,000
Enterprise Fund:		
Private Employers Insurance	-	60
Total All Funds	\$ 3,060	\$ 3,060

During the year ended June 30, 2000, the Private Employers Insurance Fund (enterprise fund) repaid \$680,000 of the advance from the Health Care Access Fund (special revenue fund) reducing the outstanding balance to \$60,000. The Private Employers Insurance Fund is discontinuing the full operation of the Minnesota Employees Insurance Program, which provides the income for the fund.

Residual equity transfers-out exceed similar transfers-in by \$257,000 because of differing reporting focuses for proprietary and governmental fund types. These residual equity transfers from governmental fund types are reported as part of the increase to contributed capital in the proprietary fund types.

Component Units

Interfund receivables and payables at June 30, 2000, within component units and between the primary government and component units are summarized as follows (in thousands):

Component Units		
Fund	Receivables	Payables
Governmental Fund:		
Metropolitan Council	\$ 762	\$ 7,369
Proprietary Funds:		
Metropolitan Council-Unrestricted	3	2
Metropolitan Council-Restricted	<u>6,665</u>	<u>59</u>
Totals	<u>\$ 7,430</u>	<u>\$ 7,430</u>

Primary Government and Component Units		
Fund	Due from	Due to
Component Units		
Proprietary Funds:		
Workers' Compensation		
Assigned Risk Plan	\$ -	\$ 3,632
Housing Finance Agency	240	-
College and University Funds:		
University of Minnesota	<u>157,093</u>	<u>48,298</u>
Total Component Units	<u>\$ 157,333</u>	<u>\$ 51,930</u>
Primary Government		
Governmental Funds:		
General Fund	\$ -	\$ 146,251
Federal Fund	-	580
Miscellaneous Special Revenue Fund	-	218
Health Care Access Fund	-	746
Minnesota Resources Fund	-	237
Environment and Natural Resources Fund	-	704
Medical Education and Research Fund	-	8,597
Debt Service Fund	<u>48,298</u>	<u>-</u>
Total Primary Government	<u>\$ 48,298</u>	<u>\$ 157,333</u>
Total	<u>\$ 205,631</u>	<u>\$ 209,263</u>

Due to primary government exceeds the due from component units by \$3,632,000 because the Workers' Compensation Assigned Risk Plan has a different fiscal year end than the primary government.

Transfers-out to component units exceeds transfers-in from primary government by \$5,313,000. Of this amount, \$3,000,000 and \$2,313,000 were reported as transfers-out to component units in the Trunk Highway Fund (special revenue fund) and Building Fund (capital project fund), respectively. The \$5,313,000 was recorded as contributed capital in the Public Facilities Authority Fund (proprietary fund type).

Residual equity transfers-out exceed similar transfers-in by \$14,693,000 because of differing reporting focuses for proprietary and governmental fund types. These residual equity transfers from governmental fund types are reported as part of the increase to contributed capital in the proprietary fund types.

5. LOANS, NOTES AND FINANCING LEASES RECEIVABLE

Loans, notes and financing leases receivable, net of allowances for possible losses, as of June 30, 2000, consisted of the following (in thousands):

	General Fund	Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Fiduciary Fund
Student Loan Program	\$ 147	\$ -	\$ -	\$ 35,509	\$ -
Economic Development	243	19,552	83,407	-	22,988
School Districts	-	14,703	-	-	-
Energy	-	2,418	8,469	-	-
Agricultural	4,907	27,731	2,252	-	-
Transportation	-	23,969	-	-	-
Resources	1,449	10,708	62	-	-
Other	-	1,685	20	-	-
Total	<u>\$ 6,746</u>	<u>\$ 100,766</u>	<u>\$ 94,210</u>	<u>\$ 35,509</u>	<u>\$ 22,988</u>

	Component Units	
	Non-restricted	Restricted
Metropolitan Council (Governmental)	\$ 17,137	\$ -
Agricultural and Economic Development Board	24,516	-
Rural Finance Authority	51,791	-
Housing Finance Authority	1,737,863	-
Higher Education Services Office (Proprietary)	266,135	-
University of Minnesota	63,745	-
Public Facilities Authority (Proprietary)	-	687,328
Total	<u>\$ 2,161,187</u>	<u>\$ 687,328</u>

6. FIXED ASSETS

Primary Government

Summary of Changes in General Fixed Assets (In Thousands)

	Beginning Balances	Additions	Deductions	Completed Construction	Other Adjustments	Ending Balances
Land	\$ 322,358	\$ 13,851	\$ 81	\$ -	\$ 2,698	\$ 338,826
Buildings	2,101,497	4,291	8,082	148,393	390	2,246,489
Equipment	459,541	63,603	50,054	-	27,609	500,699
Construction in Progress	229,197	129,846	-	(148,393)	149,227	359,877
Total	<u>\$ 3,112,593</u>	<u>\$ 211,591</u>	<u>\$ 58,217</u>	<u>\$ -</u>	<u>\$ 179,924</u>	<u>\$ 3,445,891</u>

Governmental and expendable trust funds capital outlay expenditures totaled \$687,539,000 for fiscal year 2000. Of this amount, \$479,407,000 was for infrastructure fixed assets, which are not included in general fixed assets. Donations of general fixed assets received during fiscal year 2000 are valued at \$3,459,000.

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 2000 consisted of equipment with a cost of \$88,422,000 and buildings with a cost of \$1,781,000.

Authorizations and commitments as of June 30, 2000 for the largest construction in progress projects consisted of the following (in thousands):

	Administration Projects	Educational Buildings	Iron Range Resources	Veteran's Affairs	Corrections Facilities	Human Services
Authorization	\$ 75,504	\$ 136,796	\$ 3,555	\$ 41,854	\$ 100,770	\$ 16,222
Expended through June 30, 2000	<u>31,298</u>	<u>89,483</u>	<u>1,268</u>	<u>32,968</u>	<u>94,215</u>	<u>14,194</u>
Available Authorization	<u>\$ 44,206</u>	<u>\$ 47,313</u>	<u>\$ 2,287</u>	<u>\$ 8,886</u>	<u>\$ 6,555</u>	<u>\$ 2,028</u>

There were no commitments reserved in the fund balance for either encumbrances or long-term commitments related to the above construction in progress projects.

Proprietary and fiduciary fund type fixed assets consisted of the following as of June 30, 2000 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	\$ 789	\$ -	\$ 15,584	\$ 16,373
Buildings	116,233	-	2,426	118,659
Land and Building Improvements	59,492	6,624	-	66,116
Equipment	<u>30,543</u>	<u>79,408</u>	<u>4,537</u>	<u>114,488</u>
Total	\$ 207,057	\$ 86,032	\$ 22,547	\$ 315,636
Less: Accumulated Depreciation	<u>113,320</u>	<u>53,825</u>	<u>2,755</u>	<u>169,900</u>
Net Total	<u>\$ 93,737</u>	<u>\$ 32,207</u>	<u>\$ 19,792</u>	<u>\$ 145,736</u>

Land in the Permanent School Fund (nonexpendable trust fund) totaling 2,510,635 acres was donated by the federal government and was valued at the estimated fair value at the time of donation.

Component Units

Component Unit fixed assets consisted of the following as of the end of each component unit's respective fiscal year (in thousands):

	Governmental Type			Proprietary Type					College and University Type	
	Metropolitan Council	Minnesota Technology Incorporated	Higher Education Services Office	Housing Finance Agency	Public Facilities Authority	Metropolitan Council	National Sports Center Foundation	Higher Education Services Office	University of Minnesota	Combined Totals
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,897	\$ 2,500	\$ -	\$ 33,754	\$ 64,151
Buildings and Improvements	-	-	-	-	-	1,545,576	685	-	1,886,905	3,433,166
Equipment	12,085	2,728	188	2,822	170	330,494	661	106	579,395	928,649
Other Fixed Assets	-	-	-	-	-	-	-	-	170,834	170,834
Total	\$ 12,085	\$ 2,728	\$ 188	\$ 2,822	\$ 170	\$ 1,903,967	\$ 3,846	\$ 106	\$ 2,670,888	\$4,596,800
Less: Accumulated Depreciation	-	2,333	93	1,558	170	705,907	483	69	1,264,643	1,975,256
Net Total	\$ 12,085	\$ 395	\$ 95	\$ 1,264	\$ -	\$ 1,198,060	\$ 3,363	\$ 37	\$ 1,406,245	\$2,621,544

7. GENERAL LONG-TERM OBLIGATIONS

Primary Government

A summary of general long-term obligations at June 30, 2000 and the changes during fiscal year 2000 is as follows (in thousands):

	Beginning Balances	Increases	Decreases	Ending Balances
Liabilities For:				
General Obligation Bonds	\$ 2,384,195	\$ 360,000	\$ 216,914	\$ 2,527,281
Loans	10,482	-	5,241	5,241
Revenue Bonds	108,565	-	51,970	56,595
Claims	292,045	18,178	3,275	306,948
Compensated Absences	265,063	13,339	2,044	276,358
Workers' Compensation	116,135	33,645	13,120	136,660
Capital Leases	19,095	9,301	6,818	21,578
Arbitrage Liabilities	830	-	830	-
Totals	<u>\$ 3,196,410</u>	<u>\$ 434,463</u>	<u>\$ 300,212</u>	<u>\$ 3,330,661</u>

The resources to repay the various general long-term obligations have been or will be provided from the fund types as follows (in thousands):

	General Fund	Special Revenue Funds	Total
Liabilities For:			
General Obligation Bonds	\$ 2,428,181	\$ 99,100	\$ 2,527,281
Loans	-	5,241	5,241
Revenue bonds	52,880	3,715	56,595
Claims	120,306	186,642	306,948
Compensated Absences	171,436	104,922	276,358
Workers' Compensation	106,997	29,663	136,660
Capital Leases	10,435	11,143	21,578
Totals	<u>\$ 2,890,235</u>	<u>\$ 440,426</u>	<u>\$ 3,330,661</u>

Principal and interest payment schedules are provided in the following table for general obligation bonds, revenue bonds, loans and capital leases (in thousands). There are no payment schedules for claims, compensated absences or workers' compensation.

Principal and Interest Payments					
Fiscal Year (s)	General Obligation Bonds	Loans	Revenue Bonds	Capital Leases	Totals
2001	\$ 349,739	\$ 5,241	\$ 55,884	\$ 8,631	\$ 419,495
2002	324,719	-	570	6,543	331,832
2003	307,379	-	465	4,237	312,081
2004	281,332	-	467	2,302	284,101
2005	261,918	-	463	1,155	263,536
Thereafter	1,971,016	-	3,224	-	1,974,240
Total Payments	\$ 3,496,103	\$ 5,241	\$ 61,073	\$ 22,868	\$ 3,585,285
Less: Interest	968,822	-	4,478	1,290	974,590
Total Principal	<u>\$ 2,527,281</u>	<u>\$ 5,241</u>	<u>\$ 56,595</u>	<u>\$ 21,578</u>	<u>\$ 2,610,695</u>

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

In fiscal year 2000, the Department of Finance made the necessary transfers to the Debt Service Fund as follows (in thousands):

General Fund	\$ 317,816
Special Revenue Funds:	
Trunk Highway Fund	\$ 3,744
Natural Resources Funds	76
Maximum Effort School Loan Fund	1,720
Federal Fund	167
Miscellaneous Special Revenue Fund	<u>149</u>
Total Special Revenue Funds	\$ 5,856
Building Capital Projects Fund	\$ 12,302
Chemical Dependency Enterprise Fund	86
Component Units:	
Rural Finance Authority	\$ 8,547
University of Minnesota	<u>2,484</u>
Total Component Units	\$ <u>11,031</u>
Total Operating Transfers to Debt Service Fund	<u><u>\$ 347,091</u></u>

The amount shown in the Debt Service Fund as reserved for debt requirements differs from that shown in the General Long-Term Obligation Account Group as Amount Available in Debt Service Fund because the Debt Service Fund amount includes amounts for both principal and interest on general obligation bonds while the General Long-Term Obligation Account Group includes only the amount for bond principal.

General Obligation Bond Issues

On August 1, 1999 and June 1, 2000, \$185,000,000 and \$175,000,000, respectively, in general obligation state various purpose and state refunding bonds were issued at a true interest rate of 5.01 and 5.29 percent respectively. During fiscal year 2000, \$216,914,000 in general obligation bonds principal was repaid.

In previous years, the state issued general obligation refunding bonds to refund obligations of certain bond issues. The proceeds of the bond issues were placed in special escrow accounts and invested in government securities. These investments have been certified to be sufficient to pay all principal and interest on the bonds when due. Accordingly, the original refunded bonds have been eliminated, and the new advance refunding bonds have been added to the General Long-Term Obligation Account Group.

The balance outstanding for all extinguished debt at June 30, 2000 was \$481,600,000, which is shown below. The state remains contingently liable to pay the refunded general obligation bonds.

Outstanding Defeased Debt
(In Thousands)

<u>Refunding Date</u>	<u>Refunding Amount</u>	<u>Refunded Amount</u>	<u>Outstanding Amount</u>	<u>Refunded Bond Call Date</u>
May 1, 1993	\$ 292,260	\$ 273,190	\$ 207,950	August 1, 2000
August 1, 1993	146,995	133,770	95,900	August 1, 2001
November 1, 1993	91,720	81,650	81,650	August 1, 2002
November 1, 1998	<u>99,700</u>	<u>96,100</u>	<u>96,100</u>	October 1, 2004
Total	<u>\$ 630,675</u>	<u>\$ 584,710</u>	<u>\$ 481,600</u>	

A schedule of general obligation bonds authorized, but unissued, and bonds outstanding at June 30, 2000 is provided in the table below. This schedule includes general obligation bonds that were sold for the State Operated Community Services Fund (enterprise fund).

General Obligation Bonds Authorized, but Unissued, and Bonds Outstanding
(In Thousands)

<u>Purpose</u>	<u>Authorized But Unissued</u>	<u>Amount Outstanding</u>	<u>Interest Rates Range - %</u>
State Building	\$ 435,058	\$ 1,382,401	3.75 - 7.56
State Operated Community Services	2,845	4,619	3.75 - 7.56
State Transportation	13,825	95,440	4.69 - 7.56
Waste Management	2,280	5,560	5.00 - 7.56
Water Pollution Control	7	112,120	4.58 - 7.56
Maximum Effort School Loan	-	85,920	5.00 - 7.56
Reinvest in Minnesota	685	13,485	5.00 - 6.90
Rural Finance Administration	5,400	69,625	5.00 - 6.98
Refunding Bonds	-	634,611	3.97 - 6.95
Exchange Bonds	-	6,289	0.05
Municipal Energy Building	370	8,250	5.00 - 7.56
Game and Fish Building	-	110	5.33 - 6.95
Trunk Highway	100,100	13,070	3.75 - 6.95
Airport Facilities	81,275	41,560	4.40 - 7.95
Landfill	52,460	31,970	4.54 - 5.76
Various Purpose	<u>444,030</u>	<u>26,870</u>	
Totals	<u>\$ 1,138,335</u>	<u>\$ 2,531,900</u>	

Revenue Bonds Payable

Revenue bonds payable of \$56,595,000 as reported in the General Long-Term Obligation Account group consist of \$52,455,000 for special obligations of the state, \$425,000 for airport facilities secured by St. Louis County and \$3,715,000 for the financing of the Giants Ridge recreational area.

Loans

Loans payable are the result of loans from local governments to the state for the financing of highway construction projects. This financing provides advance funding of the state and federal share of these projects. Loan repayment without interest begins after completion of the related project.

Claims

Municipal solid waste landfills liability totaling \$254,151,000 for closure and postclosure care is reported for the landfill cleanup program payable from the Solid Waste Fund (special revenue fund) and the General Fund.

Additional claims of \$52,797,000 are for workers' compensation claims of employees of uninsured and bankrupt firms. These claims are funded by an assessment on insurers and are payable from the Special Compensation Fund (special revenue fund).

Compensated Absences

The liability for compensated absences for governmental funds totaling \$276,358,000 is primarily for vacation leave and for vested sick leave, which are payable as severance pay under specific conditions. Both amounts are paid only when an employee terminates from state employment. This obligation will be liquidated using future resources at unspecified times.

Workers' Compensation

The liability for workers' compensation reported is \$136,660,000 based on claims filed for injuries to state employees occurring prior to June 30, 2000 and is an undiscounted estimate of future payments. The liability will be liquidated using future resources at unspecified times.

Leases

Capital leases payable are for those leases which meet the criteria in GASB Statement 1, "Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide". See Note 8 for the minimum future payments under operating leases.

Arbitrage Liabilities

For fiscal year 2000, there is no arbitrage rebate payable to the federal government as required by the Tax Reform Act of 1986 and the U.S. Treasury regulations and penalties. There were no estimated excess earnings on tax-exempt bond proceeds and debt service reserves. Interest earnings on bond proceeds are used primarily for debt service payments. Any future arbitrage rebate will be paid through an appropriation from the General Fund.

Revenue Bonds Payable - Fiduciary Funds

The following defined benefit funds have the authority to issue, and have issued, revenue bonds which are not general obligation of the state, but are solely secured by certain pledged assets of the funds. On June 1, 2000, \$29,000,000 of revenue bonds were issued. The pledged assets include certain payments made by the State Employees Retirement Fund (SERF), Teachers Retirement Fund (TRF), and Public Employees Retirement Fund (PERF). Minnesota Statutes, Section 356.89 authorized the issuance of these revenue bonds to finance the construction of an administrative office building. The debt service payments on the revenue bonds will be allocated to each fund based on the percentage interest each fund has in the facility. The repayment schedule for the combined three funds follows:

Long-Term Debt Repayment Schedule
Fiduciary Funds – June 30, 2000
(In Thousands)

Revenue Bonds- SERF, TRF & PERF

<u>Fiscal Year(s)</u>	<u>Amount</u>
2001	\$ 833
2002	1,667
2003	2,080
2004	2,082
2005	2,082
Thereafter	<u>53,741</u>
Total Payments	\$ 62,485
Less: Interest	<u>33,485</u>
Total Principal	<u>\$ 29,000</u>

Component Units

The Metropolitan Council (MC) (governmental fund type) issues general obligation bonds for parks, solid waste, sewers and transportation, backed by MC's full faith and credit and taxing powers. MC had \$128,109,000 in general obligation bonds outstanding on December 31, 1999.

The Agricultural and Economic Development Board (AEDB) issues revenue bonds for agricultural and economic projects.

Long-Term Debt Repayment Schedule Component Units - Government Funds (In Thousands)

Year Ending December 31	General Obligation Bonds MC	Year Ending June 30	Revenue Bonds AEDB
	Amount		Amount
2000	\$ 23,653	2001	\$ 4,148
2001	21,452	2002	4,156
2002	19,007	2003	4,865
2003	14,692	2004	4,860
2004	12,560	2005	4,837
Thereafter	67,156	Thereafter	42,336
Total Payments	\$ 158,520		\$ 65,202
Less: Interest	30,411		24,505
Total Principal	<u>\$ 128,109</u>		<u>\$ 40,697</u>

8. LEASE AGREEMENTS

Operating Leases

The state and its component units are committed under various leases primarily for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2000 totaled approximately \$67,128,000 and \$15,103,000 for the primary government and component units respectively. Lease expenditures for the year ended December 31, 1999 totaled approximately \$2,944,000 for component units.

Future Minimum Lease Payments (In Thousands)

Primary Government		Component Units			
Year Ending June 30	Amount	Year Ending June 30	Amount	Year Ending December 31	Amount
2001	\$ 63,724	2001	\$ 11,377	2000	\$ 1,948
2002	55,218	2002	10,096	2001	1,728
2003	43,760	2003	8,473	2002	1,611
2004	31,561	2004	7,978	2003	1,573
2005	20,802	2005	5,931	2004	1,436
Thereafter	13,626	Thereafter	42,877	Thereafter	3,010
Total	<u>\$ 228,691</u>	Total	<u>\$ 86,732</u>	Total	<u>\$ 11,306</u>

Capital Leases

The state and its component units have entered into several capital lease agreements to purchase equipment. The leases meet the criteria of a capital lease as defined by "Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The terms of each agreement provide options to purchase the equipment at any time during the lease period.

In the governmental funds, equipment purchased through capital lease agreements is included with the general fixed assets. The state's liability for these capital leases is included in general long-term obligations (see Note 7).

9. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue and General Obligation Bonds

Primary Government

The enterprise funds listed below have the authority to issue, and have issued, revenue bonds which are not general obligations of the state, but are payable solely from rentals, revenues and other income, charges and monies that were pledged for repayment. Premiums and discounts on revenue bonds are amortized using the interest method over the life of the bonds to which they relate.

The State Colleges and Universities Revenue (SCU) is authorized by Minnesota Statutes, Section 136F.98 to issue revenue bonds, whose aggregate principal shall not exceed \$100,000,000 at any time, to finance the acquisition, construction and remodeling of college buildings for dormitory, residence hall, student union and food service purposes.

The Minnesota State Colleges and Universities (MnSCU), which is included in the College and Universities Enterprise Activities (CUEA), financed the construction of a dormitory and a modular housing project through the Higher Education Facilities Authority. The \$1,520,000 debt for these two projects is reported by MnSCU in CUEA.

In addition, the State Operated Community Services (SOCS) has been appropriated money to provide group residential housing for individuals with developmental disabilities. The state has issued general obligation bonds to finance these projects. The debt service costs on the bonds sold to finance these projects must be paid from the group residential housing fees charged in accordance with Minnesota Statutes, Section 16A.643.

Component Units (proprietary funds)

The Housing Finance Agency (HFA) is authorized by Minnesota Statutes, Sections 462A.21-.22 to issue bonds and notes for the purpose of providing funds for rehabilitation, construction and mortgage loans, or for refunding bonds to sponsors of residential housing for families of low and moderate income. The amount outstanding on these bonds at any time shall not exceed \$2,400,000,000, according to Minnesota Statutes, Section 462A.22.

The Public Facilities Authority (PFA) is authorized by Minnesota Statutes, Section 446A.072 to issue revenue bonds for the purpose of making loans to municipalities for wastewater treatment facilities. The amount outstanding on these bonds at any time shall not exceed \$850,000,000, according to Minnesota Statutes, Section 446A.12.

The Higher Education Services Office (HESO) is authorized by Minnesota Statutes, Sections 136A.171-.175 to issue revenue bonds and notes to finance guaranteed loans for students attending eligible post-secondary educational institutions. The amount outstanding on these bonds at any one time, not including refunded bonds or otherwise defeased or discharged bonds, may not exceed \$550,000,000, according to Minnesota Statutes, Section 136A.171.

The University of Minnesota (U of M) issues revenue bonds and general obligation bonds for capital projects.

The Metropolitan Council (MC) issues environmental services general obligation bonds backed by MC in full faith and credit and taxing powers.

Primary Government

Long-Term Debt Repayment Schedule Proprietary Funds - June 30, 2000 (In Thousands)

Fiscal Year(s)	Revenue Bonds		General Obligation Bonds
	SCU	CUEA	SOCS
2001	\$ 2,422	\$ 110	\$ 415
2002	2,409	120	415
2003	2,419	130	415
2004	2,429	140	415
2005	2,413	150	415
Thereafter	<u>38,365</u>	<u>870</u>	<u>4,874</u>
Total Payments	\$ 50,457	\$ 1,520	\$ 6,949
Less: Interest	<u>23,067</u>	<u>-</u>	<u>2,330</u>
Total Principal	<u>\$ 27,390</u>	<u>\$ 1,520</u>	<u>\$ 4,619</u>

Component Units

Long-Term Debt Repayment Schedule Component Units - June 30, 2000 (In Thousands)

Fiscal Year(s)	Revenue Bonds				General Obligation Bonds	
	HFA	PFA	HESO	U of M	MC*	U of M
2000	\$ -	\$ -	\$ -	\$ -	\$ 39,286	\$ -
2001	341,075	55,595	6,889	1,437	25,951	22,866
2002	217,428	58,693	6,889	1,411	24,203	36,474
2003	139,489	57,749	6,889	1,397	22,755	37,103
2004	139,879	55,168	6,889	1,407	21,876	116,228
2005	96,626	54,524	6,889	1,409	18,428	31,331
Thereafter	<u>2,924,707</u>	<u>529,750</u>	<u>245,693</u>	<u>10,783</u>	<u>142,861</u>	<u>487,448</u>
Total Payments	\$ 3,859,204	\$ 811,479	\$ 280,138	\$ 17,844	\$ 295,360	\$ 731,450
Unamortized						
(Discount)/Premium	-	2,614	934	-	(788)	-
Less: Interest	<u>1,884,247</u>	<u>260,460</u>	<u>151,372</u>	<u>5,604</u>	<u>74,483</u>	<u>255,974</u>
Total Principal	<u>\$ 1,974,957</u>	<u>\$ 553,633</u>	<u>\$ 129,700</u>	<u>\$ 12,240</u>	<u>\$ 220,089</u>	<u>\$ 475,476</u>

* MC fiscal year ended December 31, 1999

Bond Defeasances

Primary Government

For proprietary fund debt that was defeased in prior years through in-substance defeasances, the outstanding defeased amount as of June 30, 2000 for SCU is \$9,287,000. SCU remains contingently liable to pay this defeased debt.

Component Units

Public Facilities Authority (proprietary fund type) had \$127,380,000 various refunding series bonds that were defeased and not reflected in the financial statements as of June 30, 2000.

10. LONG-TERM COMMITMENTS

Long-term commitments consist of grant agreements, construction and other contracts. These commitments will be partially funded by current reserves for long-term commitments with the remaining resources provided by future bond proceeds, mining tax revenues and federal grants. Long-term commitments as of June 30, 2000 were as follows (in thousands):

Special Revenue Fund:	
Trunk Highway Fund	\$ 431,792
Capital Projects Funds:	
General Project Fund	75,127
Transportation Fund	19,934
Building Fund	<u>173,366</u>
Total Primary Government	<u>\$ 700,219</u>
Component Unit:	
University of Minnesota	<u>\$ 451,527</u>

11. CONTINGENT LIABILITIES – LITIGATION

- 1) Payment of tort claims against the state is made from funds appropriated by the Minnesota Legislature to agencies for their general operations to the extent such funds are available without unduly hindering the operation of the agency, from appropriations of dedicated receipts if practicable or from funds appropriated for the payment of tort claims. The tort claims appropriations for fiscal years ending June 30, 2000 and June 30, 2001 were \$875,000 for each year. The maximum limits of liability for tort claims are \$300,000 for any one claim and \$1,000,000 for any number of claims arising out of a single occurrence.
- 2) Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases, or categories of cases, in which the state, its officers or employees, are defendants have been noted because an adverse decision in each case or category of case could result in an expenditure of state moneys of over \$10,000,000 in excess of current levels.
 - a. At any one time, there are hundreds of Department of Transportation eminent domain actions being litigated in district courts throughout the state. There is a continuous flow of such cases, with the actual number depending on many factors such as the number of parcels of land that can be acquired by direct purchase, the construction needs of the Department and revenues available for highway projects. In the aggregate, the potential cost to the state for property which has been or will be acquired exceeds \$10 million. Liability arising out of decisions unfavorable to the state may impact the state's trunk highway fund.
 - b. At any one time, there are claims and cases pending against various state agencies, including but not limited to, the Departments of Administration and Transportation and the Minnesota State Colleges and Universities, and other state agencies which may be potentially responsible parties for clean-up of hazardous and other contaminated waste sites under federal and state superfund and other environmental laws. In the aggregate, it is possible that the potential liability of the state for such claims may exceed \$10 million because all parties are jointly and severally liable under federal and state superfund laws. Liability out of decisions unfavorable to the state may impact the trunk highway fund for claims against the Department of Transportation and the state's General Fund for claims against other state agencies.
 - c. *Amoco, et al., v. Commissioner of Revenue*. Minnesota Tax Court. These cases involve nine related corporations that are challenging the State's corporate franchise tax. The major issues involve; (i) whether the State's gasoline tax law prevents the State from imposing any other kind of tax on Amoco, (ii) whether Amoco and its affiliates are engaged in a unitary business so that the income of all affiliates may be combined and a proportionate share taxed by the State, and (iii) whether the franchise tax discriminates against combined groups conducting business overseas through U.S. domestic corporations and in favor of combined groups conducting their overseas operations through non-U.S. corporations. Resolution of this

matter is not expected before the end of 2001. The amount in controversy is \$23 million. An adverse precedent, however, would result in substantial additional liability as to these and other taxpayers.

- d. *James Lee Brown and Ronald Bergeron v. State of Minnesota*. Plaintiffs are Medicaid and GAMC recipients who suffered tobacco-related illnesses during the period of January 1, 1978 and December 31, 1996. Plaintiffs claim rights to a share of the settlement proceeds in *State of Minnesota, et al. v. Philip Morris Incorporated, et al.* Plaintiffs have claimed that they are entitled to the difference between the amount of the tobacco trial settlement and the amount of moneys expended to treat smoking-related illnesses, but not less than one-third of the end recovery. This would amount to between \$2.05 billion and \$4.86 billion. The Minnesota Court of Appeals affirmed the District Court's granting of the State's motion to dismiss, and the plaintiffs have appealed that decision to the Minnesota Supreme Court.
- e. *Danny's Tranny's, Inc., and all other similarly situated v. State of Minnesota et al.* Ramsey County District Court. This is a class action against the State of Minnesota, the Commissioners of Commerce and Finance, and the Minnesota Workers' Compensation Assigned Risk Plan Review Board challenging the constitutionality of legislation passed in the 2000 legislative session. The legislation at issue appropriated surplus funds in the Minnesota Workers' Compensation Assigned Risk Plan and transferred \$450 million to various State agencies and funds. Plaintiffs contend the surplus funds rightfully belong to employers who paid premiums to the Minnesota Workers' Compensation Assigned Risk Plan, and allege the appropriation of the money violates their constitutional rights. The amount in controversy is the transferred amount of the surplus that was contained in the Minnesota Workers' Compensation Assigned Risk Plan.
- f. *Jacobson, et al v. Board of Trustees of the Teachers Retirement Ass'n., et al.* Ramsey County District Court. This action was filed by a group of teachers claiming that various amendments to the teacher-pension laws from 1973 to 1989 constitute a breach of contract, violate the Contract Clause, and violate equal protection. They seek injunctive relief and damages to increase benefits to be paid to them, and the putative class they represent, by an amount estimated to be \$600 million. The Defendants' motion to dismiss on statute of limitations grounds was successful. An appeal is anticipated. If Plaintiffs ultimately prevail, it is unclear whether a judgment of increased benefits would be satisfied out of the existing surplus in the Teachers Retirement Fund and/or by a new appropriation of funds by the State.
- g. *U.S. West Communications, Inc. v. Commissioner of Revenue; and Qwest Corporation, f/k/a U.S. West Communications, Inc. v. Commissioner of Revenue*. Minnesota Tax Court. Plaintiff, a regional telecommunication public utility and its successor in interest, claim that that they are entitled to capital equipment refunds of sales taxes paid in an amount of \$5.4 million plus interest in the first case and in an amount of \$21 million plus interest in the second case. The claims are based on the theory that the Plaintiffs use the telecommunications equipment they purchase or install in Minnesota for the tax-exempt purpose of "manufacturing, fabricating or refining" of "tangible personal property." The first case covers a seven-month period ending June 1996, and the second case covers a thirty-month period ending December 1998. A determination in the Plaintiff's favor would result in a potential tax refund liability well in excess of \$10 million when applied as precedent to Plaintiffs' subsequent tax periods, as well as to the potential refund claims of other telecommunications companies. A decision is not expected until next year. Since the filing of this case, several other telecommunications companies have filed similar suits. To date, the total for all such suits is \$47 million. An adverse decision would impact the State's General Fund.

12. CONTINGENT LIABILITIES - OTHER

Primary Government

Pension Trust Funds

In addition to the pension trust funds included in the reporting entity (see Note 16), there are other public employee pension funds for which the state is funding a portion of the unfunded liability. Therefore, the state may be

contingently liable for the unfunded liability of these funds. The pension trust funds involved, the year-end in which the most current data is available and the unfunded liabilities are described below (in thousands):

Minneapolis Employee Retirement Fund	June 30, 2000	\$ 99,471
Minneapolis Teachers Retirement Fund	June 30, 2000	\$ 516,725
St. Paul Teachers Retirement Fund	June 30, 2000	\$ 196,446
Local Police and Fire Funds	December 31, 1999	\$ 21,607

In 1996, the Local Police and Fire funds consisted of nine local plans. In 1999, five of the plans were reported as part of the Public Employees Retirement pension trust funds, therefore the unfunded liability of the Local Police and Fire Fund for 1999 consisted of four local plans.

The pension trust funds for which the state has custodial responsibility, but for which the state is not contingently liable, include the Public Employees Retirement, Police and Fire and the Public Employees Correctional funds.

All of the above unfunded liabilities were computed using the entry age normal actuarial cost (level normal cost) method. Assumptions include 6 and 5 percent interest rates, and 4 and 3.5 percent annual salary growth rates for the Minneapolis Employee Retirement Fund and the Local Police and Fire funds, respectively. Additional annual contributions are provided to reduce the current unfunded liabilities. It has been the intent of the legislature, in establishing contribution rates, to provide sufficient resources to retire or fully fund the liabilities for the Local Police and Fire funds by June 30, 2009 and by June 30, 2020 for the Minneapolis Employees Retirement Fund.

Petroleum Tank Environmental Cleanup

The Petroleum Tank Release Cleanup Act, Minnesota Statutes, Chapter 115C.09, requires the state to reimburse owners for most of their costs to clean up contamination from leaks and spills from petroleum tanks. The payments will come from the Petroleum Tank Cleanup Fund (Petrofund) (special revenue fund). A significant number of unreported tank contamination sites and cleanup costs presently exist which will require Petrofund expenditures. As of June 30, 2000, the Petrofund has recognized liabilities of \$291 million. Various studies have estimated that the total of all payments for the program may reach \$450 to \$800 million in cleanup costs (based on data available through July 1992).

Solid Waste Fund

The Closed Landfill program was established to provide environmental response to 106 qualified landfill sites. Currently, 101 closed state permitted sites are in the program. The state becomes responsible for the long-term care of these closed municipal solid waste facilities only after certain eligibility requirements are met. The state may perform cleanup and final closure work as well as all maintenance and monitoring functions at these qualifying sites in perpetuity. The state reports a portion of these costs as operating expenditures in each fiscal year. As of June 30, 2000, cumulative expenditures of \$97.4 million have been made by the Solid Waste Fund. Estimates show that the total of all payments for the program may reach \$547 million (based on 1999 dollars). These estimates include response action costs, costs for natural resources damage, costs representing future unknown additional remedies which have some probability of occurring and reimbursements. Actual costs may be higher because of inflation, changes in technology, inclusion of additional qualifying sites or changes in regulations.

General Fund

A 1985 Supreme Court decision extended coverage of the Federal Fair Labor Standards Act (FLSA) to public employers. The state classified all professional and professional-supervisory employees as exempt under FLSA and paid overtime and compensation time at straight time in accordance with collective bargaining agreements. As a result of an agreement with the Department of Labor, the state is in the process of completing a self-audit of the exemption status of professional and professional-supervisory employees under FLSA. For employees who are determined to be non-exempt under FLSA, the state will be required to process retroactive pay from January 12, 1998 through October 10, 2000 up to time and one-half for qualifying overtime and compensation time. The state has recorded an estimated liability for FLSA of \$15 million in the General Fund as the allocation of the liability to the fund level is still unknown. The state does not anticipate the actual liability to be significantly different than the recorded amount.

Component Units

The *Metropolitan Council* enters into contracts for various purposes, including transit services and construction projects, among others. As of December 31, 1999, unpaid commitments for transit services were approximately \$156.1 million, unpaid commitments for construction contracts were approximately \$18.7 million and future commitments for regional transit capital projects were approximately \$18.9 million.

The *Workers' Compensation Assigned Risk Plan (WCARP)* contracts with five servicing contractors to provide policy issuance, premium accounting and claim settlement services in exchange for a service fee based upon a standard written premium. Contingent liabilities exist with respect to performance of the above services to the extent that the servicing carriers are unable to meet their obligations under terms of the general service agreement.

WCARP, through Employers Life Insurance Company of Wausau, has purchased annuities to settle certain claims with the claimant as payee, but for which WCARP remains contingently liable. WCARP eliminated its loss reserves for these claims at the time the annuities were purchased. A contingent liability exists to the extent that the issuer of the annuity contracts becomes unable to fulfill its contractual obligations. The present value of annuity contracts in force at December 31, 1999 was approximately \$4.9 million.

The *University of Minnesota (U of M)* has approximately \$177,012,000 of construction projects in process, principally buildings, that have been included in the assets of the plant funds at June 30, 2000. The estimated cost to complete these facilities is \$451,527,000, which is to be funded from plant fund assets and \$77,289,000 in appropriations available from the state of Minnesota.

The U of M owns certain steam production facilities which produce steam for heating and cooling for the Twin Cities campuses. These facilities are managed, operated and maintained by an unaffiliated company by agreement. The term of the agreement is 25 years and commenced on July 1, 1992. Under the agreement, the U of M must make minimum fixed payments for certain operating and maintenance costs as well as contingent payments based on monthly usage. The minimum fixed amount of the required payments at June 30, 2000 is as follows (in thousands):

Fiscal Year Ending June 30	Total
2000	\$ 5,805
2001	5,805
2002	5,805
2003	5,805
2004	5,805
Thereafter	69,662
Total	<u>\$ 98,687</u>

Other Contingent Liabilities

The 1993 Legislature established a School District Credit Enhancement Program. The legislation authorized and directed the Commissioner of Finance to issue a warrant and authorized the commissioner of Children, Families and Learning (CFL) to pay debt service coming due, under certain circumstances and subject to the availability of funds. Payments are made on behalf of the school district if the district cannot pay for: 1) the school district tax and the state-aid anticipation certificates of indebtedness, 2) certificates of indebtedness and capital notes for equipment, 3) certificates of participation, and 4) school district general obligation bonds. The school district must notify the commissioner of CFL that it does not have sufficient money in its debt service fund for this purpose. Payment can also be made if the paying agent informs the commissioner of CFL that it has not received timely payments from the school district to be used to pay debt service. The school district must repay (with interest) amounts paid on their behalf. Repayment can be either through a reduction of subsequent state-aid payments or by the levy of an ad valorem tax, which may be made with the approval of the commissioner of CFL. As of October 24, 2000, there was approximately \$6.9 billion in principal and interest of bonds, certificates of indebtedness and capital notes enrolled in the program. The state has not had to make any debt service payments on behalf of school districts under the program and does not expect to make any payments in the future.

13. NORTHWEST AIRLINES MAINTENANCE FACILITIES

Minnesota Laws 1991, Chapter 350 authorized the state to issue revenue bonds secured by the state's full faith and credit in an amount up to \$50,000,000 to finance the construction and equipping of an engine repair facility in Hibbing, and up to \$125,000,000 to finance the construction and equipping of an aircraft maintenance facility in Duluth. By agreement dated December 21, 1994 with Northwest Airlines, Inc. (NAI), the intended lessee of both facilities and certain other parties, it was agreed that the Hibbing facility would not be constructed and that the state would use its best efforts to issue revenue bonds secured by the state's full faith and credit for the Duluth facility. The state issued \$47,670,000 of revenue bonds in May 1995. As of June 30, 2000, \$41,985,000 of the revenue bonds remained outstanding, of which \$24,315,000 is payable primarily from lease payments of NAI, and \$17,670,000 is payable primarily from tax increment revenues derived from the Duluth facility and other revenues of the city of Duluth. In the event such revenues are insufficient, the state will have the right to apply to the payment of such bonds, or to reimburse itself for making such payments from, certain state-aid payments otherwise payable to the city of Duluth. Of the \$41,985,000 revenue bonds issued by the state, \$41,560,000 is secured by the state's full faith and credit, and \$425,000 is secured by the full faith and credit of St. Louis County. The bonds are structured so that the initial bonds, together with expected later refundings, will provide financing over a 30-year amortization period. On July 1, 1999, \$3,435,000 of the revenue bonds was defeased, thereby reducing the amount of the stated outstanding balance. The defeased funds are to be held in escrow. The invested funds will be sufficient to pay principal of, and interest on, the bonds to their earliest call date. The 1997 Minnesota legislature cancelled \$48,765,000 of the bonding authorization for the engine repair facility.

14. EQUITY

Contributed Capital

Components of the changes in the contributed capital of the enterprise and internal service funds and component unit proprietary funds are as follows (in thousands):

Source	Primary Government			Component Units
	Enterprise Funds	Internal Service Funds	Total	Proprietary Funds
Contributed Capital, Beginning	\$ 25,474	\$ 6,064	\$ 31,538	\$ 852,490
Additions:				
Federal Grants	-	-	-	65,978
Other Contributions	726	-	726	75,412
Reductions:				
Amortization/Depreciation on Fixed Assets				
Acquired with Contributed Capital	(352)	-	(352)	(31,546)
Contributed Capital, Ending	<u>\$ 25,848</u>	<u>\$ 6,064</u>	<u>\$ 31,912</u>	<u>\$ 962,334</u>

Retained Earnings

The following table identifies in greater detail the retained earnings of the reporting entity (in thousands):

	Proprietary Fund Types		
	Enterprise	Internal Service	Component Units
Retained Earnings:			
Reserved for Debt Requirements	\$ 11,649	\$ -	\$ 579,972
Reserved per State Law	-	-	144,067
Reserved for Claims	-	81,860	-
Total Reserved Retained Earnings	\$ 11,649	\$ 81,860	\$ 724,039
Unreserved Retained Earnings	164,002	18,370	1,102,224
Total Retained Earnings	<u>\$ 175,651</u>	<u>\$ 100,230</u>	<u>\$ 1,826,263</u>

Reserved Retained Earnings

Primary Government

Reserved for Claims represents the accrued amount for claims incurred, but not reported for the Public Employees Insurance Program Fund.

Component Units

Reserved Retained Earnings per State Law consists of \$144,067,000 in the Housing Finance Agency Fund. This reserve is the unused portion of state appropriations provided for specific programs. These programs are primarily for interest rate reductions on housing mortgages and home improvement loans.

Deficit Retained Earnings

The Chemical Dependency Treatment Fund (enterprise fund) has a deficit retained earnings of \$1,385,000 at June 30, 2000. This was primarily due to a large write-off of receivables. The deficit is expected to be recovered within the next several years.

Fund Balances

The following table identifies in greater detail the fund balances of the reporting entity (in thousands):

	Governmental Fund Types					Fiduciary Fund Types	University Fund Type
	General	Special Revenue	Capital Projects	Debt Service	Component Units	Trust and Agency	University of Minnesota
Fund Balances:							
Reserved for Encumbrances	\$ 106,615	\$ 90,821	\$ 4,843	\$ -	\$ 10,314	\$ 8,868	\$ 27,765
Reserved for Inventory	-	13,934	-	-	-	2,197	-
Reserved for Long-Term Receivables	6,746	91,652	94,210	48,298	93,444	22,988	-
Reserved for Long-Term Commitments	-	85,407	165,550	-	36,883	-	-
Reserved for Local Governments	-	-	-	-	-	407,657	-
Reserved for Trust Principal	-	-	-	-	-	1,550,246	-
Reserved for Debt Requirements	-	-	-	385,559	-	-	-
Reserved for Pension Benefits	-	-	-	-	-	44,099,500	-
Budgetary Reserve	972,000	127,259	-	-	-	-	-
Reserved for Long-Term Advances	3,000	60	-	-	-	-	-
Reserved for Other	-	5,749	-	-	-	-	899,692
Total Reserved Fund Balances	\$ 1,088,361	\$ 414,882	\$ 264,603	\$ 433,857	\$ 140,641	\$ 46,091,456	\$ 927,457
Unreserved Fund Balances:							
Designated for Appropriation Carryover	415,151	122,286	-	-	-	-	-
Designated for Fund Purposes	-	286,988	-	-	328,347	790,638	250,210
Total Designated Fund Balance	\$ 415,151	\$ 409,274	\$ -	\$ -	\$ 328,347	\$ 790,638	\$ 250,210
Undesignated	451,210	518,163	131,875	-	39,496	45,044	145,796
Total Unreserved Fund Balances	\$ 866,361	\$ 927,437	\$ 131,875	\$ -	\$ 367,843	\$ 835,682	\$ 396,006
Total Fund Balance	<u>\$ 1,954,722</u>	<u>\$ 1,342,319</u>	<u>\$ 396,478</u>	<u>\$ 433,857</u>	<u>\$ 508,484</u>	<u>\$ 46,927,138</u>	<u>\$ 1,323,463</u>

Reserved Fund Balance

The reserved portion of the fund balances indicates that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use.

The *Budgetary Reserve* in the General Fund consists of two different accounts. The budget reserve account is appropriated by the legislature for use only when it appears that probable receipts will be less than anticipated and the amount available for the remainder of the biennium will be less than needed for budgeted expenditures. In this

circumstance, state law requires that the commissioner of Finance, with the approval of the governor and after consulting with legislative leadership, transfer amounts necessary from the reserve to the unreserved fund balance. The cash flow account is used to meet cash flow deficiencies resulting from the uneven distribution of revenue collections and required expenditures during a fiscal year.

The *Budgetary Reserve* in the Health Care Access Fund (special revenue fund) is a statutory reserve established to preserve basic health care services when federal funding is significantly reduced. This reserve is limited to \$150,000,000.

The *Reserved for Local Governments* is the equity amount in three expendable trust funds required by the state constitution to be paid to local governments. The funds are the Municipal State-Aid Street, County State-Aid Highway and Endowment School funds. The payments to these local governments are for street and highway projects (to municipalities and counties) and to subsidize education in the local school districts.

The *Reserved for Other* totaling \$5,749,000 in the special revenue funds consists primarily of petroleum overcharge fines (\$5,276,000 in the Federal Fund and \$27,000 in the Miscellaneous Special Revenue Fund) allocated by the federal courts to be used for energy conservation programs. The balance consists of the reserve for a revenue bond (\$446,000 in the Iron Range Resources and Rehabilitation Fund) as required by bond covenants.

Reserved for Other - University of Minnesota (component unit) totaling \$899,692,000, consists primarily of current externally restricted operating funds along with restricted plant funds that may be utilized only in accordance with the purposes established by the source of the funds.

Unreserved Fund Balance

Primary Government

The unreserved portion of the fund balances consists of designated fund balances indicating tentative managerial plans for future use of resources and undesignated fund balances indicating those unreserved financial resources available for appropriation. A portion of the undesignated fund balances in the Natural Resources (special revenue) funds may be appropriated only for specific programs.

Designated for Fund Purposes consists of fund balances for non-appropriated funds to be used for the following purposes (in thousands):

	Special Revenue Funds	Expendable Trust Funds
Education	\$ 9,231	\$ 16,314
Economic Development	74,183	756,578
Health and Social Services	70,297	-
Transportation	9,266	-
Resource Management	20,945	17,746
Protection of Persons and Property	20,017	-
General Government	83,049	-
Totals	<u>\$ 286,988</u>	<u>\$ 790,638</u>

The total Designated for Fund Purposes of Governmental Component Units and the University of Minnesota of \$328,347,000 and \$250,210,000 respectively, is to be used primarily for debt service.

15. PRIOR PERIOD ADJUSTMENTS AND OTHER CHANGES IN ACCOUNTING PRINCIPLES

Prior Period Adjustments

Primary Government

The Enterprise Activities (enterprise fund) Retained Earnings increased by \$1,054,000 to record previously unrecognized receivables in this fund.

In previous years, the University of Minnesota (U of M) (component unit) reported the liability for the amount that the university is required to repay for general obligation bonds issued by the primary government. The Debt Service Fund did not report the receivable. For fiscal year 2000, a prior period adjustment was recorded to report the receivable due to the Debt Service Fund of \$45,685,000. As of June 30, 2000, the amount receivable from the U of M was \$48,298,000.

Changes in Fund Structure

Primary Government

The Police and Fire Consolidation Fund with June 30, 1999 net assets of \$1,323,291,000, was previously reported separately. However, in fiscal year 2000, this fund was combined with the Police and Fire Fund, (defined benefit pension fund) per Laws of Minnesota, 1999.

In prior years, the Environmental and Natural Resources Funds and the Medical Education Endowment Trust Funds were each comprised of a nonexpendable and an expendable trust fund. Effective for the year ended June 30, 2000, statutory provisions allow a portion of the principal of each nonexpendable trust fund to be expended. The net effect of this change for the Environmental and Natural Resources (nonexpendable trust fund) was a decrease in fund balance of \$289,521,000 and a decrease to cash of \$6,907,000 and for the Medical Education Endowment (nonexpendable trust fund) was a decrease to fund balance of \$179,940,000 and a decrease to cash of \$163,832,000. As a result of this statutory change, the nonexpendable and expendable trust funds were combined and reported as expendable trust funds. The respective fund balances as of June 30, 1999 were as follows:

Environmental and Natural Resources:	
Nonexpendable Trust	\$289,521,000
Expendable Trust	<u>4,817,000</u>
Total	<u>\$294,338,000</u>
Medical Education Endowment:	
Nonexpendable Trust	\$179,940,000
Expendable Trust	<u>-</u>
Total	<u>\$179,940,000</u>

16. PENSION AND INVESTMENT TRUST FUNDS

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

Pension fund information is provided by three plan administrators, who prepare and publish their own stand-alone comprehensive annual financial reports, including financial statements and required supplementary information. Each plan administrator accounts for one or more pension plans. Copies of these reports may be obtained directly from the organizations listed below. See Summary of Significant Accounting and Reporting Policies (Note 1) for addresses.

Plan Administrator

Public Employees Retirement Association (PERA)

Teachers Retirement Association (TRA)

Minnesota State Retirement System (MSRS)

Plans Covered

Public Employees Retirement Fund
Police and Fire Fund
Public Employees Correctional Fund
Public Employees Defined
Contribution Retirement Fund

Teachers Retirement Fund

State Employees Fund
State Patrol Fund
Correctional Employees Fund
Judicial Fund
Elective State Officers Fund
Legislative Fund
Unclassified Employee Retirement Fund

Wells Fargo is the plan administrator for the College and University Retirement Fund. Wells Fargo prepares, but does not publish its financial report. Copies of this report may be obtained from the Department of Finance.

Defined Benefit Pension Funds**Plan Descriptions and Contribution Information**

■ Multiple employer, cost-sharing plans:

The State Employees Retirement Fund (SERF) covers those employees of the state, University of Minnesota and certain other entities not covered by other pension funds. Thirty-two employers participate in this plan. Normal retirement age is 65. The annuity formula is the greater of a step rate with a flat rate reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarial reduction for early retirement. The applicable rates are 1.2 percent and 1.7 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

The Teachers Retirement Fund (TRF) covers teachers and other related professionals employed by school districts or by the state. Four hundred sixty-one employers participate in this plan. Normal retirement is age 65. The annuity formula for each type of membership is the greater of a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2.2 and 2.7 percent, and for coordinated members, 1.2 and 1.7 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund. Currently, TRF does not have an unfunded actuarial accrued liability.

The Public Employees Retirement Fund (PERF) covers employees of various governmental subdivisions, including counties, cities, school districts and related organizations. Approximately 2,000 employers participate in this plan. There are two types of membership: basic and coordinated. Normal retirement age is 65. The annuity formula for each type of membership is the greater of a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2.2 and 2.7 percent, and for coordinated members, 1.2 and 1.7 percent. The state is not an employer of the participants in the plan, but performs only in a fiduciary capacity and is not responsible for the unfunded accrued liability of this fund.

The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental subdivisions. Prior to 1981, these employees were not covered by a local relief association. The fund covers all those hired since 1980. The state is not an employer of participants in the plan, but performs in a fiduciary capacity. Approximately 500 employers participate in this plan.

The Public Employees Correctional Fund (PECF) covers employees in county correctional facilities who have direct contact with inmates. Approximately 80 employers participate in this plan. Normal retirement age is 55. The annuity formula for each member is 1.9 percent of average salary for each year of service in that plan. The state is not an employer of participants in the plan, but performs in a fiduciary capacity.

■ Single employer (state of Minnesota) plans:

The State Patrol Retirement Fund (SPRF) covers state patrol officers, crime bureau officers and various conservation officers who perform enforcement duties. Normal retirement age is 55. The annuity is based on 3.0 percent for each year of service.

The Correctional Employees Retirement Fund (CERF) covers state employees who have direct responsibility for inmates at Minnesota correctional facilities. Normal retirement age is 55. The annuity is based on 2.4 percent for each year of service.

The Judicial Retirement Fund (JRF) covers judges of the supreme court, district courts, county courts, probate courts and various court referees. Normal retirement age is 65. The annuity is 2.7 percent for each year of service (3.2 percent for each year after June 30, 1980).

The Elective State Officers Fund (ESOF) covers the state's constitutional officers. Vesting occurs after eight years. Normal retirement age is 62. The annuity is 2.5 percent for each year of service. The EOSF is excluded from the Single Employers Plan Disclosures since the remaining active employees have either retired, terminated or elected coverage under another plan. This plan is closed to new entrants according to Minnesota Statutes, Chapter 352C.

The Legislative Retirement Fund (LRF) covers members of the state's house of representatives and senate. Vesting occurs after six years. Normal retirement age is 62. Annuity is 2.5 percent for each year of service.

	Funding Policy Information					
	Single Employer					Multiple Employer
	CERF	SPRF	JRF	ESOF	LRF	SERF TRF
Statutory Authority, Minnesota, Chapter	352	352B	490	352C	3A	352 354
Required Contribution Rate of Active Members (%)	5.69	8.40	8.00	9.00	9.00	4.00 5.00
Required Contribution Rate of Employer (%)	7.98	12.60	20.50	N/A	N/A	4.00 5.00

Cost Sharing Plan Required Contributions				
(In Thousands)				
		SERF		TRF
Required Contributions:				
Employee and Employer *	2000	\$	139,700	\$ 273,115
	1999	\$	132,802	\$ 262,565
	1998	\$	125,216	\$ 275,419

* Contributions were 100 percent of required contributions.

Single Employer Plan Disclosures For Current Year
(In Thousands)

	<u>SPRF</u>	<u>CERF</u>	<u>JRF</u>	<u>LRF</u>
Annual Required				
Contributions (ARC)*	\$ 6,363	\$ 14,985	\$ 7,029	\$ 3,062
Interest on Net Pension				
Obligation (NPO)*	-	-	-	-
Amort adj to ARC*	-	-	-	-
Annual Pension Cost	\$ 6,363	\$ 14,985	\$ 7,029	\$ 3,062
Contributions	<u>10,113</u>	<u>15,510</u>	<u>7,505</u>	<u>3,715</u>
Increase (Decrease) in NPO	\$ (3,750)	\$ (525)	\$ (476)	\$ (653)
NPO, Beginning (Asset)	<u>(6,699)</u>	<u>(8,244)</u>	<u>(12,257)</u>	<u>(1,354)</u>
NPO, Ending (Asset)	<u>\$ (10,449)</u>	<u>\$ (8,769)</u>	<u>\$ (12,733)</u>	<u>\$ (2,007)</u>

* Components of Annual Pension Cost

Single Employer Plan Disclosures
(In Thousands)

		<u>SPRF</u>	<u>CERF</u>	<u>JRF</u>	<u>LRF</u>
Annual Pension	2000	\$ 6,363	\$ 14,985	\$ 7,029	\$ 3,062
Cost (APC)	1999	6,410	13,786	8,999	3,535
	1998	6,765	12,161	6,803	3,353
Percentage of ARC	2000	159%	104%	107%	121%
Contributed	1999	149%	106%	101%	78%
	1998	135%	116%	128%	173%
NPO (end of year)	2000	\$ (10,449)	\$ (8,769)	\$ (12,733)	\$ (2,007)
	1999	(6,699)	(8,244)	(12,257)	(1,354)
	1998	(3,548)	(7,480)	(12,136)	(2,124)

Actuarial Assumptions for Single Employers

- The actuarial cost method used by all plans is the Entry Age Normal method.
- The method used to determine actuarial valuation of assets is cost plus one-third unrealized gains or losses.
- Minnesota statutes or valuation standards do not require an inflation rate assumption to cost the plans.
- Investment returns for pre-retirement and post-retirement are 8.5 percent and 6.0 percent respectively for SPRF, CERF and JRF; and 8.5 percent and 5.0 percent, respectively for LRF and ESOF.
- Projected salary increases are graded from 7.75 percent to 5.25 percent for SPRF and CERF. For LRF, ESOF and JRF, projected salary increases are a level 5.0 percent.
- The payment of earnings on retired reserves in excess of 6.0 percent are accounted for by 6.0 percent post-retirement assumptions for SPRF, CERF and JRF. Payment of earnings on retired reserves in excess of 5.0 percent are accounted for by 5.0 percent post-retirement assumptions for LRF and ESOF.
- The level percentage of projected payroll is the amortization method used, except for the ESOF plan which uses the level dollar amortization method.
- The amortization period is through July 1, 2020.
- The amortization period is closed.

Required Supplementary Information
Schedule of Funding Progress
(In Thousands)

		SPRF	CERF	JRF	LRF
Actuarial Valuation Date	2000	7/1/00	7/1/00	7/1/00	7/1/00
	1999	7/1/99	7/1/99	7/1/99	7/1/99
	1998	7/1/98	7/1/98	7/1/98	7/1/98
Actuarial Value of Plan Assets	2000	\$ 528,573	\$ 386,964	\$ 111,113	\$ 37,265
	1999	\$ 472,687	\$ 335,408	\$ 97,692	\$ 33,474
	1998	\$ 430,011	\$ 295,291	\$ 86,578	\$ 31,212
Actuarial Accrued Liability	2000	\$ 458,384	\$ 359,885	\$ 153,660	\$ 69,364
	1999	\$ 406,215	\$ 307,408	\$ 139,587	\$ 66,418
	1998	\$ 371,369	\$ 261,869	\$ 130,727	\$ 62,928
Total Unfunded Actuarial Liability (Asset)	2000	\$ (70,189)	\$ (27,079)	\$ 42,547	\$ 32,099
	1999	\$ (66,472)	\$ (28,000)	\$ 41,895	\$ 32,944
	1998	\$ (58,642)	\$ (33,422)	\$ 44,149	\$ 31,716
Funded Ratio*	2000	115%	108%	72%	54%
	1999	116%	109%	70%	50%
	1998	116%	113%	66%	50%
Annual Covered Payroll	2000	\$ 48,167	\$ 112,587	\$ 26,315	\$ 5,808
	1999	\$ 45,333	\$ 106,131	\$ 32,940	\$ 7,490
	1998	\$ 43,170	\$ 97,363	\$ 24,647	\$ 6,965
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	2000	(146%)	(24%)	162%	553%
	1999	(147%)	(26%)	127%	440%
	1998	(136%)	(34%)	179%	455%

* Actuarial value of assets as a % of actuarial accrued liability.

Defined Contribution Funds

The defined contribution funds presented in the financial statements include various statewide public employee retirement funds under which the benefits to be received are limited to an annuity, which can be purchased with the combined contributions of both the employee and employer. Accordingly, there is no unfunded liability for these funds; therefore, there is no actuarial valuation of accrued benefit liability nor any actuarially required contribution.

Plan Descriptions and Contribution Information

The Unclassified Employee Retirement Fund, authorized by Minnesota Statutes, Chapter 352D, covers only those state employees who are included either by statute or policy in the "unclassified service" of the state. Statutory contribution rates are 4.0 percent for employee and 6.0 percent for employer. Vesting occurs immediately, and normal retirement age is 58. Annuity is based on age and value of the participant's account. Eighteen employers participate in this plan.

The College and Universities Retirement funds, authorized by Minnesota Statutes, Chapter 354B and Chapter 354C, cover unclassified teachers, librarians, administrators and certain other staff members who have been employed full-

time for a minimum of two academic years. The plan administrator is Wells Fargo. Participation is mandatory for qualified employees. These funds consist of an Individual Retirement Account Plan (IRAP) and a Supplemental Retirement Plan (SRP). There are two member groups participating in the IRAP, one for faculty and one for managerial employees. For the faculty, the employer and employee statutory contribution rates are 6.0 and 4.5 percent respectively, while for the managerial employees the employer rate is 6.0 percent and the employee rate is 4.1 percent. For the SRP, the statutory contribution rate is 5 percent of salary between \$6,000 and \$15,000. Vesting occurs immediately, and normal retirement is age 55. One employer participates in this plan. Total current membership in the plan is approximately 13,400.

The Public Employee Defined Contribution Retirement Fund (PEDCR) is authorized by Minnesota Statutes, Chapter 353D. The plan covers local units of government of which current or former elected officials elect to participate (with the exception of elected county sheriffs), emergency medical service personnel employed by or providing service to any of the participating ambulance services and physicians employed at public facilities. The plan administrator is the Public Employee Retirement Association. Plan benefits depend solely on amounts contributed to the plan plus investment earnings less administrative expenses. There is no vesting period required to receive benefits from this plan. PEDCR Fund covers approximately 1,000 units of government. There are 4,031 members in the plan.

Defined Contribution Plans
Contributions Made for Fiscal Year 2000
(In Thousands)

	<u>Unclassified Employee Retirement Fund</u>	<u>Colleges and Universities Retirement Fund</u>	<u>PERA Defined Contribution Fund</u>
Employee Contributions	\$4,259	\$14,588	\$847
Employer Contributions	\$5,873	\$17,216	\$936

Investment Trust Funds

The Supplemental Retirement Fund (investment trust fund) is administered by the State Board of Investment, which issues a separate report (see Note 1 for address). This fund is an investment pool for external participants, which are locally administered retirement funds and a deferred compensation plan.

Component Units

The following component units are participants in the SERF, P&FF and the Unclassified Employees Retirement funds:

Agricultural and Economic Development Board
Export Finance Authority
Higher Education Services Office
Housing Finance Agency
Metropolitan Council
Minnesota Technology Incorporated
Public Facilities Authority
Rural Finance Authority
University of Minnesota

17. POST-RETIREMENT BENEFITS

For certain employees, post-retirement benefits are available upon retirement at age 55 under terms of their employment contract. Through fiscal year 2000, the employees involved were primarily conservation officers, correctional counselors at correctional facilities, highway patrol officers and MnSCU faculty entitled to early retirement incentives. If these employees elect retirement at age 55, the state will pay the employer's share of health insurance benefits until the employees reach age 65.

Periodically, the legislature has provided early retirement incentives for other employees meeting specific requirements. The specific circumstances usually require the employee to retire within a narrow time frame, whereby the state will pay the employer's share of health insurance benefits until the employee reaches age 65. The 1993 and 1995 legislatures approved incentive windows from May 17, 1993 through January 30, 1994, and from May 23, 1994 through January 30, 1995, respectively.

The cost of these benefits, which is recognized when paid, was \$5,854,326 during fiscal year 2000. Approximately 1,200 former employees are currently receiving this benefit.

18. SEGMENT INFORMATION AND CONDENSED BALANCE SHEET

Significant enterprise fund financial data for the year ended June 30, 2000 follows.

Primary Government

	Enterprise Funds Segment Information (In Thousands)									
	State Colleges & Universities Revenue	State Lottery	Colleges & University Enterprise Activities	Minnesota Correctional Industries	Chemical Dependency Treatment	Public Employees Insurance	Private Employers Insurance	Enterprise Activities	State Operated Community Services	Total
Operating Revenues	\$ 48,895	\$371,463	\$ 62,888	\$ 20,122	\$ 14,736	\$ 10,948	\$ -	\$ 6,486	\$ 40,968	\$576,506
Depreciation/Amortization Expense	5,498	1,609	479	451	154	2	-	64	703	8,960
Operating Income (Loss)	4,854	57,550	2,605	(1,948)	(1,950)	(1,709)	(33)	2,226	(601)	60,994
Nonoperating Revenues (Expenses):										
Investment Income	2,575	2,205	1,459	362	254	295	33	-	900	8,083
Grants (Revenue)	-	-	168	-	116	-	-	-	-	284
Grants (Expense)	-	-	(1,002)	-	-	-	-	-	-	(1,002)
Other Nonoperating Expense	(3,970)	-	(200)	(9)	(1)	-	-	(2,345)	(532)	(7,057)
Net Operating Transfers-In (Out)	-	(60,546)	(699)	2,486	(86)	-	-	-	1,815	(57,030)
Net Income (Loss)	3,459	-	2,997	1,703	(1,667)	(1,414)	-	(119)	1,582	6,541
Changes in Contributed Capital	(352)	-	-	-	274	-	-	-	452	374
Fixed Assets:										
Additions	6,266	1,064	546	1,141	47	-	-	-	1,721	10,785
Net Working Capital	2,278	(2,967)	27,092	14,612	4,963	3,004	60	4,083	16,436	69,561
Total Assets	118,793	31,370	82,149	19,526	5,610	4,910	188	6,655	29,958	299,159
Noncurrent Liabilities Payable from Other Sources	-	-	-	-	-	-	60	-	-	60
Total Fund Equity	\$ 86,433	\$ -	\$ 72,518	\$ 17,310	\$ 4,351	\$ 2,986	\$ -	\$ 4,050	\$ 13,851	\$201,499

Significant component unit financial data for the year ended June 30, 2000 follows.

Component Units
Condensed Statements - Governmental Funds
(In Thousands)

	PFA	MC*	MTI	HESO	EFA	AEDB	RFA	MPAAT	Totals
Balance Sheet:									
Current Assets	\$ 39,748	\$ 82,633	\$ 4,983	\$ 4,241	\$ 1,060	\$ 29,580	\$ 14,284	\$ 57,969	\$ 234,498
Non-Current Assets	-	98,984	-	-	-	34,518	51,791	139,547	324,840
Due from Other Governmental Units	-	7,310	-	-	-	-	-	-	7,310
Fixed Assets	-	12,085	395	95	-	-	-	-	12,575
Amount Available for Debt Service	-	31,465	-	-	-	-	-	-	31,465
Amount to be Provided for Debt Service	-	98,902	-	-	-	40,697	-	-	139,599
Total Assets and Other Debits	<u>\$ 39,748</u>	<u>\$ 331,379</u>	<u>\$ 5,378</u>	<u>\$ 4,336</u>	<u>\$ 1,060</u>	<u>\$ 104,795</u>	<u>\$ 66,075</u>	<u>\$ 197,516</u>	<u>\$ 750,287</u>
Current Liabilities	\$ 1,664	\$ 46,216	\$ 362	\$ 1,768	\$ -	\$ 964	\$ -	\$ 178	\$ 51,152
Due to Other Governmental Units	-	799	-	-	-	-	-	-	799
Long-Term Liabilities	-	134,486	372	2,117	-	40,697	-	-	177,672
Total Liabilities	<u>\$ 1,664</u>	<u>\$ 181,501</u>	<u>\$ 734</u>	<u>\$ 3,885</u>	<u>\$ -</u>	<u>\$ 41,661</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ 229,623</u>
Total Equity	<u>\$ 38,084</u>	<u>\$ 149,878</u>	<u>\$ 4,644</u>	<u>\$ 451</u>	<u>\$ 1,060</u>	<u>\$ 63,134</u>	<u>\$ 66,075</u>	<u>\$ 197,338</u>	<u>\$ 520,664</u>
Operating Statement:									
Revenues	\$ 315	\$ 108,662	\$ 3,371	\$ 2,524	\$ 63	\$ 2,439	\$ 3,307	\$ 12,298	132,979
Current Expenditures	-	(137,125)	(12,456)	(10,286)	-	(798)	-	(1,804)	(162,469)
Non-Current Expenditures:									
Capital Outlay	-	(3,655)	-	-	-	-	-	-	(3,655)
Debt Service	-	(41,414)	-	-	-	(15,754)	-	-	(57,168)
Grants & Subsidies	(23,274)	-	-	(136,834)	-	-	-	-	(160,108)
Total Non-Current Expenditures	<u>\$ (23,274)</u>	<u>\$ (45,069)</u>	<u>\$ -</u>	<u>\$ (136,834)</u>	<u>\$ -</u>	<u>\$ (15,754)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (220,931)</u>
Total Expenditures	<u>\$ (23,274)</u>	<u>\$ (182,194)</u>	<u>\$ (12,456)</u>	<u>\$ (147,120)</u>	<u>\$ -</u>	<u>\$ (16,552)</u>	<u>\$ -</u>	<u>\$ (1,804)</u>	<u>\$ (383,400)</u>
Excess of Revenues Over Expenditures	<u>\$ (22,959)</u>	<u>\$ (73,532)</u>	<u>\$ (9,085)</u>	<u>\$ (144,596)</u>	<u>\$ 63</u>	<u>\$ (14,113)</u>	<u>\$ 3,307</u>	<u>\$ 10,494</u>	<u>\$ (250,421)</u>
Other Financing Sources (Uses):									
Bond Proceeds	\$ -	\$ 29,048	\$ -	\$ -	\$ -	\$ 14,900	\$ 3,100	\$ -	\$ 47,048
Transfers-In from Primary Government	19,319	54,684	4,605	145,000	-	-	-	-	223,608
Transfers-Out for Primary Government	(319)	-	-	-	(66)	-	(8,547)	-	(8,932)
Operating Transfers-In	-	1,910	-	-	-	-	-	-	1,910
Other Operating Transfers-Out	-	(4,685)	-	-	-	-	-	-	(4,685)
Total Other Financing Sources (Uses)	<u>\$ 19,000</u>	<u>\$ 80,957</u>	<u>\$ 4,605</u>	<u>\$ 145,000</u>	<u>\$ (66)</u>	<u>\$ 14,900</u>	<u>\$ (5,447)</u>	<u>\$ -</u>	<u>\$ 258,949</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (3,959)</u>	<u>\$ 7,425</u>	<u>\$ (4,480)</u>	<u>\$ 404</u>	<u>\$ (3)</u>	<u>\$ 787</u>	<u>\$ (2,140)</u>	<u>\$ 10,494</u>	<u>\$ 8,528</u>

* December 31 year end

Component Units - Governmental Funds

Public Facilities Authority (PFA)
Metropolitan Council (MC)
Minnesota Technology Incorporated (MTI)
Higher Education Services Office (HESO)
Export Finance Authority (EFA)
Agricultural and Economic Development Board (AEDB)
Rural Finance Authority (RFA)
Minnesota Partnership for Action Against Tobacco (MPAAT)

Component Units
Condensed Statements - Proprietary Funds
(In Thousands)

	HFA	PFA	MC*	WCARP*	NSCF*	HESO	Totals
Balance Sheet:							
Current Assets	\$ 571,573	\$ -	\$ 94,292	\$ 210,436	\$ 591	\$ 10,473	\$ 887,365
Non-Current Assets	2,014,136	-	5,485	738,237	-	369,290	3,127,148
Due from Other Governmental Units	-	-	2,562	-	-	-	2,562
Due from Primary Government	240	-	-	-	-	-	240
Restricted Assets	250,752	1,085,131	225,096	-	-	21,747	1,582,726
Fixed Assets	1,264	-	1,198,060	-	3,363	37	1,202,724
Total Assets	<u>\$ 2,837,965</u>	<u>\$ 1,085,131</u>	<u>\$ 1,525,495</u>	<u>\$ 948,673</u>	<u>\$ 3,954</u>	<u>\$ 401,547</u>	<u>\$ 6,802,765</u>
Current Liabilities	\$ 10,932	\$ 3,822	\$ 73,697	\$ 17,044	\$ 815	\$ 438	\$ 106,748
Due to Primary Government	-	-	-	3,632	-	-	3,632
Restricted Liabilities	87,555	563,083	189,360	-	-	269	840,267
Long-Term Liabilities	2,059,670	14,030	481,987	375,000	2,938	129,896	3,063,521
Total Liabilities	<u>\$ 2,158,157</u>	<u>\$ 580,935</u>	<u>\$ 745,044</u>	<u>\$ 395,676</u>	<u>\$ 3,753</u>	<u>\$ 130,603</u>	<u>\$ 4,014,168</u>
Total Equity	<u>\$ 679,808</u>	<u>\$ 504,196</u>	<u>\$ 780,451</u>	<u>\$ 552,997</u>	<u>\$ 201</u>	<u>\$ 270,944</u>	<u>\$ 2,788,597</u>
Operating Statement:							
Revenues	\$ 171,866	\$ 44,175	\$ 214,215	\$ 33,741	\$ 6,228	\$ 18,217	\$ 488,442
Operating Expenditures	<u>(165,203)</u>	<u>(35,830)</u>	<u>(336,272)</u>	<u>(24,454)</u>	<u>(7,209)</u>	<u>(12,846)</u>	<u>(581,814)</u>
Operating Income (Loss)	\$ 6,663	\$ 8,345	\$ (122,057)	\$ 9,287	\$ (981)	\$ 5,371	\$ (93,372)
Nonoperating Revenues (Expenses)	(24,371)	(925)	56,240	44,837	1,029	6,199	83,009
Operating Transfers-In	-	-	2,776	-	-	-	2,776
Transfer-in from Primary Government	93,010	-	29,520	-	-	-	122,530
Operating Transfers-Out	-	-	(1)	-	-	-	(1)
Depreciation on Fixed Assets Acquired with Contributed Capital	<u>-</u>	<u>-</u>	<u>31,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,546</u>
Increase (Decrease) in Retained Earnings	<u>\$ 75,302</u>	<u>\$ 7,420</u>	<u>\$ (1,976)</u>	<u>\$ 54,124</u>	<u>\$ 48</u>	<u>\$ 11,570</u>	<u>\$ 146,488</u>
Changes in Contributed Capital	<u>\$ -</u>	<u>\$ 75,412</u>	<u>\$ 34,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,844</u>

* December 31 year end

Component Units - Proprietary Funds

Housing Finance Agency (HFA)
Public Facilities Authority (PFA)
Metropolitan Council (MC)
Workers' Compensation Assigned Risk Plan (WCARP)
National Sports Center Foundation (NSCF)
Higher Education Services Office (HESO)

Component Unit
Combined Condensed Balance Sheet - All Fund Types
(In Thousands)

	Governmental Totals	Proprietary Totals	University of Minnesota	Total Component Units
Balance Sheet:				
Current Assets	\$ 234,498	\$ 887,365	\$ 735,622	\$ 1,857,485
Non-Current Assets	324,840	3,127,148	912,511	4,364,499
Due from other Governmental Units	7,310	2,562	-	9,872
Due from Primary Government	-	240	157,093	157,333
Restricted Assets	-	1,582,726	12,233	1,594,959
Fixed Assets	12,575	1,202,724	1,406,245	2,621,544
Amount Available for Debt Service	31,465	-	-	31,465
Amount to be Provided fo Debt Service	139,599	-	-	139,599
Total Assets	<u>\$ 750,287</u>	<u>\$ 6,802,765</u>	<u>\$ 3,223,704</u>	<u>\$ 10,776,756</u>
Current Liabilities	\$ 51,152	\$ 106,748	\$ 269,382	\$ 427,282
Due to Other Governmental Units	799	-	-	799
Due to Primary Government	-	3,632	48,298	51,930
Restricted Liabilities	-	840,267	-	840,267
Long-Term Liabilities	177,672	3,063,521	577,989	3,819,182
Total Liabilities	<u>\$ 229,623</u>	<u>\$ 4,014,168</u>	<u>\$ 895,669</u>	<u>\$ 5,139,460</u>
Total Equity	<u>\$ 520,664</u>	<u>\$ 2,788,597</u>	<u>\$ 2,328,035</u>	<u>\$ 5,637,296</u>

Investments are shown as non-current assets.

19. RISK MANAGEMENT

Primary Government

The state is exposed to various risks of loss related to torts; to theft of, damage to, or destruction of assets; to errors or omissions; and to employer obligations. The state manages these risks through the Risk Management Fund (internal service fund), a self-insurance fund, and other self-insurance mechanisms.

During the year ended June 30, 2000, the state changed insurance funding by shifting more to self-insurance. All health plans are now self-insured.

Risk Management Fund

State agencies may elect to participate in the Risk Management Fund, which offers liability and property coverage. The agency pays a premium to participate in this coverage. All state agencies are required to purchase automobile liability coverage from the fund.

The property coverage offers an agency a deductible between \$1,000 and \$100,000. The fund covers the balance of the claim up to \$500,000. The primary reinsurer covers losses up to \$25,000,000 after which the excess loss is shared among three reinsurers up to \$400,000,000. The liability coverage is up to the statutory limit of \$300,000 per person for property damage or \$750,000 for bodily injury per occurrence. Once annual losses paid by the Risk Management Fund reach \$3,500,000, the reinsurer will step in and cover those losses in excess of each covered agency's deductible. Once this limit is reached, the fund has to pay a \$10,000 maintenance deductible for each claim.

The Risk Management Fund purchases insurance policies for state agencies seeking other types of coverage. This type of policy covers risks that the state is not able to self-insure and includes aviation, medical malpractice and foster care liability. The premiums for these policies are billed back to agencies at cost.

Statutory provisions prohibit the state from insuring property against loss. Certain agencies and programs are exempted from this prohibition. These include the Minnesota Correctional Facility - Stillwater, Minnesota State Colleges and Universities, Family Farm Security Program, Department of Military Affairs, Iron Range Resources and Rehabilitation Board and the Sibley House. The Commissioner of the Department of Administration may authorize the purchase of insurance on state properties should it be deemed necessary and appropriate to protect buildings and contents. All losses of state property are either self-insured, covered by programs of the Risk Management Fund or covered by insurance policies purchased by the Risk Management Fund on behalf of state agencies.

Tort Claims

Tort claims against the state are limited by statute to \$300,000 per person for property damage or \$1,000,000 per person for bodily injury per occurrence. These risks are covered through self-insurance. Each state agency is responsible to pay for the cost of claims from its operating budget of various funds. The legislature also makes an annual Tort Claim Appropriation to cover claims that would unduly impair agency operations. Agencies not able to cover claims through these two avenues must seek additional appropriations from the legislature.

Workers' Compensation

The state also participates in the Workers' Compensation Reinsurance Association, which pays for catastrophic workers' compensation claims in excess of the retention amount of \$1,240,000. These risks are covered through self-insurance. Each state agency is responsible to pay for the cost of claims from its operating budget of various funds.

The workers' compensation claims liability rose this year due to an increase in the number of lost time claims filed.

State Employee Group Insurance Program

The State Employee Group Insurance Program (SEGIP) was created by the Minnesota State Legislature as an employee insurance trust fund to provide eligible employees and other eligible persons with life insurance and hospital, medical and dental benefits coverage through provider organizations. The trust fund is not associated with a public risk pool. SEGIP fiscal activities are accounted for in an internal service fund dedicated solely for the purpose of this program. A contingency reserve is maintained within the trust fund to increase the controls over medical plan provisions and other insurance costs for the purpose of moderating premium and claim fluctuations, and to assume all inherent risk associated with the self-funded insurance programs, which would also include losses to the fund. The contingency reserve balance is based on industry standards, actuarial projections, and claims experience. The fund has the authority to invest discretionary resources with the State Board of Investment. Earnings are credited to the fund.

SEGIP provides benefits coverage to employees by contracting with insurance carriers to provide for medical, dental, life, and disability coverage through a network of providers throughout the state.

In January 2000, the Fund became fully self-insured for medical coverage and now assumes all liability for medical claims. The self-funded programs within the fund establish claims liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not paid, and of claims that have been incurred but not reported (IBNR). These estimates are provided by the insurance carriers and reviewed by the program managers for accuracy and reasonableness. The estimates are based on claim experience and claim lag timetables provided by the carriers and do not include additional estimates for subrogation, salvage or unallocated claim adjustments.

Public Employees Insurance Program

The Public Employees Insurance Program (PEIP) is a public entity risk pool currently operating as an insurance program. The risk pool was created by the Minnesota Legislature to provide public employees and other eligible persons with life insurance and hospital, medical and dental benefit coverage to result in a greater utilization of government resources and advance the health and welfare of the citizens of the state. The enabling legislation for PEIP is Laws of Minnesota, 1987 codified as Minnesota Statutes, Section 43A.16. The PEIP became a self-funded program again in 1998 after a brief period as a fully funded entity.

PEIP's membership as of June 30, 2000 was 5,429 members, which includes seven school districts, 58 cities/townships, five counties and 22 other public employers. PEIP provides medical benefits coverage to public employees through a self-insured statewide program administered through several private-sector claims administrators/managed care organizations, as well as fully insured life and dental coverage. The pool will be self-sustaining through member premiums and will reinsure for claims through its administrators/managed care organizations for Stop-Loss coverage for claims in excess of \$50,000. The employers' premium would be increased the next plan year and over several plan years, if necessary, to recover costs in the event of a deficiency. Investment income is not anticipated in calculating premium deficiencies. If the assets of the pool would be exhausted, members would not be responsible for the pool's liabilities.

The pool establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The pool uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits the recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the pool as direct insurer of the risks reinsured.

The following table presents changes in the balances of self-insured claims liabilities during the fiscal years ended June 30, 2000 and 1999:

	Beginning Claims Liability	Net Additions and Changes in Claims	Payment of Claims	Ending Claims Liability
Risk Management Fund				
Fiscal Year Ended 6/30/99	\$ 6,532,000	\$ 1,807,000	\$ 2,210,000	\$ 6,129,000
Fiscal Year Ended 6/30/00	\$ 6,129,000	\$ 1,873,000	\$ 2,420,000	\$ 5,582,000
Tort Claims (*)				
Fiscal Year Ended 6/30/99	\$ -	\$ 702,000	\$ 702,000	\$ -
Fiscal Year Ended 6/30/00	\$ -	\$ 514,000	\$ 514,000	\$ -
Workers' Compensation				
Fiscal Year Ended 6/30/99	\$ 113,732,000	\$ 15,164,000	\$ 12,761,000	\$ 116,135,000
Fiscal Year Ended 6/30/00	\$ 116,135,000	\$ 33,645,000	\$ 13,120,000	\$ 136,660,000
State Employee Insurance Plans				
Fiscal Year Ended 6/30/99	\$ 16,415,000	\$ 276,882,000	\$ 271,944,000	\$ 21,353,000
Fiscal Year Ended 6/30/00	\$ 21,353,000	\$ 321,061,000	\$ 302,808,000	\$ 39,606,000
Public Employee Insurance Program				
Fiscal Year Ended 6/30/99	\$ 535,000	\$ 5,796,000	\$ 5,495,000	\$ 836,000
Fiscal Year Ended 6/30/00	\$ 836,000	\$ 9,643,000	\$ 9,403,000	\$ 1,076,000

* The Office of the Attorney General does not recognize liabilities for Tort Claims.
Claims have never exceeded funding appropriated by the legislature.

Component Unit

Metropolitan Council

Metropolitan Council (MC) is exposed to various risks of loss related to torts; to theft of, damage to, or destruction of assets; to errors or omissions; and to employer obligations. MC both purchases commercial insurance and self-insures for these risks of loss as discussed below. MC has not experienced significant reduction in insurance coverage from the prior year. In addition, MC has not had any settlements in excess of coverage for the past three years.

Liability

MC purchases general liability insurance to protect all divisions of MC and recognizes a current liability for incurred, reported claims, and a long-term liability for claims incurred, but not reported. Claims liabilities are calculated considering recent claims settlement trends including frequency and amount of payouts. Minnesota Statutes, Section 466.04 generally limits the MC's 1999 tort exposure to \$300,000 per claim and \$750,000 per occurrence for a claim arising on or after January 1, 1999. For claims arising earlier, the limits are \$200,000 per claim and \$600,000 per occurrence. In addition, an amount equal to twice these limits applies if the claim arises out of the release or threatened release of a hazardous substance.

Workers' Compensation

MC has self-administered workers' compensation claims for all divisions. Liabilities are reported when information is available that suggests there has been an occurrence with probable loss incurred. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a discount rate of 6.52 percent.

The self-insurance retention limit for workers' compensation is \$1,160,000 per single loss. For claims above the retention limit, the Workers' Compensation Reinsurance Association reimburses MC.

University of Minnesota

The University is self-insured for medical malpractice, general liability, directors and officers liability and automobile liability through RUMINCO, Ltd., a wholly owned single parent captive insurance company. Claims are reported to a third-party administrator, which pays expenses and sets up reserves. The total estimated expense of a claim is estimated and booked as a liability when it is probable a loss has occurred and the amount of the loss can be reasonably estimated in the year in which it is reported. In addition, an actuarial liability is established for incurred but not reported claims.

The University is also self-insured for workers' compensation through an internally maintained fund. The internal fund for workers' compensation is maintained only to fund current year expected payouts. Excess insurance is maintained through the Workers' Compensation Reinsurance Association. Each year, an actuarial estimate of the University's liability for workers' compensation is compiled and recorded, but the liability is not funded in a separate reserve.

The following table presents changes in the balances of claims liabilities during the fiscal years ended December 31, 1999 and 1998 or June 30, 2000 and 1999, as applicable:

	<u>Beginning Claims Liability</u>	<u>Net Additions and Changes in Claims</u>	<u>Payment of Claims</u>	<u>Ending Claims Liability</u>
Metropolitan Council				
Fiscal Year Ended 12/31/98	\$ 15,314,000	\$ 5,649,000	\$ 5,546,000	\$ 15,417,000
Fiscal Year Ended 12/31/99	\$ 15,417,000	\$ 8,290,000	\$ 6,001,000	\$ 17,706,000
University of Minnesota - RUMINCO, Ltd.				
Fiscal Year Ended 6/30/99	\$ 10,551,000	\$ 4,651,000	\$ 3,622,000	11,580,000
Fiscal Year Ended 6/30/00	\$ 11,580,000	\$ 250,000	\$ 2,355,000	9,475,000
University of Minnesota - Workers' Compensation				
Fiscal Year Ended 6/30/99	\$ 17,000,000	\$ 549,000	\$ 2,849,000	\$ 14,700,000
Fiscal Year Ended 6/30/00	\$ 14,700,000	\$ 1,854,000	\$ 2,554,000	\$ 14,000,000

20. BUDGETARY BASIS VS GAAP

Actual revenues, transfers-in, expenditures, encumbrances and transfers-out on the budgetary basis do not equal those on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from differences in the recognition of accruals, reimbursements, deferred revenue, intrafund and loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered. The modified accrual basis of accounting recognizes expenditures when the goods or services are received, regardless of the year encumbered. A reconciliation of the fund balances under the two bases for the General and special revenue funds is provided in the table "Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances".

A major difference between GAAP and the budgetary fund balances for special revenue funds is an entity difference for those funds, which do not require legal appropriations. A reconciliation of this entity difference is presented below (in thousands). Other differences in basis of accounting and perspective (fund structure) are included in the subsequent table.

Total GAAP Basis Fund Balance -	
All Special Revenue Funds	\$ 1,342,319
Special Revenue Funds not requiring	
Legal appropriation	<u>(460,999)</u>
Total GAAP Fund Balance -	
Appropriated Special Revenue Funds	<u>\$ 881,320</u>

	Special Revenue Funds									
	General Fund	Trunk Highway	Highway User Tax Distribution	State Airport	Environ- mental	Solid Waste	Natural Resources	Special Compensation	Health Care Access	Total Special Revenue
GAAP Basis Fund Balances	\$1,954,722	\$ 363,579	\$ 1,884	\$ 31,352	\$ 30,792	\$ 63,777	\$ 51,912	\$ 1,631	\$ 336,393	\$ 881,320
Less: Reserved Fund Balances	1,088,361	111,147	49	12,631	11,635	-	7,485	245	129,641	272,833
Less: Designated Fund Balances	415,151	43,112	1,835	5,722	16,409	797	11,847	-	12,888	92,610
Undesignated Fund Balances	\$ 451,210	\$ 209,320	\$ -	\$ 12,999	\$ 2,748	\$ 62,980	\$ 32,580	\$ 1,386	\$ 193,864	\$ 515,877
Basis of Accounting Differences										
Revenue Accruals/ Adjustments:										
Taxes Receivable	\$ (432,085)	\$ -	\$ (2,076)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,770)	\$ (32,846)
Human Services Receivable	(3,131)	-	-	-	-	-	-	-	-	-
Deferred Revenue	153,905	-	-	-	-	-	-	5,474	-	5,474
Other Receivables	(3,005)	-	-	-	-	(62)	(1,200)	(5,579)	-	(6,841)
Expenditure Accruals/ Adjustments:										
Family Support,										
Medical Assist., and MAXIS	193,873	-	-	-	-	-	-	-	-	-
Police and Fire Aid	58,300	-	-	-	-	-	-	-	-	-
Education Aids	402,584	-	-	-	-	-	-	-	-	-
Other Payables	46,648	(1,292)	-	(518)	(54)	(180)	(144)	33,791	4,184	35,787
Other Financial Sources (Uses):										
Transfers-In	(4,779)	(26,531)	-	-	-	-	(3,307)	-	-	(29,838)
Transfers-Out	-	-	3,248	-	-	-	-	-	-	3,248
Reserved Fund Balances:										
Long-Term Receivables	-	-	-	3,252	-	-	-	-	-	3,252
Fund Structure Differences										
Terminally Funded										
Pension Plan	7,276	-	-	-	-	-	-	-	-	-
Cambridge Bank										
Fund Consolidation	(5,560)	-	-	-	-	-	-	-	-	-
Other	(4,166)	-	-	-	-	-	-	-	-	-
Budgetary Basis:										
Undesignated Fund Balances	<u>\$ 861,070</u>	<u>\$ 181,497</u>	<u>\$ 1,172</u>	<u>\$ 15,733</u>	<u>\$ 2,694</u>	<u>\$ 62,738</u>	<u>\$ 27,929</u>	<u>\$ 35,072</u>	<u>\$ 167,278</u>	<u>\$ 494,113</u>

21. SUBSEQUENT EVENTS

Primary Government

On November 8, 2000, \$255,000,000 of general obligation state various purpose bonds and \$30,000,000 of general obligation state trunk highway bonds were sold at a true interest rate of 5.05 percent. The bonds were issued to finance the cost of capital improvements. These bonds are backed by the full faith and credit and taxing powers of the state of Minnesota.

As required by the constitution and statutes, transfers from primary government and component unit funds presented below were made on November 30, 2000 to the separately invested Debt Service Fund to cover the principal and interest maturing through July 1, 2002 (in thousands):

General Fund	\$315,069
Natural Resources Fund	21
Trunk Highway Fund	6,352
Maximum Effort School Loan Fund	1,633
University of Minnesota	<u>6,601</u>
Total Transfers to Debt Service	<u>\$329,676</u>

A sales tax rebate not to exceed \$635.6 million was approved by the 2000 legislature. The law specifies that the rebate is a reduction of fiscal year 2000 sales tax revenues. The amount necessary to pay the sales tax rebate and interest is appropriated from the General Fund to the Commissioner of Revenue in fiscal year 2000 and is available to claim by taxpayers until June 30, 2001. A sales tax rebate of \$614,037,000 was recorded in the financial statements as reduction of the sales tax revenue and recorded as an additional accounts payable in the General Fund

as of June 30, 2000. The majority of the sales tax rebate accrued in fiscal year 2000 was issued to the taxpayers in July 2000. Of this amount, approximately \$21 million was collected by the state through revenue recapture programs.

Component Units

The Minnesota state legislature approved a workers' compensation bill that transferred \$325 million of the Workers' Compensation Assigned Risk Plan's (WCARP) excess policyholders surplus to the primary government on July 10, 2000. This bill also provided for changes in certain benefits and a reduction in the Special Compensation Fund assessment rate. Adjustments necessary to reflect the financial statement impact of these changes have not been reflected in the WCARP or the primary government financial statements.

In March 2000, \$42,000,000 of general obligation transit bonds with a true interest rate of 5.24 percent and \$5,300,000 of general obligation park bonds with a true interest rate of 4.92 percent were issued by the Metropolitan Council (governmental fund type), which has a December 31 year end.

In July 2000, Housing Finance Authority (HFA, proprietary fund type) approved the issuance of \$72,465,000 convertible option bonds to provide funds for certain homeownership programs. In August 2000 HFA also remarketed \$33,955,000 of convertible option bonds.

In July 2000, Public Facilities Authority (proprietary fund type) issued \$110,000,000 in revenue bonds for the purpose of funding loans.

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Combining Financial Statements

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SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specific purposes. Descriptions of the individual funds in this category are presented below.

The *Trunk Highway Fund* is supported by revenues from the Highway User Tax Distribution Fund and federal grants to provide planning, design, construction and maintenance of the state trunk highway system.

The *Highway User Tax Distribution Fund* receives revenue from taxes on motor vehicles and motor fuels for transfer to various transportation related funds.

The *State Airports Fund* uses revenue from aviation related taxes and fees to provide technical and financial assistance to municipal airports and to promote aviation safety, planning and regulation.

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

The *Environmental Fund* accounts for activities that monitor and control environmental problems using taxes and fees from activities and industries contributing to environmental problems.

The *Petroleum Tank Cleanup Fund* receives funding from a fee imposed on petroleum distributors for the purpose of reimbursing responsible parties for most of their costs to cleanup environmental contamination from petroleum tanks.

The *Solid Waste Fund* receives funding from a fee imposed on solid waste haulers for the purpose of cleanup of closed municipal landfills.

The *Natural Resources Funds* include three funds created for the purposes of preserving and improving the state's natural resources.

Minnesota Resources Fund receives a portion of the cigarette and tobacco taxes which are appropriated for various natural resource development purposes.

The *Natural Resources Fund* receives taxes from fuel used in recreational vehicles, fees and donations which are used to fund management of the related natural resource programs.

Game and Fish Fund receives revenues from license fees and fines related to hunting and fishing which are spent for related purposes.

The *Maximum Effort School Loan Fund* receives bond proceeds and reimbursements from school districts to help finance school district construction projects.

The *Special Compensation Fund* receives assessments on all insurers for administration of the state workers compensation program, including enforcement, for reimbursement of certain supplemental benefits, and for payment of claims to employees of uninsured and bankrupt firms.

The *Health Care Access Fund* receives taxes on health service providers and premiums for programs which will help contain the costs of health care, make reforms in health insurance, and provide competitive priced insurance for people unable to obtain affordable coverage.

The *Iron Range Resources and Rehabilitation Fund* receives revenues from taconite taxes which are used to promote economic development in northeastern Minnesota.

The *Miscellaneous Special Revenue Fund* includes numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

STATE OF MINNESOTA

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	STATE AIRPORTS	FEDERAL	PETROLEUM TANK CLEANUP	SOLID WASTE
ASSETS						
Cash and Cash Equivalents.....	\$ 357,663	\$ 2,239	\$ 29,018	\$ 856	\$ 28,261	\$ 59,090
Investments.....	-	-	-	-	-	-
Accounts Receivable.....	8,497	62,680	462	6,879	1	6,107
Interfund Receivables.....	28,971	-	430	12,588	-	-
Accrued Investment/Interest Income.....	-	-	-	-	-	-
Federal Aid Receivable.....	26,595	-	-	527,917	-	-
Inventories.....	13,934	-	-	-	-	-
Food Stamps.....	-	-	-	28,901	-	-
Loans Receivable.....	-	-	3,252	2,418	518	-
Advances to Other Funds.....	-	-	-	-	-	-
Securities Lending Collateral.....	59,751	-	4,858	-	4,728	9,890
Other Assets.....	-	-	-	2,212	-	-
Total Assets.....	\$ 495,411	\$ 64,919	\$ 38,020	\$ 581,771	\$ 33,508	\$ 75,087
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable.....	\$ 71,959	\$ 12,269	\$ 1,810	\$ 464,258	\$ 13,457	\$ 1,420
Interfund Payables.....	-	50,710	-	59,235	-	-
Due to Component Units.....	-	-	-	580	-	-
Deferred Revenue.....	122	56	-	48,793	-	-
Securities Lending Collateral.....	59,751	-	4,858	-	4,728	9,890
Other Liabilities.....	-	-	-	1,211	-	-
Total Liabilities.....	\$ 131,832	\$ 63,035	\$ 6,668	\$ 574,077	\$ 18,185	\$ 11,310
Fund Balances:						
Reserved Fund Balances:						
Reserved for Encumbrances.....	\$ 17,281	\$ 49	\$ 9,379	\$ -	\$ 8,261	\$ -
Budgetary Reserve.....	-	-	-	-	-	-
Reserved for Inventory.....	13,934	-	-	-	-	-
Reserved for Long-Term Receivables.....	-	-	3,252	2,418	518	-
Reserved for Long-Term Advances.....	-	-	-	-	-	-
Reserved for Long-Term Commitments.....	79,932	-	-	-	-	-
Reserved for Other.....	-	-	-	5,276	-	-
Total Reserved Fund Balances.....	\$ 111,147	\$ 49	\$ 12,631	\$ 7,694	\$ 8,779	\$ -
Unreserved Fund Balances:						
Designated for Appropriation Carryover.....	\$ 43,112	\$ -	\$ 5,722	\$ -	\$ -	\$ 797
Designated for Fund Purposes.....	-	1,835	-	-	6,544	-
Undesignated.....	209,320	-	12,999	-	-	62,980
Total Unreserved Fund Balances.....	\$ 252,432	\$ 1,835	\$ 18,721	\$ -	\$ 6,544	\$ 63,777
Total Fund Balances.....	\$ 363,579	\$ 1,884	\$ 31,352	\$ 7,694	\$ 15,323	\$ 63,777
Total Liabilities and Fund Balances....	\$ 495,411	\$ 64,919	\$ 38,020	\$ 581,771	\$ 33,508	\$ 75,087

HEALTH CARE ACCESS	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL COMPENSATION	ENVIRONMENTAL	IRON RANGE RESOURCES & REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTAL
\$ 326,298	\$ 51,510	\$ -	\$ 39,940	\$ 25,433	\$ 49,605	\$ 319,903	\$ 1,289,816
-	-	-	-	5,464	2,700	-	8,164
30,770	3,182	-	5,969	708	128	28,959	154,342
-	3,254	-	-	-	-	11,830	57,073
-	-	7	-	4	-	18	29
-	1,978	-	-	-	-	-	556,490
-	-	-	-	-	-	-	13,934
-	-	-	-	-	-	-	28,901
189	-	14,703	-	684	6,699	72,303	100,766
60	-	-	-	-	-	-	60
54,593	4,505	-	6,677	3,982	8,222	24,214	181,420
-	-	-	-	-	-	206	2,418
<u>\$ 411,910</u>	<u>\$ 64,429</u>	<u>\$ 14,710</u>	<u>\$ 52,586</u>	<u>\$ 36,275</u>	<u>\$ 67,354</u>	<u>\$ 457,433</u>	<u>\$ 2,393,413</u>
\$ 5,624	\$ 7,775	\$ -	\$ 38,804	\$ 1,501	\$ 1,092	\$ 47,882	\$ 667,851
11,807	-	2,278	-	-	-	13,046	137,076
746	237	-	-	-	-	218	1,781
2,747	-	4,557	5,474	-	-	6	61,755
54,593	4,505	-	6,677	3,982	8,222	24,214	181,420
-	-	-	-	-	-	-	1,211
<u>\$ 75,517</u>	<u>\$ 12,517</u>	<u>\$ 6,835</u>	<u>\$ 50,955</u>	<u>\$ 5,483</u>	<u>\$ 9,314</u>	<u>\$ 85,366</u>	<u>\$ 1,051,094</u>
\$ 2,133	\$ 7,485	\$ -	\$ 245	\$ 5,476	\$ 17,503	\$ 23,009	\$ 90,821
127,259	-	-	-	-	-	-	127,259
-	-	-	-	-	-	-	13,934
189	-	5,589	-	684	6,699	72,303	91,652
60	-	-	-	-	-	-	60
-	-	-	-	5,475	-	-	85,407
-	-	-	-	-	446	27	5,749
<u>\$ 129,641</u>	<u>\$ 7,485</u>	<u>\$ 5,589</u>	<u>\$ 245</u>	<u>\$ 11,635</u>	<u>\$ 24,648</u>	<u>\$ 95,339</u>	<u>\$ 414,882</u>
\$ 12,888	\$ 11,847	\$ -	\$ -	\$ 16,409	\$ 31,511	\$ -	\$ 122,286
-	-	-	-	-	1,881	276,728	286,988
193,864	32,580	2,286	1,386	2,748	-	-	518,163
<u>\$ 206,752</u>	<u>\$ 44,427</u>	<u>\$ 2,286</u>	<u>\$ 1,386</u>	<u>\$ 19,157</u>	<u>\$ 33,392</u>	<u>\$ 276,728</u>	<u>\$ 927,437</u>
<u>\$ 336,393</u>	<u>\$ 51,912</u>	<u>\$ 7,875</u>	<u>\$ 1,631</u>	<u>\$ 30,792</u>	<u>\$ 58,040</u>	<u>\$ 372,067</u>	<u>\$ 1,342,319</u>
<u>\$ 411,910</u>	<u>\$ 64,429</u>	<u>\$ 14,710</u>	<u>\$ 52,586</u>	<u>\$ 36,275</u>	<u>\$ 67,354</u>	<u>\$ 457,433</u>	<u>\$ 2,393,413</u>

STATE OF MINNESOTA

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	STATE AIRPORTS	FEDERAL	PETROLEUM TANK CLEANUP	SOLID WASTE
Net Revenues:						
Motor Vehicle License Taxes.....	\$ -	\$ 596,248	\$ -	\$ -	\$ -	\$ -
Fuel Taxes.....	-	606,743	4,369	-	-	-
Other Taxes.....	-	-	15,521	-	-	23,690
Federal Revenues.....	307,853	-	-	3,837,781	-	-
Licenses and Fees.....	30,338	6,605	606	-	27,046	1,863
Care and Hospitalization Revenues.....	-	-	-	-	-	-
Tuition and Student Fees.....	-	-	-	-	-	-
Departmental Services.....	2,567	327	-	8,103	-	-
Investment/Interest Income.....	16,446	1,620	1,486	1,106	1,376	3,160
Penalties and Fines.....	7,762	606	-	-	537	-
Other Revenues.....	15,527	53	83	22,294	33	5,730
Net Revenues.....	\$ 380,493	\$ 1,212,202	\$ 22,065	\$ 3,869,284	\$ 28,992	\$ 34,443
Expenditures:						
Current:						
Protection of Persons and Property.....	\$ 87,780	\$ 13,818	\$ -	\$ 23,253	\$ -	\$ -
Transportation.....	421,072	616	6,815	8,042	-	-
Resource Management.....	-	-	-	21,524	21,543	18,341
Economic and Manpower Development.....	742	-	-	76,294	-	-
Education.....	24	-	-	59,807	-	-
Health and Social Services.....	963	-	-	196,511	-	118
General Government.....	6,916	2,126	-	6,075	124	500
Total Current Expenditures.....	\$ 517,497	\$ 16,560	\$ 6,815	\$ 391,506	\$ 21,667	\$ 18,959
Capital Outlay.....	525,226	-	-	8,674	121	482
Debt Service.....	5,946	-	-	271	-	-
Grants and Subsidies.....	2,316	-	9,989	3,448,679	4,744	165
Total Expenditures.....	\$ 1,050,985	\$ 16,560	\$ 16,804	\$ 3,849,130	\$ 26,532	\$ 19,606
Excess of Revenues Over (Under) Expenditures.....	\$ (670,492)	\$ 1,195,642	\$ 5,261	\$ 20,154	\$ 2,460	\$ 14,837
Other Financing Sources (Uses):						
General Obligation Bonds.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers-In.....	699,056	-	61	353	-	-
Operating Transfers to Debt Service.....	(3,744)	-	-	(167)	-	-
Other Operating Transfers-Out.....	(11)	(1,193,897)	-	(7,074)	-	(5,527)
Transfers-Out to Component Units.....	(3,000)	-	-	(13,222)	-	-
Capital Leases.....	-	-	-	-	-	-
Net Other Financing Sources (Uses).....	\$ 692,301	\$ (1,193,897)	\$ 61	\$ (20,110)	\$ -	\$ (5,527)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 21,809	\$ 1,745	\$ 5,322	\$ 44	\$ 2,460	\$ 9,310
Fund Balances, Beginning.....	\$ 343,884	\$ 139	\$ 26,030	\$ 7,650	\$ 12,863	\$ 54,467
Residual Equity Transfers-Out.....	-	-	-	-	-	-
Change in Inventory.....	(2,114)	-	-	-	-	-
Fund Balances, Ending.....	\$ 363,579	\$ 1,884	\$ 31,352	\$ 7,694	\$ 15,323	\$ 63,777

HEALTH CARE ACCESS	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL COMPENSATION	ENVIRONMENTAL	IRON RANGE RESOURCES & REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 596,248
-	-	-	-	-	-	-	611,112
152,466	8,554	-	107,560	5,653	25,998	28,346	367,788
-	13,994	-	-	-	-	25,991	4,185,619
-	59,707	-	-	20,922	-	63,040	210,127
-	-	-	-	-	-	505	505
-	-	-	-	-	-	19,642	19,642
14,832	-	-	-	73	3,866	96,092	125,860
18,314	1,770	1,354	3,407	1,476	2,785	10,658	64,958
-	-	-	-	3,394	-	3,331	15,630
3,968	3,759	-	3,849	51	73	79,867	135,287
<u>\$ 189,580</u>	<u>\$ 87,784</u>	<u>\$ 1,354</u>	<u>\$ 114,816</u>	<u>\$ 31,569</u>	<u>\$ 32,722</u>	<u>\$ 327,472</u>	<u>\$ 6,332,776</u>
\$ -	\$ -	\$ -	\$ -	\$ 44	\$ -	\$ 13,488	\$ 138,383
-	-	-	-	-	-	12,011	448,556
-	76,820	-	-	23,611	-	33,118	194,957
-	249	-	20,359	294	12,180	45,327	155,445
-	-	-	-	-	-	33,855	93,686
20,524	66	-	-	1	-	118,099	336,282
1,699	184	-	6,685	203	-	24,198	48,710
<u>\$ 22,223</u>	<u>\$ 77,319</u>	<u>\$ -</u>	<u>\$ 27,044</u>	<u>\$ 24,153</u>	<u>\$ 12,180</u>	<u>\$ 280,096</u>	<u>\$ 1,416,019</u>
93	1,096	-	-	259	1,332	12,200	549,483
561	-	-	-	2	416	5,583	12,779
133,872	12,698	-	87,612	3,541	22,851	121,878	3,848,345
<u>\$ 156,749</u>	<u>\$ 91,113</u>	<u>\$ -</u>	<u>\$ 114,656</u>	<u>\$ 27,955</u>	<u>\$ 36,779</u>	<u>\$ 419,757</u>	<u>\$ 5,826,626</u>
<u>\$ 32,831</u>	<u>\$ (3,329)</u>	<u>\$ 1,354</u>	<u>\$ 160</u>	<u>\$ 3,614</u>	<u>\$ (4,057)</u>	<u>\$ (92,285)</u>	<u>\$ 506,150</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
-	14,855	-	-	5,527	652	191,845	912,349
-	(76)	(1,720)	-	-	-	(149)	(5,856)
(4,683)	-	-	-	(1,200)	-	(24,934)	(1,237,326)
(3,128)	(1,966)	-	-	(365)	-	(2,326)	(24,007)
-	-	-	-	-	-	5,658	5,658
<u>\$ (7,811)</u>	<u>\$ 12,813</u>	<u>\$ (1,720)</u>	<u>\$ -</u>	<u>\$ 3,962</u>	<u>\$ 652</u>	<u>\$ 172,094</u>	<u>\$ (347,182)</u>
<u>\$ 25,020</u>	<u>\$ 9,484</u>	<u>\$ (366)</u>	<u>\$ 160</u>	<u>\$ 7,576</u>	<u>\$ (3,405)</u>	<u>\$ 79,809</u>	<u>\$ 158,968</u>
\$ 311,373	\$ 42,428	\$ 8,241	\$ 1,471	\$ 23,216	\$ 61,445	\$ 306,309	\$ 1,199,516
-	-	-	-	-	-	(14,051)	(14,051)
-	-	-	-	-	-	-	(2,114)
<u>\$ 336,393</u>	<u>\$ 51,912</u>	<u>\$ 7,875</u>	<u>\$ 1,631</u>	<u>\$ 30,792</u>	<u>\$ 58,040</u>	<u>\$ 372,067</u>	<u>\$ 1,342,319</u>

STATE OF MINNESOTA

APPROPRIATED SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL BUDGETARY BASIS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	TRUNK HIGHWAY			HIGHWAY USER TAX DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes.....	\$ -	\$ -	\$ -	\$ 608,112	\$ 608,112	\$ -
Fuel Taxes.....	-	-	-	606,375	606,702	327
Tobacco Taxes.....	-	-	-	-	-	-
Other Taxes.....	-	-	-	-	-	-
Federal Revenues.....	298,000	318,729	20,729	-	-	-
Licenses and Fees.....	-	-	-	-	-	-
Departmental Services.....	37,172	32,971	(4,201)	5,545	6,933	1,388
Investment/Interest Income.....	12,000	16,446	4,446	1,405	1,547	142
Other Revenues.....	32,067	23,698	(8,369)	978	731	(247)
Net Revenues.....	\$ 379,239	\$ 391,844	\$ 12,605	\$ 1,222,415	\$ 1,224,025	\$ 1,610
Expenditures:						
Protection of Persons and Property.....	\$ 85,155	\$ 85,155	\$ -	\$ 13,777	\$ 13,777	\$ -
Transportation.....	923,798	923,798	-	616	616	-
Resource Management.....	-	-	-	-	-	-
Economic and Manpower Development.....	742	742	-	-	-	-
Education.....	45	45	-	-	-	-
Health and Social Services.....	1,571	1,571	-	-	-	-
General Government.....	9,694	9,185	509	2,081	2,081	-
Total Expenditures.....	\$ 1,021,005	\$ 1,020,496	\$ 509	\$ 16,474	\$ 16,474	\$ -
Excess of Revenues Over (Under)						
Expenditures.....	\$ (641,766)	\$ (628,652)	\$ 13,114	\$ 1,205,941	\$ 1,207,551	\$ 1,610
Other Financing Sources (Uses):						
Operating Transfers-In.....	\$ 673,900	\$ 707,714	\$ 33,814	\$ -	\$ -	\$ -
Operating Transfers to Debt Service.....	(3,744)	(3,744)	-	-	-	-
Other Operating Transfers-Out.....	(3,011)	(3,011)	-	(1,206,896)	(1,206,896)	-
Transfers-Out to Component Units.....	-	-	-	-	-	-
Net Other Financing Sources (Uses).....	\$ 667,145	\$ 700,959	\$ 33,814	\$ (1,206,896)	\$ (1,206,896)	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 25,379	\$ 72,307	\$ 46,928	\$ (955)	\$ 655	\$ 1,610
Total Fund Balances, Beginning,as Reported.....	\$ 152,844	\$ 152,844	\$ -	\$ 956	\$ 956	\$ -
Prior Period Adjustments.....	-	754	754	(1)	(15)	(14)
Total Fund Balances, Beginning,as Restated.....	\$ 152,844	\$ 153,598	\$ 754	\$ 955	\$ 941	\$ (14)
Total Fund Balances, Ending.....	\$ 178,223	\$ 225,905	\$ 47,682	\$ -	\$ 1,596	\$ 1,596
Less Appropriation Carryover.....	-	44,408	(44,408)	-	424	(424)
Less Budgetary Reserve.....	-	-	-	-	-	-
Undesignated Fund Balances, Ending.....	\$ 178,223	\$ 181,497	\$ 3,274	\$ -	\$ 1,172	\$ 1,172

STATE AIRPORTS			SOLID WASTE			HEALTH CARE ACCESS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,127	3,939	(188)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
12,181	15,520	3,339	25,750	26,844	1,094	145,533	155,137	9,604
-	-	-	-	-	-	-	-	-
-	-	-	4,911	5,731	820	-	-	-
843	607	(236)	-	-	-	19,475	16,775	(2,700)
1,021	1,486	465	3,181	3,160	(21)	15,510	18,301	2,791
1,053	55	(998)	1,010	1,863	853	-	-	-
\$ 19,225	\$ 21,607	\$ 2,382	\$ 34,852	\$ 37,598	\$ 2,746	\$ 180,518	\$ 190,213	\$ 9,695
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,289	16,692	4,597	-	-	-	-	-	-
-	-	-	18,951	18,616	335	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	118	118	-	150,733	150,700	33
5	-	5	490	490	-	2,179	2,179	-
\$ 21,294	\$ 16,692	\$ 4,602	\$ 19,559	\$ 19,224	\$ 335	\$ 152,912	\$ 152,879	\$ 33
\$ (2,069)	\$ 4,915	\$ 6,984	\$ 15,293	\$ 18,374	\$ 3,081	\$ 27,606	\$ 37,334	\$ 9,728
\$ 61	\$ 61	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680	\$ 680
-	-	-	-	-	-	-	-	-
-	-	-	(5,527)	(5,527)	-	(4,683)	(4,683)	-
-	-	-	-	-	-	(2,837)	(2,837)	-
\$ 61	\$ 61	\$ -	\$ (5,527)	\$ (5,527)	\$ -	\$ (7,520)	\$ (6,840)	\$ 680
\$ (2,008)	\$ 4,976	\$ 6,984	\$ 9,766	\$ 12,847	\$ 3,081	\$ 20,086	\$ 30,494	\$ 10,408
\$ 14,977	\$ 14,977	\$ -	\$ 53,005	\$ 53,005	\$ -	\$ 273,747	\$ 273,747	\$ -
-	377	377	-	(2,317)	(2,317)	-	3,184	3,184
\$ 14,977	\$ 15,354	\$ 377	\$ 53,005	\$ 50,688	\$ (2,317)	\$ 273,747	\$ 276,931	\$ 3,184
\$ 12,969	\$ 20,330	\$ 7,361	\$ 62,771	\$ 63,535	\$ 764	\$ 293,833	\$ 307,425	\$ 13,592
-	4,597	(4,597)	-	797	(797)	-	12,888	(12,888)
-	-	-	-	-	-	127,259	127,259	-
\$ 12,969	\$ 15,733	\$ 2,764	\$ 62,771	\$ 62,738	\$ (33)	\$ 166,574	\$ 167,278	\$ 704

CONTINUED

STATE OF MINNESOTA

APPROPRIATED SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL BUDGETARY BASIS - CONTINUED YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	NATURAL RESOURCES			SPECIAL COMPENSATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel Taxes.....	-	-	-	-	-	-
Tobacco Taxes.....	7,158	7,295	137	-	-	-
Other Taxes.....	-	-	-	-	-	-
Federal Revenues.....	15,800	14,376	(1,424)	-	-	-
Licenses and Fees.....	55,081	65,501	10,420	-	-	-
Departmental Services.....	-	-	-	-	-	-
Investment/Interest Income.....	1,148	1,703	555	3,400	3,407	7
Other Revenues.....	2,116	2,466	350	111,233	111,302	69
Net Revenues.....	\$ 81,303	\$ 91,341	\$ 10,038	\$ 114,633	\$ 114,709	\$ 76
Expenditures:						
Protection of Persons and Property.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation.....	-	-	-	-	-	-
Resource Management.....	92,203	86,461	5,742	-	-	-
Economic and Manpower Development.....	1,558	1,558	-	106,248	106,248	-
Education.....	699	699	-	-	-	-
Health and Social Services.....	66	66	-	-	-	-
General Government.....	201	201	-	6,711	6,711	-
Total Expenditures.....	\$ 94,727	\$ 88,985	\$ 5,742	\$ 112,959	\$ 112,959	\$ -
Excess of Revenues Over (Under)						
Expenditures.....	\$ (13,424)	\$ 2,356	\$ 15,780	\$ 1,674	\$ 1,750	\$ 76
Other Financing Sources (Uses):						
Operating Transfers-In.....	\$ 14,181	\$ 14,746	\$ 565	\$ -	\$ -	\$ -
Operating Transfers to Debt Service.....	(76)	(76)	-	-	-	-
Other Operating Transfers-Out.....	-	-	-	-	-	-
Transfers-Out to Component Units.....	(1,966)	(1,966)	-	-	-	-
Net Other Financing Sources (Uses).....	\$ 12,139	\$ 12,704	\$ 565	\$ -	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (1,285)	\$ 15,060	\$ 16,345	\$ 1,674	\$ 1,750	\$ 76
Fund Balances, Beginning,as Reported.....	\$ 21,846	\$ 21,846	\$ -	\$ 37,951	\$ 37,951	\$ -
Prior Period Adjustments.....	-	2,870	2,870	-	(450)	(450)
Fund Balances, Beginning,as Restated.....	\$ 21,846	\$ 24,716	\$ 2,870	\$ 37,951	\$ 37,501	\$ (450)
Total Fund Balances, Ending.....	\$ 20,561	\$ 39,776	\$ 19,215	\$ 39,625	\$ 39,251	\$ (374)
Less Appropriation Carryover.....	-	11,847	(11,847)	-	4,179	(4,179)
Less Budgetary Reserve.....	-	-	-	-	-	-
Undesignated Fund Balances, Ending.....	\$ 20,561	\$ 27,929	\$ 7,368	\$ 39,625	\$ 35,072	\$ (4,553)

ENVIRONMENTAL			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 608,112	\$ 608,112	\$ -
-	-	-	610,502	610,641	139
-	-	-	7,158	7,295	137
5,000	5,442	442	188,464	202,943	14,479
-	-	-	313,800	333,105	19,305
-	-	-	59,992	71,232	11,240
20,442	21,046	604	83,477	78,332	(5,145)
275	1,074	799	37,940	47,124	9,184
3,531	3,449	(82)	151,988	143,564	(8,424)
<u>\$ 29,248</u>	<u>\$ 31,011</u>	<u>\$ 1,763</u>	<u>\$ 2,061,433</u>	<u>\$ 2,102,348</u>	<u>\$ 40,915</u>
\$ 44	\$ 44	\$ -	\$ 98,976	\$ 98,976	\$ -
-	-	-	945,703	941,106	4,597
28,821	28,821	-	139,975	133,898	6,077
992	992	-	109,540	109,540	-
-	-	-	744	744	-
-	-	-	152,488	152,455	33
205	205	-	21,566	21,052	514
<u>\$ 30,062</u>	<u>\$ 30,062</u>	<u>\$ -</u>	<u>\$ 1,468,992</u>	<u>\$ 1,457,771</u>	<u>\$ 11,221</u>
\$ (814)	\$ 949	\$ 1,763	\$ 592,441	\$ 644,577	\$ 52,136
\$ -	\$ -	\$ -	\$ 688,142	\$ 723,201	\$ 35,059
-	-	-	(3,820)	(3,820)	-
(1,200)	(1,200)	-	(1,221,317)	(1,221,317)	-
-	-	-	(4,803)	(4,803)	-
<u>\$ (1,200)</u>	<u>\$ (1,200)</u>	<u>\$ -</u>	<u>\$ (541,798)</u>	<u>\$ (506,739)</u>	<u>\$ 35,059</u>
\$ (2,014)	\$ (251)	\$ 1,763	\$ 50,643	\$ 137,838	\$ 87,195
\$ 19,191	\$ 19,191	\$ -	\$ 574,517	\$ 574,517	\$ -
-	163	163	(1)	4,566	4,567
<u>\$ 19,191</u>	<u>\$ 19,354</u>	<u>\$ 163</u>	<u>\$ 574,516</u>	<u>\$ 579,083</u>	<u>\$ 4,567</u>
\$ 17,177	\$ 19,103	\$ 1,926	\$ 625,159	\$ 716,921	\$ 91,762
-	16,409	(16,409)	-	95,549	(95,549)
-	-	-	127,259	127,259	-
<u>\$ 17,177</u>	<u>\$ 2,694</u>	<u>\$ (14,483)</u>	<u>\$ 497,900</u>	<u>\$ 494,113</u>	<u>\$ (3,787)</u>

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTAL
ASSETS				
Cash and Cash Equivalents.....	\$ 3,203	\$ 21,349	\$ 26,958	\$ 51,510
Accounts Receivable.....	1,626	948	608	3,182
Interfund Receivables.....	-	3,254	-	3,254
Federal Aid Receivable.....	-	-	1,978	1,978
Securities Lending Collateral.....	-	-	4,505	4,505
Total Assets.....	<u>\$ 4,829</u>	<u>\$ 25,551</u>	<u>\$ 34,049</u>	<u>\$ 64,429</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 2,361	\$ 2,180	\$ 3,234	\$ 7,775
Due to Component Units.....	237	-	-	237
Securities Lending Collateral.....	-	-	4,505	4,505
Total Liabilities.....	<u>\$ 2,598</u>	<u>\$ 2,180</u>	<u>\$ 7,739</u>	<u>\$ 12,517</u>
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances.....	\$ 2,231	\$ 3,556	\$ 1,698	\$ 7,485
Total Reserved Fund Balances.....	<u>\$ 2,231</u>	<u>\$ 3,556</u>	<u>\$ 1,698</u>	<u>\$ 7,485</u>
Unreserved Fund Balances:				
Designated for Appropriation Carryover.....	\$ -	\$ 7,117	\$ 4,730	\$ 11,847
Undesignated.....	-	12,698	19,882	32,580
Total Unreserved Fund Balances.....	<u>\$ -</u>	<u>\$ 19,815</u>	<u>\$ 24,612</u>	<u>\$ 44,427</u>
Total Fund Balances.....	<u>\$ 2,231</u>	<u>\$ 23,371</u>	<u>\$ 26,310</u>	<u>\$ 51,912</u>
Total Liabilities and Fund Balances.....	<u>\$ 4,829</u>	<u>\$ 25,551</u>	<u>\$ 34,049</u>	<u>\$ 64,429</u>

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTAL
Net Revenues:				
Tobacco Taxes.....	\$ 8,554	\$ -	\$ -	\$ 8,554
Federal Revenues.....	-	-	13,994	13,994
Licenses and Fees.....	-	10,485	49,222	59,707
Investment Income.....	205	417	1,148	1,770
Other Revenues.....	34	2,290	1,435	3,759
Net Revenues.....	<u>\$ 8,793</u>	<u>\$ 13,192</u>	<u>\$ 65,799</u>	<u>\$ 87,784</u>
Expenditures:				
Current:				
Resource Management.....	\$ 809	\$ 18,428	\$ 57,583	\$ 76,820
Economic and Manpower Development.....	249	-	-	249
Health and Social Services.....	66	-	-	66
General Government.....	184	-	-	184
Total Current Expenditures.....	<u>\$ 1,308</u>	<u>\$ 18,428</u>	<u>\$ 57,583</u>	<u>\$ 77,319</u>
Capital Outlay.....	-	315	781	1,096
Grants and Subsidies.....	6,948	5,171	579	12,698
Total Expenditures.....	<u>\$ 8,256</u>	<u>\$ 23,914</u>	<u>\$ 58,943</u>	<u>\$ 91,113</u>
Excess of Revenues Over (Under) Expenditures.....	<u>\$ 537</u>	<u>\$ (10,722)</u>	<u>\$ 6,856</u>	<u>\$ (3,329)</u>
Other Financing Sources (Uses):				
Operating Transfers-In.....	\$ -	\$ 14,191	\$ 664	\$ 14,855
Operating Transfers to Debt Service.....	-	(49)	(27)	(76)
Transfers-Out to Component Units.....	(1,966)	-	-	(1,966)
Net Other Financing Sources (Uses).....	<u>\$ (1,966)</u>	<u>\$ 14,142</u>	<u>\$ 637</u>	<u>\$ 12,813</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	<u>\$ (1,429)</u>	<u>\$ 3,420</u>	<u>\$ 7,493</u>	<u>\$ 9,484</u>
Fund Balances, Beginning.....	<u>3,660</u>	<u>19,951</u>	<u>18,817</u>	<u>42,428</u>
Fund Balances, Ending.....	<u>\$ 2,231</u>	<u>\$ 23,371</u>	<u>\$ 26,310</u>	<u>\$ 51,912</u>

STATE OF MINNESOTA

**NATURAL RESOURCES FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2000
(IN THOUSANDS)**

	MINNESOTA RESOURCES			NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Licenses and Fees.....	\$ -	\$ -	\$ -	\$ 10,748	\$ 10,941	\$ 193
Tobacco Taxes.....	7,158	7,295	137	-	-	-
Federal Revenues.....	-	-	-	-	-	-
Investment Income.....	198	205	7	250	417	167
Other Revenues.....	-	34	34	1,943	1,270	(673)
Net Revenues.....	\$ 7,356	\$ 7,534	\$ 178	\$ 12,941	\$ 12,628	\$ (313)
Expenditures:						
Resource Management.....	\$ 4,770	\$ 4,686	\$ 84	\$ 28,974	\$ 23,951	\$ 5,023
Economic and Manpower Development.....	1,558	1,558	-	-	-	-
Education.....	699	699	-	-	-	-
Health and Social Services.....	66	66	-	-	-	-
General Government.....	201	201	-	-	-	-
Total Expenditures.....	\$ 7,294	\$ 7,210	\$ 84	\$ 28,974	\$ 23,951	\$ 5,023
Excess of Revenues Over (Under) Expenditures.....	\$ 62	\$ 324	\$ 262	\$ (16,033)	\$ (11,323)	\$ 4,710
Other Financing Sources (Uses):						
Operating Transfers-In.....	\$ -	\$ -	\$ -	\$ 13,517	\$ 14,082	\$ 565
Operating Transfers to Debt Service.....	-	-	-	(49)	(49)	-
Transfers-Out to Component Units.....	(1,966)	(1,966)	-	-	-	-
Net Other Financing Sources (Uses).....	\$ (1,966)	\$ (1,966)	\$ -	\$ 13,468	\$ 14,033	\$ 565
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (1,904)	\$ (1,642)	\$ 262	\$ (2,565)	\$ 2,710	\$ 5,275
Fund Balances, Beginning, as Reported.....	(309)	(309)	-	11,977	11,977	-
Prior Period Adjustments.....	-	1,827	1,827	-	963	963
Fund Balances, Beginning, as Restated.....	\$ (309)	\$ 1,518	\$ 1,827	\$ 11,977	\$ 12,940	\$ 963
Fund Balances, Ending.....	\$ (2,213)	\$ (124)	\$ 2,089	\$ 9,412	\$ 15,650	\$ 6,238
Less Appropriation Carryover.....	-	-	-	-	7,117	(7,117)
Undesignated Fund Balances, Ending.....	\$ (2,213)	\$ (124)	\$ 2,089	\$ 9,412	\$ 8,533	\$ (879)

GAME AND FISH			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 44,333	\$ 54,560	\$ 10,227	\$ 55,081	\$ 65,501	\$ 10,420
-	-	-	7,158	7,295	137
15,800	14,376	(1,424)	15,800	14,376	(1,424)
700	1,081	381	1,148	1,703	555
173	1,162	989	2,116	2,466	350
\$ 61,006	\$ 71,179	\$ 10,173	\$ 81,303	\$ 91,341	\$ 10,038
\$ 58,459	\$ 57,824	\$ 635	\$ 92,203	\$ 86,461	\$ 5,742
-	-	-	1,558	1,558	-
-	-	-	699	699	-
-	-	-	66	66	-
-	-	-	201	201	-
\$ 58,459	\$ 57,824	\$ 635	\$ 94,727	\$ 88,985	\$ 5,742
\$ 2,547	\$ 13,355	\$ 10,808	\$ (13,424)	\$ 2,356	\$ 15,780
\$ 664	\$ 664	\$ -	\$ 14,181	\$ 14,746	\$ 565
(27)	(27)	-	(76)	(76)	-
-	-	-	(1,966)	(1,966)	-
\$ 637	\$ 637	\$ -	\$ 12,139	\$ 12,704	\$ 565
\$ 3,184	\$ 13,992	\$ 10,808	\$ (1,285)	\$ 15,060	\$ 16,345
10,178	10,178	-	21,846	21,846	-
-	80	80	-	2,870	2,870
\$ 10,178	\$ 10,258	\$ 80	\$ 21,846	\$ 24,716	\$ 2,870
\$ 13,362	\$ 24,250	\$ 10,888	\$ 20,561	\$ 39,776	\$ 19,215
-	4,730	(4,730)	-	11,847	(11,847)
\$ 13,362	\$ 19,520	\$ 6,158	\$ 20,561	\$ 27,929	\$ 7,368

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CAPITAL PROJECTS FUNDS

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this category are presented below.

The *General Project Fund* receives monies appropriated from the General Fund for maintenance, building, or capital improvement projects.

The *Transportation Fund* receives proceeds of transportation bonds, General Fund appropriations and federal grants for the construction or reconstruction of state and locally owned bridges.

The *Building Fund* receives revenue from the sale of state bonds to provide funds for the maintenance, acquisition and betterment of state lands and buildings and to make grants and loans to local governments for the acquisition and betterment of other public land and buildings.

STATE OF MINNESOTA

CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	GENERAL PROJECTS	TRANSPORTATION	BUILDING	TOTAL
ASSETS				
Cash and Cash Equivalents.....	\$ 218,229	\$ 29,868	\$ 130,668	\$ 378,765
Accounts Receivable.....	9	-	6	15
Interfund Receivables.....	8,905	-	-	8,905
Loans Receivable.....	50,182	-	44,028	94,210
Total Assets.....	<u>\$ 277,325</u>	<u>\$ 29,868</u>	<u>\$ 174,702</u>	<u>\$ 481,895</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 14,780	\$ 2,472	\$ 41,832	\$ 59,084
Interfund Payables.....	-	15,190	11,143	26,333
Total Liabilities.....	<u>\$ 14,780</u>	<u>\$ 17,662</u>	<u>\$ 52,975</u>	<u>\$ 85,417</u>
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances.....	\$ 4,843	\$ -	\$ -	\$ 4,843
Reserved for Long-Term Receivables.....	50,182	-	44,028	94,210
Reserved for Long-Term Commitments.....	75,645	12,206	77,699	165,550
Total Reserved Fund Balances.....	<u>\$ 130,670</u>	<u>\$ 12,206</u>	<u>\$ 121,727</u>	<u>\$ 264,603</u>
Unreserved Fund Balances:				
Undesignated.....	\$ 131,875	\$ -	\$ -	\$ 131,875
Total Fund Balances.....	<u>\$ 262,545</u>	<u>\$ 12,206</u>	<u>\$ 121,727</u>	<u>\$ 396,478</u>
Total Liabilities and Fund Balances.....	<u>\$ 277,325</u>	<u>\$ 29,868</u>	<u>\$ 174,702</u>	<u>\$ 481,895</u>

STATE OF MINNESOTA

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	GENERAL PROJECTS	TRANSPORTATION	BUILDING	TOTAL
Net Revenues:				
Investment/Interest Income.....	\$ -	\$ -	\$ 547	\$ 547
Other Revenues.....	-	-	108	108
Net Revenues.....	\$ -	\$ -	\$ 655	\$ 655
Expenditures:				
Current:				
Protection of Persons and Property.....	\$ 697	\$ -	\$ 19	\$ 716
Transportation.....	693	129	10,286	11,108
Resource Management.....	13,647	-	12,941	26,588
Economic and Manpower Development.....	318	-	-	318
Education.....	21,862	-	7,644	29,506
Health and Social Services.....	-	-	12	12
General Government.....	7,859	-	33,991	41,850
Total Current Expenditures.....	\$ 45,076	\$ 129	\$ 64,893	\$ 110,098
Capital Outlay.....	15,056	-	81,814	96,870
Debt Service.....	146	-	-	146
Grants and Subsidies.....	65,000	19,568	48,627	133,195
Total Expenditures.....	\$ 125,278	\$ 19,697	\$ 195,334	\$ 340,309
Excess of Revenues Over (Under) Expenditures.....	\$ (125,278)	\$ (19,697)	\$ (194,679)	\$ (339,654)
Other Financing Sources (Uses):				
General Obligation Bonds.....	\$ -	\$ 34,435	\$ 322,465	\$ 356,900
Operating Transfers-In.....	97,004	-	-	97,004
Operating Transfers to Debt Service.....	-	-	(12,302)	(12,302)
Other Operating Transfers-Out.....	-	(3,314)	-	(3,314)
Transfers-Out to Component Units.....	(10,735)	(6,673)	(86,337)	(103,745)
Net Other Financing Sources (Uses).....	\$ 86,269	\$ 24,448	\$ 223,826	\$ 334,543
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (39,009)	\$ 4,751	\$ 29,147	\$ (5,111)
Fund Balances, Beginning.....	\$ 307,394	\$ 7,455	\$ 92,580	\$ 407,429
Residual Equity Transfers-Out.....	(5,840)	-	-	(5,840)
Fund Balances, Ending.....	\$ 262,545	\$ 12,206	\$ 121,727	\$ 396,478

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ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the state has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Descriptions of the individual funds in this category are presented below.

The *State Colleges and Universities Revenue Fund* constructs, maintains and operates college buildings for residence hall, student union or food service purposes.

The *State Lottery Fund* accounts for the operations of the state lottery. The net proceeds are transferred to the Environment and Natural Resources Trust Fund (40 percent), with the remainder transferred to the Cambridge Bank Fund.

The *College and University Enterprise Activities Fund* includes the auxiliary enterprises and student loan programs operated by the state universities, community and technical colleges.

The *Minnesota Correctional Industries Fund* facilitates offender rehabilitation by providing facilities and assistance for manufacturing and marketing goods primarily to governmental entities.

The *Chemical Dependency Treatment Fund* accounts for the activity of state regional treatment centers for chemical dependency treatment services.

The *Public Employees Insurance Fund* provides life insurance and hospital, medical, and dental benefit coverage to public employees and other eligible persons.

The *Private Employers Insurance Fund* provides group health insurance coverage for small business employers.

The *Enterprise Activities Fund* includes various minor activities providing services to the general public or local governmental units.

The *State Operated Community Services Fund* provides waiver residential and day treatment and rehabilitation services for individuals with developmental disabilities.

STATE OF MINNESOTA

ENTERPRISE FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	STATE COLLEGES & UNIVERSITIES REVENUE	STATE LOTTERY	COLLEGE & UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
ASSETS				
Cash and Cash Equivalents.....	\$ 431	\$ 19,514	\$ 16,260	\$ 5,921
Investments.....	25,134	-	9,668	-
Accounts Receivable.....	1,402	4,053	1,944	3,403
Interfund Receivables.....	999	-	7,696	-
Accrued Investment/Interest Income.....	776	140	7	-
Inventories.....	-	433	6,588	6,638
Deferred Costs.....	540	40	69	-
Restricted Assets:				
Investments.....	14,749	2,922	-	-
Loans Receivable.....	-	-	35,509	-
Fixed Assets (Net).....	74,762	4,268	3,762	3,078
Other Assets.....	-	-	646	486
Total Assets.....	<u>\$ 118,793</u>	<u>\$ 31,370</u>	<u>\$ 82,149</u>	<u>\$ 19,526</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable.....	\$ -	\$ 13,916	\$ 3,191	\$ 1,350
Interfund Payables.....	-	12,755	2,099	-
Deferred Revenue.....	1,870	476	182	-
Payable from Restricted Assets:				
Accounts Payable.....	1,616	-	-	-
Compensated Absences Payable.....	1,484	-	-	-
Revenue Bonds Payable.....	715	-	-	-
Other Payables.....	-	3,190	-	-
General Obligation Bonds Payable.....	-	-	-	-
Notes and Leases Payable.....	-	-	341	-
Revenue Bonds Payable.....	26,675	-	1,520	-
Compensated Absences Payable.....	-	1,033	847	852
Advances from Other Funds.....	-	-	-	-
Other Liabilities.....	-	-	1,451	14
Total Liabilities.....	<u>\$ 32,360</u>	<u>\$ 31,370</u>	<u>\$ 9,631</u>	<u>\$ 2,216</u>
Fund Equity:				
Contributed Capital.....	\$ 1,209	\$ -	\$ -	\$ 6,577
Reserved Retained Earnings:				
Reserved for Debt Requirements.....	\$ 11,649	\$ -	\$ -	\$ -
Total Reserved Retained Earnings.....	\$ 11,649	\$ -	\$ -	\$ -
Unreserved Retained Earnings.....	73,575	-	72,518	10,733
Total Retained Earnings.....	<u>\$ 85,224</u>	<u>\$ -</u>	<u>\$ 72,518</u>	<u>\$ 10,733</u>
Total Fund Equity.....	<u>\$ 86,433</u>	<u>\$ -</u>	<u>\$ 72,518</u>	<u>\$ 17,310</u>
Total Liabilities and Fund Equity.....	<u>\$ 118,793</u>	<u>\$ 31,370</u>	<u>\$ 82,149</u>	<u>\$ 19,526</u>

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ 3,474	\$ 4,585	\$ 188	\$ 4,297	\$ 17,204	\$ 71,874
-	-	-	-	-	34,802
1,922	323	-	1,343	5,057	19,447
-	-	-	28	103	8,826
-	-	-	-	-	923
-	-	-	793	-	14,452
-	-	-	8	-	657
-	-	-	-	-	17,671
-	-	-	-	-	35,509
214	2	-	186	7,465	93,737
-	-	-	-	129	1,261
<u>\$ 5,610</u>	<u>\$ 4,910</u>	<u>\$ 188</u>	<u>\$ 6,655</u>	<u>\$ 29,958</u>	<u>\$ 299,159</u>
\$ 433	\$ 1,353	\$ 128	\$ 2,210	\$ 5,928	\$ 28,509
-	-	-	-	-	14,854
-	551	-	176	-	3,255
-	-	-	-	-	1,616
-	-	-	-	-	1,484
-	-	-	-	-	715
-	-	-	-	-	3,190
-	-	-	-	4,619	4,619
-	-	-	-	2,141	2,482
-	-	-	-	-	28,195
790	20	-	219	3,419	7,180
-	-	60	-	-	60
36	-	-	-	-	1,501
<u>\$ 1,259</u>	<u>\$ 1,924</u>	<u>\$ 188</u>	<u>\$ 2,605</u>	<u>\$ 16,107</u>	<u>\$ 97,660</u>
\$ 5,736	\$ -	\$ -	\$ 769	\$ 11,557	\$ 25,848
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,649
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,649
(1,385)	2,986	-	3,281	2,294	164,002
<u>\$ (1,385)</u>	<u>\$ 2,986</u>	<u>\$ -</u>	<u>\$ 3,281</u>	<u>\$ 2,294</u>	<u>\$ 175,651</u>
\$ 4,351	\$ 2,986	\$ -	\$ 4,050	\$ 13,851	\$ 201,499
<u>\$ 5,610</u>	<u>\$ 4,910</u>	<u>\$ 188</u>	<u>\$ 6,655</u>	<u>\$ 29,958</u>	<u>\$ 299,159</u>

STATE OF MINNESOTA

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	STATE COLLEGES & UNIVERSITIES REVENUE	STATE LOTTERY	COLLEGE & UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
Operating Revenues:				
Net Sales.....	\$ -	\$ 371,463	\$ 52,816	\$ 19,107
Interest Income.....	-	-	1,160	-
Rental and Service Fees.....	48,895	-	7,053	986
Insurance Premiums.....	-	-	-	-
Other Income.....	-	-	1,859	29
Total Operating Revenues.....	\$ 48,895	\$ 371,463	\$ 62,888	\$ 20,122
Less: Cost of Goods Sold.....	-	268,652	33,267	16,982
Gross Margin.....	\$ 48,895	\$ 102,811	\$ 29,621	\$ 3,140
Operating Expenses:				
Purchased Services.....	\$ 22,509	\$ 31,477	\$ 8,666	\$ 62
Salaries and Fringe Benefits.....	13,633	10,824	10,737	3,378
Claims.....	-	-	-	-
Depreciation.....	5,498	1,609	479	451
Supplies and Materials.....	2,401	801	2,782	192
Indirect Costs.....	-	-	-	381
Other Expenses.....	-	550	4,352	624
Total Operating Expenses.....	\$ 44,041	\$ 45,261	\$ 27,016	\$ 5,088
Operating Income (Loss).....	\$ 4,854	\$ 57,550	\$ 2,605	\$ (1,948)
Nonoperating Revenues (Expenses):				
Investment Income.....	\$ 2,575	\$ 2,205	\$ 1,459	\$ 362
Grants and Subsidies.....	-	-	168	-
Other Nonoperating Revenues.....	-	791	666	812
Interest and Financing Costs.....	(1,813)	-	(200)	-
Rebate Costs.....	-	-	-	-
Grants, Aids and Subsidies.....	-	-	(1,002)	-
Other Nonoperating Expenses.....	(2,157)	-	-	-
Gain (Loss) on Sale of Fixed Assets.....	-	-	-	(9)
Total Nonoperating Revenues (Expenses).....	\$ (1,395)	\$ 2,996	\$ 1,091	\$ 1,165
Income (Loss) Before Operating Transfers.....	\$ 3,459	\$ 60,546	\$ 3,696	\$ (783)
Operating Transfers-In.....	-	-	4,233	2,486
Operating Transfers to Debt Service.....	-	-	-	-
Other Operating Transfers-Out.....	-	(60,546)	(4,932)	-
Net Income (Loss).....	\$ 3,459	\$ -	\$ 2,997	\$ 1,703
Depreciation on Fixed Assets Acquired with Contributed Capital.....	352	-	-	-
Increase (Decrease) in Retained Earnings.....	\$ 3,811	\$ -	\$ 2,997	\$ 1,703
Retained Earnings, Beginning, As Reported.....	\$ 81,413	\$ -	\$ 69,521	\$ 9,030
Prior Period Adjustment.....	-	-	-	-
Retained Earnings, Beginning, As Restated.....	\$ 81,413	\$ -	\$ 69,521	\$ 9,030
Retained Earnings, Ending.....	\$ 85,224	\$ -	\$ 72,518	\$ 10,733

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ -	\$ -	\$ -	\$ 2,595	\$ -	\$ 445,981
-	-	-	-	-	1,160
14,736	-	-	3,891	40,528	116,089
-	10,327	-	-	-	10,327
-	621	-	-	440	2,949
\$ 14,736	\$ 10,948	\$ -	\$ 6,486	\$ 40,968	\$ 576,506
-	-	-	1,037	-	319,938
\$ 14,736	\$ 10,948	\$ -	\$ 5,449	\$ 40,968	\$ 256,568
\$ 591	\$ 2,771	\$ 13	\$ 991	\$ 2,781	\$ 69,861
11,633	196	(3)	1,818	33,036	85,252
-	9,643	-	-	-	9,643
154	2	-	64	703	8,960
1,202	3	-	126	1,311	8,818
475	9	6	147	2,603	3,621
2,631	33	17	77	1,135	9,419
\$ 16,686	\$ 12,657	\$ 33	\$ 3,223	\$ 41,569	\$ 195,574
\$ (1,950)	\$ (1,709)	\$ (33)	\$ 2,226	\$ (601)	\$ 60,994
\$ 254	\$ 295	\$ 33	\$ -	\$ 900	\$ 8,083
116	-	-	-	-	284
-	-	-	-	-	2,269
-	-	-	-	(530)	(2,543)
-	-	-	(2,347)	-	(2,347)
-	-	-	-	-	(1,002)
-	-	-	-	-	(2,157)
(1)	-	-	2	(2)	(10)
\$ 369	\$ 295	\$ 33	\$ (2,345)	\$ 368	\$ 2,577
\$ (1,581)	\$ (1,414)	\$ -	\$ (119)	\$ (233)	\$ 63,571
-	-	-	-	1,815	8,534
(86)	-	-	-	-	(86)
-	-	-	-	-	(65,478)
\$ (1,667)	\$ (1,414)	\$ -	\$ (119)	\$ 1,582	\$ 6,541
-	-	-	-	-	352
\$ (1,667)	\$ (1,414)	\$ -	\$ (119)	\$ 1,582	\$ 6,893
\$ 282	\$ 4,400	\$ -	\$ 2,346	\$ 712	\$ 167,704
-	-	-	1,054	-	1,054
\$ 282	\$ 4,400	\$ -	\$ 3,400	\$ 712	\$ 168,758
\$ (1,385)	\$ 2,986	\$ -	\$ 3,281	\$ 2,294	\$ 175,651

STATE OF MINNESOTA

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	STATE COLLEGES & UNIVERSITIES REVENUE	STATE LOTTERY	COLLEGE & UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
Cash Flows from Operating Activities:				
Operating Income (Loss).....	\$ 4,854	\$ 57,550	\$ 2,605	\$ (1,948)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 5,498	\$ 1,609	\$ 479	\$ 451
Write-off of Equipment.....	-	-	-	(27)
Loan Principal Repayments.....	-	-	5,247	-
Loans Issued.....	-	-	(5,950)	-
Provision for Loan Defaults.....	49	-	625	-
Net Nonoperating Revenues (Expenses).....	-	791	-	812
Change in Assets and Liabilities:				
Accounts Receivable.....	(337)	6,836	2,439	(944)
Inventories.....	-	204	451	237
Other Assets.....	(259)	(51)	109	(171)
Accounts Payable.....	(1,219)	(3,556)	471	423
Compensated Absences Payable.....	96	71	240	(60)
Deferred Revenues.....	221	211	(814)	-
Other Liabilities.....	22	38	806	(35)
Net Reconciling Items to be Added to (Deducted from) Operating Income.....	\$ 4,071	\$ 6,153	\$ 4,103	\$ 686
Net Cash Flows from Operating Activities.....	\$ 8,925	\$ 63,703	\$ 6,708	\$ (1,262)
Cash Flows from Noncapital Financing Activities:				
Grant Receipts.....	\$ -	\$ -	\$ 834	\$ -
Grant Disbursements.....	-	-	(1,002)	-
Transfers-In.....	-	-	-	2,486
Transfers-Out.....	-	(63,369)	(4,932)	-
Contributed Capital.....	-	-	-	-
Rebate Costs.....	-	-	-	-
Repayments of Advances from Other Funds.....	-	-	-	-
Net Cash Flows from Noncapital Financing Activities.....	\$ -	\$ (63,369)	\$ (5,100)	\$ 2,486
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets.....	\$ (6,266)	\$ (1,064)	\$ (546)	\$ (1,141)
Proceeds (Costs) of Disposal of Fixed Assets.....	(2,157)	-	-	-
Capital Lease Payments.....	-	-	-	-
Repayment of Loan Principal.....	-	-	(174)	-
Repayment of Bond Principal.....	(665)	-	(105)	-
Interest Paid.....	(1,813)	-	(200)	-
Net Cash Flows from Capital and Related Financing Activities.....	\$ (10,901)	\$ (1,064)	\$ (1,025)	\$ (1,141)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ 208,641	\$ 232	\$ 3,065	\$ -
Purchase of Investments.....	(209,348)	-	(8,491)	-
Investment Earnings.....	2,489	2,015	1,461	362
Net Cash Flows from Investing Activities.....	\$ 1,782	\$ 2,247	\$ (3,965)	\$ 362
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (194)	\$ 1,517	\$ (3,382)	\$ 445
Cash and Cash Equivalents, Beginning.....	\$ 625	\$ 17,997	\$ 19,642	\$ 5,476
Cash and Cash Equivalents, Ending.....	\$ 431	\$ 19,514	\$ 16,260	\$ 5,921
Noncash Investing, Capital and Financing Activities:				
Depreciation on Fixed Assets Acquired with Contributed Capital	\$ 352	\$ -	\$ -	\$ -
Fixed Assets Acquired Under Capital Leases	-	-	-	-

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	STATE OPERATED COMMUNITY SERVICES	TOTAL
\$ (1,950)	\$ (1,709)	\$ (33)	\$ 2,226	\$ (601)	\$ 60,994
\$ 154	\$ 2	\$ -	\$ 64	\$ 703	\$ 8,960
-	-	-	-	-	(27)
-	-	-	-	-	5,247
-	-	-	-	-	(5,950)
518	-	-	-	199	1,391
-	-	-	-	-	1,603
1,026	(106)	-	(173)	(2,204)	6,537
-	-	-	26	-	918
65	-	-	(4)	-	(311)
(309)	295	7	(141)	3,832	(197)
106	10	(3)	18	207	685
-	52	-	(7)	-	(337)
37	-	-	-	(1,726)	(858)
\$ 1,597	\$ 253	\$ 4	\$ (217)	\$ 1,011	\$ 17,661
\$ (353)	\$ (1,456)	\$ (29)	\$ 2,009	\$ 410	\$ 78,655
\$ 116	\$ -	\$ -	\$ -	\$ -	\$ 950
-	-	-	-	-	(1,002)
-	-	-	-	5,942	8,428
(86)	-	-	-	-	(68,387)
258	-	-	-	-	258
-	-	-	(1,002)	-	(1,002)
-	-	(680)	-	-	(680)
\$ 288	\$ -	\$ (680)	\$ (1,002)	\$ 5,942	\$ (61,435)
\$ (47)	\$ -	\$ -	\$ -	\$ (153)	\$ (9,217)
-	-	-	9	-	(2,148)
-	-	-	-	(248)	(248)
-	-	-	-	-	(174)
-	-	-	-	(174)	(944)
-	-	-	-	(531)	(2,544)
\$ (47)	\$ -	\$ -	\$ 9	\$ (1,106)	\$ (15,275)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,938
254	295	33	-	900	(217,839)
					7,809
\$ 254	\$ 295	\$ 33	\$ -	\$ 900	\$ 1,908
\$ 142	\$ (1,161)	\$ (676)	\$ 1,016	\$ 6,146	\$ 3,853
\$ 3,332	\$ 5,746	\$ 864	\$ 3,281	\$ 11,058	\$ 68,021
\$ 3,474	\$ 4,585	\$ 188	\$ 4,297	\$ 17,204	\$ 71,874
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352
-	-	-	-	2,573	2,573

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one state agency to other state agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The *Intertechnologies Fund* accounts for the operation of statewide communication and information systems.

The *Central Stores Fund* accounts for the operation of centralized supplies purchasing, storage and distribution.

The *State Printer Fund* accounts for the operation of print shops.

The *Central Motor Pool Fund* accounts for the operation of a fleet of passenger vehicles and the state vehicle maintenance garage.

The *Plant Management Fund* accounts for the cost of maintenance and operation of state owned buildings and grounds in the capitol complex.

The *Employee Insurance Fund* accounts for employee health and life insurance premiums and makes payments based on insurance benefits provided to employees.

The *Risk Management Fund* accounts for the providing of liability insurance, primarily automobile, to state agencies.

The *Central Services Fund* accounts for miscellaneous centralized support services provided to state agencies.

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
ASSETS				
Cash and Cash Equivalents.....	\$ 11,390	\$ 463	\$ 1,222	\$ 1,008
Investments.....	-	-	-	-
Accounts Receivable.....	8,930	604	418	994
Interfund Receivables.....	-	-	28	-
Accrued Investment/Interest Income.....	-	-	-	-
Inventories.....	-	775	111	43
Prepaid Expenses.....	1,433	-	2	-
Securities Lending Collateral.....	-	-	-	-
Fixed Assets (Net).....	11,769	6	1,159	16,959
Total Assets.....	<u>\$ 33,522</u>	<u>\$ 1,848</u>	<u>\$ 2,940</u>	<u>\$ 19,004</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable.....	\$ 6,040	\$ 341	\$ 402	\$ 635
Interfund Payables.....	-	-	-	1,296
Deferred Revenue.....	236	21	3	304
Loans Payable.....	13,142	-	367	12,307
Compensated Absences Payable.....	1,872	93	284	80
Advances from Other Funds.....	-	-	-	3,000
Securities Lending Collateral.....	-	-	-	-
Total Liabilities.....	<u>\$ 21,290</u>	<u>\$ 455</u>	<u>\$ 1,056</u>	<u>\$ 17,622</u>
Fund Equity:				
Contributed Capital.....	<u>\$ 2,348</u>	<u>\$ 691</u>	<u>\$ 1,432</u>	<u>\$ 502</u>
Retained Earnings:				
Reserved for Claims.....	\$ -	\$ -	\$ -	\$ -
Unreserved.....	9,884	702	452	880
Total Retained Earnings.....	<u>\$ 9,884</u>	<u>\$ 702</u>	<u>\$ 452</u>	<u>\$ 880</u>
Total Fund Equity.....	<u>\$ 12,232</u>	<u>\$ 1,393</u>	<u>\$ 1,884</u>	<u>\$ 1,382</u>
Total Liabilities and Fund Equity.....	<u>\$ 33,522</u>	<u>\$ 1,848</u>	<u>\$ 2,940</u>	<u>\$ 19,004</u>

PLANT MANAGEMENT	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTAL
\$ 6,288	\$ 91,354	\$ 10,731	\$ 1,136	\$ 123,592
-	19,761	-	-	19,761
845	16,164	70	477	28,502
-	-	-	-	28
-	426	-	-	426
218	-	-	29	1,176
-	-	97	-	1,532
-	19,019	1,795	-	20,814
1,992	115	-	207	32,207
<u>\$ 9,343</u>	<u>\$ 146,839</u>	<u>\$ 12,693</u>	<u>\$ 1,849</u>	<u>\$ 228,038</u>
\$ 1,072	\$ 48,395	\$ 5,730	\$ 127	\$ 62,742
-	-	-	56	1,352
-	2,377	121	1	3,063
1,206	-	-	122	27,144
797	191	44	268	3,629
-	-	-	-	3,000
-	19,019	1,795	-	20,814
<u>\$ 3,075</u>	<u>\$ 69,982</u>	<u>\$ 7,690</u>	<u>\$ 574</u>	<u>\$ 121,744</u>
<u>\$ 664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427</u>	<u>\$ 6,064</u>
\$ -	\$ 76,857	\$ 5,003	\$ -	\$ 81,860
5,604	-	-	848	18,370
<u>\$ 5,604</u>	<u>\$ 76,857</u>	<u>\$ 5,003</u>	<u>\$ 848</u>	<u>\$ 100,230</u>
<u>\$ 6,268</u>	<u>\$ 76,857</u>	<u>\$ 5,003</u>	<u>\$ 1,275</u>	<u>\$ 106,294</u>
<u>\$ 9,343</u>	<u>\$ 146,839</u>	<u>\$ 12,693</u>	<u>\$ 1,849</u>	<u>\$ 228,038</u>

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Operating Revenues:				
Net Sales.....	\$ -	\$ 7,686	\$ 6,105	\$ -
Rental and Service Fees.....	72,935	-	-	8,802
Insurance Premiums.....	-	-	-	-
Other Income.....	356	-	-	295
Total Operating Revenues.....	\$ 73,291	\$ 7,686	\$ 6,105	\$ 9,097
Less: Cost of Goods Sold.....	-	6,038	4,821	-
Gross Margin.....	\$ 73,291	\$ 1,648	\$ 1,284	\$ 9,097
Operating Expenses:				
Purchased Services.....	\$ 42,353	\$ 584	\$ 470	\$ 1,352
Salaries and Fringe Benefits.....	17,021	633	809	976
Claims.....	-	-	-	-
Depreciation.....	6,875	9	65	4,780
Amortization.....	245	-	26	-
Supplies and Materials.....	1,671	23	58	2,431
Indirect Costs.....	956	252	204	273
Other Expenses.....	192	-	17	-
Total Operating Expenses.....	\$ 69,313	\$ 1,501	\$ 1,649	\$ 9,812
Operating Income (Loss).....	\$ 3,978	\$ 147	\$ (365)	\$ (715)
Nonoperating Revenues (Expenses):				
Investment Income.....	\$ 771	\$ -	\$ 15	\$ 620
Interest and Financing Costs.....	(709)	-	(11)	(664)
Rebate Costs.....	(3,900)	-	-	-
Gain (Loss) on Sale of Fixed Assets.....	191	-	-	291
Net Nonoperating Revenues (Expenses).....	\$ (3,647)	\$ -	\$ 4	\$ 247
Income (Loss) Before Operating Transfers.....	\$ 331	\$ 147	\$ (361)	\$ (468)
Operating Transfers-In.....	-	-	-	-
Operating Transfers-Out.....	-	-	-	-
Net Income (Loss).....	\$ 331	\$ 147	\$ (361)	\$ (468)
Retained Earnings, Beginning.....	\$ 9,553	\$ 555	\$ 813	\$ 1,348
Retained Earnings, Ending.....	\$ 9,884	\$ 702	\$ 452	\$ 880

PLANT MANAGEMENT	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTAL
\$ -	\$ -	\$ -	\$ 4,530	\$ 18,321
35,554	-	-	-	117,291
-	354,186	7,043	-	361,229
385	4,778	8	-	5,822
\$ 35,939	\$ 358,964	\$ 7,051	\$ 4,530	\$ 502,663
-	-	-	230	11,089
\$ 35,939	\$ 358,964	\$ 7,051	\$ 4,300	\$ 491,574
\$ 10,253	\$ 98,619	\$ 2,009	\$ 1,320	\$ 156,960
9,686	1,974	503	3,014	34,616
-	250,618	2,420	-	253,038
144	46	-	77	11,996
367	-	-	-	638
1,234	97	72	84	5,670
882	196	49	155	2,967
48	1,232	9	25	1,523
\$ 22,614	\$ 352,782	\$ 5,062	\$ 4,675	\$ 467,408
\$ 13,325	\$ 6,182	\$ 1,989	\$ (375)	\$ 24,166
\$ 15	\$ 8,434	\$ 610	\$ 7	\$ 10,472
(17)	-	-	(8)	(1,409)
-	-	(1,900)	-	(5,800)
11	-	-	-	493
\$ 9	\$ 8,434	\$ (1,290)	\$ (1)	\$ 3,756
\$ 13,334	\$ 14,616	\$ 699	\$ (376)	\$ 27,922
-	2,375	-	-	2,375
(12,838)	-	-	-	(12,838)
\$ 496	\$ 16,991	\$ 699	\$ (376)	\$ 17,459
\$ 5,108	\$ 59,866	\$ 4,304	\$ 1,224	\$ 82,771
\$ 5,604	\$ 76,857	\$ 5,003	\$ 848	\$ 100,230

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Cash Flows from Operating Activities:				
Operating Income (Loss).....	\$ 3,978	\$ 147	\$ (365)	\$ (715)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 6,875	\$ 9	\$ 201	\$ 4,780
Amortization.....	245	-	26	-
Change in Assets and Liabilities:				
Accounts Receivable.....	1,960	464	247	(61)
Inventories.....	-	(15)	28	(8)
Other Assets.....	(1,165)	-	-	-
Accounts Payable.....	(4,288)	(474)	(89)	188
Compensated Absences Payable.....	95	7	28	11
Deferred Revenues.....	(331)	11	2	(130)
Other Liabilities.....	-	(1)	-	-
Net Reconciling Items to be Added to (Deducted from) Operating Income.....	\$ 3,391	\$ 1	\$ 443	\$ 4,780
Net Cash Flows from Operating Activities.....	\$ 7,369	\$ 148	\$ 78	\$ 4,065
Cash Flows from Noncapital Financing Activities:				
Transfers-In.....	\$ -	\$ -	\$ -	\$ -
Transfers-Out.....	-	-	-	-
Advances from Other Funds.....	-	-	-	6,200
Repayments of Advances from Other Funds.....	-	-	-	(5,660)
Rebate Costs.....	(3,300)	-	-	-
Net Cash Flows from Noncapital Financing Activities.....	\$ (3,300)	\$ -	\$ -	\$ 540
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets.....	\$ (2,900)	\$ -	\$ (279)	\$ (6,547)
Investment Leasehold Improvements.....	-	-	(6)	-
Proceeds from the Sale of Fixed Assets.....	-	-	-	1,278
Proceeds from Capital Lease.....	83	-	-	-
Proceeds from Loans.....	3,009	-	8	6,560
Repayment of Loan Principal.....	(6,932)	-	(72)	(5,876)
Interest Paid.....	-	-	(12)	(632)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (6,740)	\$ -	\$ (361)	\$ (5,217)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ -	\$ -	\$ -	\$ -
Purchase of Investments.....	-	-	-	-
Investment Earnings.....	48	-	15	620
Net Cash Flows from Investing Activities.....	\$ 48	\$ -	\$ 15	\$ 620
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (2,623)	\$ 148	\$ (268)	\$ 8
Cash and Cash Equivalents, Beginning.....	\$ 14,013	\$ 315	\$ 1,490	\$ 1,000
Cash and Cash Equivalents, Ending.....	\$ 11,390	\$ 463	\$ 1,222	\$ 1,008
Noncash Investing, Capital and Financing Activities:				
Fixed Assets Acquired Through Loans	\$ 1,113	\$ -	\$ -	\$ 546

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FIDUCIARY FUNDS

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Descriptions of the generic fund types within this category and specific funds within each fund type are presented below.

PENSION TRUST FUNDS are funds administered by independent boards for which the state performs a fiduciary role. These funds are categorized by function into two types.

Defined Benefit Pension Funds include those retirement funds for which the participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, and length of service. Individual funds in this category include those described below.

The *Public Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

The *Police and Fire Fund* includes resources accumulated to pay present and future retirement annuities to eligible police officers and firefighters.

The *Public Employees Correctional Fund* includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

The *Teachers Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of both the basic and coordinated teachers' retirement plans.

The *State Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state and University of Minnesota employees not covered by other pension funds.

The *State Patrol Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible state patrol officers, conservation officers and crime bureau personnel.

The *Correctional Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state employees who have direct responsibility for offenders at Minnesota correctional facilities.

The *Judicial Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible district, municipal, county and probate court judges, supreme court justices and various court referees.

The *Elective State Officers Fund* includes resources accumulated to pay present and future retirement annuities for the state's constitutional officers.

The *Legislative Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of the state legislature.

Defined Contribution Funds include those retirement funds for which the amount of the participant's retirement annuity is primarily determined by the employer/employee contributions. Other factors such as age and length of service may provide minimum eligibility qualifications. Descriptions of individual funds in this category are presented below.

The *Defined Contribution Fund* is an IRC Section 401(a) deferred compensation plan administered by the Public Employees Retirement Association.

The *Unclassified Employees Retirement Fund* includes the aggregate of unclassified employee share accounts which are either refunded or used to purchase a retirement annuity upon termination of service.

The *College and University Retirement Fund* includes the aggregate of share accounts derived from contributions received from eligible state university and community college with matching state contributions, administered by the State College and University System.

NONEXPENDABLE TRUST FUNDS are funds whose principal may not be expended.

The *Permanent School Fund* is a constitutionally established trust fund which receives revenue from investments and the sale of state land and timber. The investment earnings are transferred to the Endowment School Fund for distribution to school districts.

EXPENDABLE TRUST FUNDS are funds whose resources, including principal and interest, may be expended. Descriptions of individual funds in this category are presented below.

The *Municipal State-Aid Street Fund* receives 8.95 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to municipalities for improvement of streets.

The *County State-Aid Highway Fund* receives 30.75 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to counties for improvement of county roads.

The *Endowment School Fund* receives revenue from the investments of the Permanent School Fund for distribution to school districts.

The *Endowment Fund* receives gifts, donations and endowments which may be expended only for those purposes specified by the donors.

The *Environment and Natural Resources Trust Fund* receives the investment earnings and a portion of the net lottery proceeds deposited in the Environment and Natural Resources Nonexpendable Trust Fund in accordance with a plan approved by the Minnesota Future Resource Commission.

The *Northeast Minnesota Economic Protection Fund* receives distribution from taconite production taxes to be held in trust or expended only in economic emergency for the purposes of rehabilitation and diversification of industry in the area largely dependent on the taconite mining industry.

The *Reemployment Insurance Fund* receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

The *State Deferred Compensation Fund* includes the portion of the plan where participants have selected investment options provided by the State Board of Investment.

The *Medical Education and Research Fund* receives investment earnings up to five percent of the fair value of the Medical Education Endowment Trust Fund. This money is to be used for medical education activities in the state of Minnesota.

The *Tobacco Use Prevention and Local Public Health Endowment Fund* receives tobacco settlement payments as a result of a lawsuit. This money is to be used to fund initiatives to reduce tobacco use by young people and to promote activities to achieve this goal.

AGENCY FUNDS are funds which hold monies in an agency capacity for various governmental units, individuals or funds. Individual fund description follow.

The *Disbursement Clearing Fund* is a clearing fund used to account for state warrants issued and redeemed.

The *Miscellaneous Agency Fund* includes the amounts held in trust by the state for other governmental units, funds or individuals.

STATE OF MINNESOTA

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(IN THOUSANDS)

	PENSION TRUST	INVESTMENT TRUST	NON- EXPENDABLE TRUST	EXPENDABLE TRUST	AGENCY	TOTAL
ASSETS						
Cash and Cash Equivalents.....	\$ 2,361,640	\$ 24,320	\$ 27,060	\$ 1,277,342	\$ 252,939	\$ 3,943,301
Investments.....	41,636,623	437,420	555,304	1,657,850	11,866	44,299,063
Accounts Receivable.....	44,100	3,116	3,817	14,988	28,511	94,532
Interfund Receivables.....	9,232	-	-	30,062	5,775	45,069
Accrued Investment/Interest Income.....	174,986	1,803	2,918	3,365	181	183,253
Federal Aid Receivable.....	-	-	-	46	-	46
Inventories.....	-	-	-	2,197	-	2,197
Loans and Notes Receivable.....	-	-	-	22,988	-	22,988
Securities Lending Collateral.....	3,862,035	32,755	-	129,244	-	4,024,034
Fixed Assets (Net).....	4,379	-	15,413	-	-	19,792
Total Assets.....	<u>\$ 48,092,995</u>	<u>\$ 499,414</u>	<u>\$ 604,512</u>	<u>\$ 3,138,082</u>	<u>\$ 299,272</u>	<u>\$ 52,634,275</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants Payable.....	\$ -	\$ -	\$ -	\$ -	\$ 203,144	\$ 203,144
Accounts Payable.....	1,253,399	11,598	35	52,342	46,903	1,364,277
Interfund Payables.....	1,956	-	10,625	8,875	19,910	41,366
Due to Component Units.....	-	-	-	9,301	-	9,301
Deferred Revenue.....	10	-	-	4,335	-	4,345
Revenue Bonds Payable.....	29,000	-	-	-	-	29,000
Compensated Absences Payable.....	1,051	-	-	1,043	-	2,094
Other Payables.....	261	-	-	-	-	261
Securities Lending Collateral.....	3,862,035	32,755	-	129,244	-	4,024,034
Funds Held in Trust.....	-	-	-	-	29,315	29,315
Total Liabilities.....	<u>\$ 5,147,712</u>	<u>\$ 44,353</u>	<u>\$ 10,660</u>	<u>\$ 205,140</u>	<u>\$ 299,272</u>	<u>\$ 5,707,137</u>
Fund Balances:						
Reserved Fund Balances:						
Reserved for Encumbrances.....	\$ -	\$ -	\$ -	\$ 8,868	\$ -	\$ 8,868
Reserved for Inventory.....	-	-	-	2,197	-	2,197
Reserved for Long-Term Receivables.....	-	-	-	22,988	-	22,988
Reserved for Local Governments.....	-	-	-	407,657	-	407,657
Reserved for Deferred Compensation Benefits.....	-	-	-	699,156	-	699,156
Reserved for Trust Principal.....	-	-	593,852	956,394	-	1,550,246
Reserved for Pension Benefits.....	42,945,283	455,061	-	-	-	43,400,344
Total Reserved Fund Balances.....	<u>\$ 42,945,283</u>	<u>\$ 455,061</u>	<u>\$ 593,852</u>	<u>\$ 2,097,260</u>	<u>\$ -</u>	<u>\$ 46,091,456</u>
Unreserved Fund Balances:						
Designated for Fund Purposes.....	\$ -	\$ -	\$ -	\$ 790,638	\$ -	\$ 790,638
Undesignated.....	-	-	-	45,044	-	45,044
Total Fund Balances.....	<u>\$ 42,945,283</u>	<u>\$ 455,061</u>	<u>\$ 593,852</u>	<u>\$ 2,932,942</u>	<u>\$ -</u>	<u>\$ 46,927,138</u>
Total Liabilities and Fund Balances.....	<u>\$ 48,092,995</u>	<u>\$ 499,414</u>	<u>\$ 604,512</u>	<u>\$ 3,138,082</u>	<u>\$ 299,272</u>	<u>\$ 52,634,275</u>

STATE OF MINNESOTA

PENSION AND INVESTMENT TRUST FUNDS COMBINING STATEMENT OF PLAN NET ASSETS JUNE 30, 2000 (IN THOUSANDS)

	PENSION TRUST FUNDS			INVESTMENT	TOTAL
	DEFINED BENEFIT	DEFINED CONTRIBUTION	TOTAL PENSION TRUST	TRUST SUPPLEMENTAL RETIREMENT	
ASSETS					
Cash and Cash Equivalents.....	\$ 109,220	\$ 3,895	\$ 113,115	\$ -	\$ 113,115
Investment Pools, at fair value:					
Cash Equivalent Investments.....	\$ 2,199,045	\$ 49,480	\$ 2,248,525	\$ 24,320	\$ 2,272,845
Investments:					
Repurchase Agreements.....	\$ 8,681	\$ 108	\$ 8,789	\$ -	\$ 8,789
Commercial Paper.....	146,031	210	146,241	964	147,205
US Treasury Obligations.....	1,675,659	17,067	1,692,726	17,674	1,710,400
Mortgaged Backed.....	5,566,112	69,008	5,635,120	61,993	5,697,113
Corporate Obligations.....	3,894,714	53,572	3,948,286	40,610	3,988,896
Foreign and Other Obligations.....	500,231	475	500,706	3,394	504,100
Corporate Stocks.....	26,307,323	655,651	26,962,974	312,734	27,275,708
Other Equity.....	2,741,781	-	2,741,781	51	2,741,832
Total Investments.....	\$ 40,840,532	\$ 796,091	\$ 41,636,623	\$ 437,420	\$ 42,074,043
Accrued Interest and Dividends.....	\$ 172,641	\$ 2,040	\$ 174,681	\$ -	\$ 174,681
Net Receivables (Payables).....	(1,233,198)	(1,070)	(1,234,268)	-	(1,234,268)
Total Investment Pool Participation.....	\$ 41,979,020	\$ 846,541	\$ 42,825,561	\$ 461,740	\$ 43,287,301
Receivables:					
Employer Contributions.....	\$ 36,719	\$ -	\$ 36,719	\$ -	\$ 36,719
Member Contributions.....	2,710	-	2,710	-	2,710
Accounts Receivable.....	-	243	243	-	243
Interfund Receivables.....	9,044	188	9,232	-	9,232
Other Receivables.....	4,351	77	4,428	3,116	7,544
Accrued Interest and Dividends.....	305	-	305	1,803	2,108
Total Receivables.....	\$ 53,129	\$ 508	\$ 53,637	\$ 4,919	\$ 58,556
Securities Lending Collateral.....	\$ 3,816,548	\$ 45,487	\$ 3,862,035	\$ 32,755	\$ 3,894,790
Fixed Assets (Net).....	4,379	-	4,379	-	4,379
Total Assets.....	\$ 45,962,296	\$ 896,431	\$ 46,858,727	\$ 499,414	\$ 47,358,141
LIABILITIES					
Accounts Payable.....	\$ 18,568	\$ 563	\$ 19,131	\$ 11,598	\$ 30,729
Interfund Payables.....	1,653	303	1,956	-	1,956
Deferred Revenue.....	10	-	10	-	10
Accrued Expense.....	180	-	180	-	180
Revenue Bonds Payable.....	29,000	-	29,000	-	29,000
Bond Interest.....	81	-	81	-	81
Compensated Absences Payable.....	1,051	-	1,051	-	1,051
Securities Lending Collateral.....	3,816,548	45,487	3,862,035	32,755	3,894,790
Total Liabilities.....	\$ 3,867,091	\$ 46,353	\$ 3,913,444	\$ 44,353	\$ 3,957,797
Net Assets Held in Trust for Pension Benefits.....	\$ 42,095,205	\$ 850,078	\$ 42,945,283	\$ 455,061	\$ 43,400,344

STATE OF MINNESOTA

PENSION AND INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES
IN PLAN NET ASSETS
YEAR ENDED JUNE 30, 2000
(IN THOUSANDS)

	PENSION TRUST FUNDS			INVESTMENT	TOTAL
	DEFINED BENEFIT	DEFINED CONTRIBUTION	TOTAL PENSION TRUST	TRUST SUPPLEMENTAL RETIREMENT	
Additions:					
Contributions:					
Employer.....	\$ 473,991	\$ 24,025	\$ 498,016	\$ -	\$ 498,016
Member.....	428,943	19,694	448,637	-	448,637
Contributions From Other Sources.....	2,112	-	2,112	-	2,112
Participating Plans.....	-	-	-	70,379	70,379
Total Contributions.....	\$ 905,046	\$ 43,719	\$ 948,765	\$ 70,379	\$ 1,019,144
Net Investment Income:					
Investment Income.....	\$ 3,703,128	\$ 75,901	\$ 3,779,029	\$ 31,172	\$ 3,810,201
Less: Investment Expense.....	(28,476)	-	(28,476)	(237)	(28,713)
Net Investment Income.....	\$ 3,674,652	\$ 75,901	\$ 3,750,553	\$ 30,935	\$ 3,781,488
Securities Lending Revenues (Expenses):					
Securities Lending Income.....	\$ 225,039	\$ 1,736	\$ 226,775	\$ 2,125	\$ 228,900
Borrower Rebates.....	(203,603)	(1,553)	(205,156)	(1,908)	(207,064)
Management Fees.....	(6,105)	(50)	(6,155)	(58)	(6,213)
Net Securities Lending Revenue.....	\$ 15,331	\$ 133	\$ 15,464	\$ 159	\$ 15,623
Total Investment Income.....	\$ 3,689,983	\$ 76,034	\$ 3,766,017	\$ 31,094	\$ 3,797,111
Transfers From Other Funds.....	\$ 12,020	\$ 2,406	\$ 14,426	\$ -	\$ 14,426
Other Additions.....	3,973	281	4,254	-	4,254
Total Additions.....	\$ 4,611,022	\$ 122,440	\$ 4,733,462	\$ 101,473	\$ 4,834,935
Deductions:					
Benefits.....	\$ 1,739,523	\$ -	\$ 1,739,523	\$ -	\$ 1,739,523
Refunds/Withdrawals.....	133,713	44,307	178,020	73,402	251,422
Administrative Expenses.....	29,852	9,608	39,460	-	39,460
Transfers to Other Funds.....	9,428	4,998	14,426	-	14,426
Total Deductions.....	\$ 1,912,516	\$ 58,913	\$ 1,971,429	\$ 73,402	\$ 2,044,831
Net Increase.....	\$ 2,698,506	\$ 63,527	\$ 2,762,033	\$ 28,071	\$ 2,790,104
Net Assets Held in Trust for Pension Benefits, Beginning.....	\$ 39,396,699	\$ 786,551	\$ 40,183,250	\$ 426,990	\$ 40,610,240
Net Assets Held in Trust for Pension Benefits, Ending.....	\$ 42,095,205	\$ 850,078	\$ 42,945,283	\$ 455,061	\$ 43,400,344

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS COMBINING STATEMENT OF PLAN NET ASSETS JUNE 30, 2000 (IN THOUSANDS)

ASSETS	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	PUBLIC EMPLOYEES CORRECTIONAL	TEACHERS RETIREMENT
Cash and Cash Equivalents.....	\$ 12,565	\$ 301	\$ 48	\$ 11,249
Investment Pools, at fair value:				
Cash Equivalent Investments.....	\$ 591,705	\$ 241,200	\$ 9,891	\$ 956,169
Investments:				
Repurchase Agreements.....	\$ 3,023	\$ 4,371	\$ 299	\$ 988
Commercial Paper.....	39,035	18,346	213	59,972
US Treasury Obligations.....	441,901	182,475	3	710,184
Mortgaged Backed.....	1,468,045	607,292	91	2,358,213
Corporate Obligations.....	1,027,123	424,119	6	1,650,678
Foreign and Other Obligations.....	131,919	54,474	1	212,008
Corporate Stocks.....	6,848,657	2,892,554	36	11,115,726
Other Equity.....	659,860	321,671	1	1,120,753
Total Investments.....	\$ 10,619,563	\$ 4,505,302	\$ 650	\$ 17,228,522
Accrued Interest and Dividends.....	\$ 45,366	\$ 18,879	\$ 3	\$ 73,086
Net Receivables (Payables).....	(326,124)	(133,915)	(2)	(523,444)
Total Investment Pool Participation.....	\$ 10,930,510	\$ 4,631,466	\$ 10,542	\$ 17,734,333
Receivables:				
Employer Contributions.....	\$ 13,572	\$ -	\$ 439	\$ 19,848
Member Contributions.....	-	-	-	-
Interfund Receivables.....	876	292	33	-
Other Receivables.....	251	3,434	-	419
Accrued Interest and Dividends.....	-	-	46	-
Total Receivables.....	\$ 14,699	\$ 3,726	\$ 518	\$ 20,267
Securities Lending Collateral.....	\$ 961,940	\$ 425,023	\$ -	\$ 1,644,076
Fixed Assets, net of accumulated depreciation.....	1,802	-	-	2,043
Total Assets.....	\$ 11,921,516	\$ 5,060,516	\$ 11,108	\$ 19,411,968
LIABILITIES				
Accounts Payable.....	\$ 4,471	\$ 5,021	\$ -	\$ 6,034
Interfund Payables.....	325	638	116	-
Compensated Absences Payable.....	578	-	-	473
Deferred Revenue.....	-	-	-	-
Accrued Expense.....	-	-	-	180
Revenue Bonds Payable.....	11,513	-	-	11,571
Bond Interest.....	-	-	-	54
Securities Lending Collateral.....	961,940	425,023	-	1,644,076
Total Liabilities.....	\$ 978,827	\$ 430,682	\$ 116	\$ 1,662,388
Net Assets Held in Trust for Pension Benefits.....	\$ 10,942,689	\$ 4,629,834	\$ 10,992	\$ 17,749,580

A Schedule of Funding Progress for State Patrol Retirement, Correctional Employees Retirement, Judicial Retirement, and Legislative Retirement is presented in Note 16.

MINNESOTA STATE RETIREMENT SYSTEM						
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	TOTAL
\$ 64,399	\$ 3,967	\$ 9,913	\$ 6,778	\$ -	\$ -	\$ 109,220
\$ 341,872	\$ 29,765	\$ 19,071	\$ 7,054	\$ -	\$ 2,318	\$ 2,199,045
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,681
24,491	2,017	1,383	438	-	136	146,031
293,482	24,171	16,568	5,248	-	1,627	1,675,659
974,378	80,254	55,008	17,428	-	5,403	5,566,112
682,116	56,181	38,508	12,200	-	3,783	3,894,714
87,613	7,216	4,947	1,567	-	486	500,231
4,706,475	375,881	267,375	77,609	-	23,010	26,307,323
563,880	37,131	33,160	4,645	-	680	2,741,781
\$ 7,332,435	\$ 582,851	\$ 416,949	\$ 119,135	\$ -	\$ 35,125	\$ 40,840,532
\$ 30,410	\$ 2,483	\$ 1,720	\$ 531	\$ -	\$ 163	\$ 172,641
(214,643)	(17,822)	(12,097)	(3,923)	-	(1,228)	(1,233,198)
\$ 7,490,074	\$ 597,277	\$ 425,643	\$ 122,797	\$ -	\$ 36,378	\$ 41,979,020
\$ 2,375	\$ 204	\$ 281	\$ -	\$ -	\$ -	\$ 36,719
2,374	136	200	-	-	-	2,710
567	-	-	-	200	7,076	9,044
232	7	2	6	-	-	4,351
231	14	13	1	-	-	305
\$ 5,779	\$ 361	\$ 496	\$ 7	\$ 200	\$ 7,076	\$ 53,129
\$ 676,829	\$ 55,081	\$ 38,304	\$ 11,717	\$ -	\$ 3,578	\$ 3,816,548
534	-	-	-	-	-	4,379
\$ 8,237,615	\$ 656,686	\$ 474,356	\$ 141,299	\$ 200	\$ 47,032	\$ 45,962,296
\$ 2,787	\$ 118	\$ 118	\$ 13	\$ 1	\$ 5	\$ 18,568
5	86	228	223	1	31	1,653
-	-	-	-	-	-	1,051
-	-	-	10	-	-	10
-	-	-	-	-	-	180
5,916	-	-	-	-	-	29,000
27	-	-	-	-	-	81
676,829	55,081	38,304	11,717	-	3,578	3,816,548
\$ 685,564	\$ 55,285	\$ 38,650	\$ 11,963	\$ 2	\$ 3,614	\$ 3,867,091
\$ 7,552,051	\$ 601,401	\$ 435,706	\$ 129,336	\$ 198	\$ 43,418	\$ 42,095,205

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	PUBLIC EMPLOYEES CORRECTIONAL	TEACHERS RETIREMENT
Additions:				
Contributions:				
Employer.....	\$ 186,636	\$ 53,178	\$ 6,487	\$ 134,419
Member.....	171,073	31,214	4,382	138,696
Contributions from Other Sources.....	-	-	-	-
Total Contributions.....	\$ 357,709	\$ 84,392	\$ 10,869	\$ 273,115
Net Investment Income:				
Investment Income.....	\$ 917,247	\$ 441,358	\$ 251	\$ 1,560,899
Less: Investment Expense.....	(6,559)	(3,514)	-	(11,412)
Net Investment Income.....	\$ 910,688	\$ 437,844	\$ 251	\$ 1,549,487
Securities Lending Revenues (Expenses):				
Securities Lending Income.....	\$ 56,598	\$ 25,171	\$ -	\$ 95,995
Borrower Rebates.....	(51,171)	(22,766)	-	(86,913)
Management Fees.....	(1,542)	(683)	-	(2,580)
Net Securities Lending Revenue.....	\$ 3,885	\$ 1,722	\$ -	\$ 6,502
Total Investment Income.....	\$ 914,573	\$ 439,566	\$ 251	\$ 1,555,989
Transfers from Other Funds.....	\$ -	\$ -	\$ -	\$ -
Other Additions.....	1,049	503	33	2,388
Total Additions.....	\$ 1,273,331	\$ 524,461	\$ 11,153	\$ 1,831,492
Deductions:				
Benefits.....	\$ 527,119	\$ 165,719	\$ 20	\$ 755,037
Refunds.....	19,365	94,755	30	7,263
Administrative Expenses.....	9,609	2,227	111	12,041
Transfers to Other Funds.....	-	-	-	-
Total Deductions.....	\$ 556,093	\$ 262,701	\$ 161	\$ 774,341
Net Increase.....	\$ 717,238	\$ 261,760	\$ 10,992	\$ 1,057,151
Net Assets Held in Trust for Pension Benefits, Beginning.....	\$ 10,225,451	\$ 4,368,074	\$ -	\$ 16,692,429
Net Assets Held in Trust for Pension Benefits, Ending.....	\$ 10,942,689	\$ 4,629,834	\$ 10,992	\$ 17,749,580

MINNESOTA STATE RETIREMENT SYSTEM						
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	TOTAL
\$ 69,322	\$ 6,069	\$ 8,984	\$ 5,398	\$ 306	\$ 3,192	\$ 473,991
70,378	4,044	6,526	2,107	-	523	428,943
202	-	-	1,910	-	-	2,112
<u>\$ 139,902</u>	<u>\$ 10,113</u>	<u>\$ 15,510</u>	<u>\$ 9,415</u>	<u>\$ 306</u>	<u>\$ 3,715</u>	<u>\$ 905,046</u>
\$ 676,726	\$ 53,333	\$ 40,183	\$ 10,191	\$ -	\$ 2,940	\$ 3,703,128
(6,204)	(384)	(368)	(35)	-	-	(28,476)
<u>\$ 670,522</u>	<u>\$ 52,949</u>	<u>\$ 39,815</u>	<u>\$ 10,156</u>	<u>\$ -</u>	<u>\$ 2,940</u>	<u>\$ 3,674,652</u>
\$ 40,767	\$ 3,295	\$ 2,310	\$ 693	\$ -	\$ 210	\$ 225,039
(36,866)	(2,981)	(2,089)	(627)	-	(190)	(203,603)
(1,109)	(103)	(63)	(19)	-	(6)	(6,105)
<u>\$ 2,792</u>	<u>\$ 211</u>	<u>\$ 158</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 15,331</u>
\$ 673,314	\$ 53,160	\$ 39,973	\$ 10,203	\$ -	\$ 2,954	\$ 3,689,983
\$ 5,057	\$ 10	\$ 6,953	\$ -	\$ -	\$ -	\$ 12,020
-	-	-	-	-	-	3,973
<u>\$ 818,273</u>	<u>\$ 63,283</u>	<u>\$ 62,436</u>	<u>\$ 19,618</u>	<u>\$ 306</u>	<u>\$ 6,669</u>	<u>\$ 4,611,022</u>
\$ 237,825	\$ 25,789	\$ 12,414	\$ 11,083	\$ 304	\$ 4,213	\$ 1,739,523
11,227	90	753	122	-	108	133,713
4,833	346	525	72	2	86	29,852
9,136	-	59	186	-	47	9,428
<u>\$ 263,021</u>	<u>\$ 26,225</u>	<u>\$ 13,751</u>	<u>\$ 11,463</u>	<u>\$ 306</u>	<u>\$ 4,454</u>	<u>\$ 1,912,516</u>
\$ 555,252	\$ 37,058	\$ 48,685	\$ 8,155	\$ -	\$ 2,215	\$ 2,698,506
\$ 6,996,799	\$ 564,343	\$ 387,021	\$ 121,181	\$ 198	\$ 41,203	\$ 39,396,699
<u>\$ 7,552,051</u>	<u>\$ 601,401</u>	<u>\$ 435,706</u>	<u>\$ 129,336</u>	<u>\$ 198</u>	<u>\$ 43,418</u>	<u>\$ 42,095,205</u>

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS COMBINING STATEMENT OF PLAN NET ASSETS JUNE 30, 2000 (IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	MINNESOTA STATE RETIREMENT SYSTEM	COLLEGE AND UNIVERSITY RETIREMENT	TOTAL
ASSETS	DEFINED CONTRIBUTION	UNCLASSIFIED EMPLOYEES RETIREMENT		
Cash and Cash Equivalents.....	\$ 8	\$ 2,298	\$ 1,589	\$ 3,895
Investment Pools, at fair value:				
Cash Equivalent Investments.....	\$ 1,413	\$ 25,210	\$ 22,857	\$ 49,480
Investments:				
Repurchase Agreements.....	\$ 108	\$ -	\$ -	\$ 108
Commercial Paper.....	86	72	52	210
US Treasury Obligations.....	410	6,707	9,950	17,067
Mortgaged Backed.....	1,811	27,787	39,410	69,008
Corporate Obligations.....	1,884	24,075	27,613	53,572
Foreign and Other Obligations.....	31	258	186	475
Corporate Stocks.....	11,252	193,576	450,823	655,651
Total Investments.....	\$ 15,582	\$ 252,475	\$ 528,034	\$ 796,091
Accrued Interest and Dividends.....	\$ 55	\$ 876	\$ 1,109	\$ 2,040
Net Receivables (Payables).....	(74)	(602)	(394)	(1,070)
Total Investment Pool Participation.....	\$ 16,976	\$ 277,959	\$ 551,606	\$ 846,541
Receivables:				
Accounts Receivable.....	\$ -	\$ 243	\$ -	\$ 243
Interfund Receivables.....	-	188	-	188
Other Receivables.....	65	12	-	77
Total Receivables.....	\$ 65	\$ 443	\$ -	\$ 508
Securities Lending Collateral.....	\$ 1,159	\$ 20,180	\$ 24,148	\$ 45,487
Total Assets.....	\$ 18,208	\$ 300,880	\$ 577,343	\$ 896,431
LIABILITIES				
Accounts Payable.....	\$ -	\$ 447	\$ 116	\$ 563
Interfund Payables.....	122	181	-	303
Securities Lending Collateral.....	1,159	20,180	24,148	45,487
Total Liabilities.....	\$ 1,281	\$ 20,808	\$ 24,264	\$ 46,353
Net Assets Held in Trust for Pension Benefits.....	\$ 16,927	\$ 280,072	\$ 553,079	\$ 850,078

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	MINNESOTA STATE RETIREMENT SYSTEM	COLLEGE AND UNIVERSITY RETIREMENT	TOTAL
	DEFINED CONTRIBUTION	UNCLASSIFIED EMPLOYEES RETIREMENT		
Additions:				
Contributions:				
Employer.....	\$ 936	\$ 5,873	\$ 17,216	\$ 24,025
Member.....	847	4,259	14,588	19,694
Total Contributions.....	\$ 1,783	\$ 10,132	\$ 31,804	\$ 43,719
Investment Income.....	\$ 1,217	\$ 21,034	\$ 53,650	\$ 75,901
Securities Lending Revenues (Expenses):				
Securities Lending Income.....	\$ 71	\$ 1,240	\$ 425	\$ 1,736
Borrower Rebates.....	(64)	(1,114)	(375)	(1,553)
Management Fees.....	(2)	(34)	(14)	(50)
Net Securities Lending Revenue.....	\$ 5	\$ 92	\$ 36	\$ 133
Total Investment Income.....	\$ 1,222	\$ 21,126	\$ 53,686	\$ 76,034
Transfers from Other Funds.....	\$ -	\$ 2,406	\$ -	\$ 2,406
Other Additions.....	-	31	250	281
Total Additions.....	\$ 3,005	\$ 33,695	\$ 85,740	\$ 122,440
Deductions:				
Refunds/Withdrawals.....	\$ 518	\$ 8,454	\$ 35,335	\$ 44,307
Administrative Expenses.....	104	183	9,321	9,608
Transfers to Other Funds.....	-	4,998	-	4,998
Total Deductions.....	\$ 622	\$ 13,635	\$ 44,656	\$ 58,913
Net Increase.....	\$ 2,383	\$ 20,060	\$ 41,084	\$ 63,527
Net Assets Held in Trust for Pension Benefits, Beginning.....	\$ 14,544	\$ 260,012	\$ 511,995	\$ 786,551
Net Assets Held in Trust for Pension Benefits, Ending.....	\$ 16,927	\$ 280,072	\$ 553,079	\$ 850,078

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET

JUNE 30, 2000
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	MEDICAL EDUCATION ENDOWMENT	TOTAL
ASSETS				
Cash and Cash Equivalents.....	\$ 27,060	\$ -	\$ -	\$ 27,060
Investments.....	555,304	-	-	555,304
Accounts Receivable.....	3,817	-	-	3,817
Accrued Investment Income.....	2,918	-	-	2,918
Fixed Assets (Net).....	15,413	-	-	15,413
Total Assets.....	<u>\$ 604,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,512</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 35	\$ -	\$ -	\$ 35
Interfund Payables.....	10,625	-	-	10,625
Total Liabilities.....	<u>\$ 10,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,660</u>
Fund Balances:				
Reserved for Trust Principal.....	\$ 593,852	\$ -	\$ -	\$ 593,852
Total Fund Balance.....	<u>\$ 593,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,852</u>
Total Liabilities and Fund Balances.....	<u>\$ 604,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,512</u>

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	MEDICAL EDUCATION ENDOWMENT	TOTAL
Operating Revenues:				
Net Sales.....	\$ 12,191	\$ -	\$ -	\$ 12,191
Investment Income.....	33,700	-	-	33,700
Other Revenue.....	11	-	-	11
Total Operating Revenues.....	\$ 45,902	\$ -	\$ -	\$ 45,902
Operating Expenses:				
Purchased Services.....	\$ 85	\$ -	\$ -	\$ 85
Salaries and Fringe Benefits.....	4,896	-	-	4,896
Total Operating Expenses.....	\$ 4,981	\$ -	\$ -	\$ 4,981
Operating Income.....	\$ 40,921	\$ -	\$ -	\$ 40,921
Nonoperating Revenues (Expenses):				
Gain on Sale of Fixed Assets.....	\$ 143	\$ -	\$ -	\$ 143
Total Nonoperating Revenues.....	\$ 143	\$ -	\$ -	\$ 143
Income Before Operating Transfers.....	\$ 41,064	\$ -	\$ -	\$ 41,064
Operating Transfers-Out.....	(22,296)	-	-	(22,296)
Net Income.....	\$ 18,768	\$ -	\$ -	\$ 18,768
Fund Balance, Beginning, as Reported.....	\$ 575,084	\$ 289,521	\$ 179,940	\$ 1,044,545
Change in Fund Structure.....	-	(289,521)	(179,940)	(469,461)
Fund Balance, Beginning, as Restated.....	\$ 575,084	\$ -	\$ -	\$ 575,084
Fund Balance, Ending.....	\$ 593,852	\$ -	\$ -	\$ 593,852

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	MEDICAL EDUCATION ENDOWMENT	TOTAL
Cash Flows from Operating Activities:				
Operating Income.....	\$ 40,921	\$ -	\$ -	\$ 40,921
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Investment Income.....	\$ (33,700)	\$ -	\$ -	\$ (33,700)
Change in Assets and Liabilities:				
Accounts Receivable.....	(560)	-	-	(560)
Accounts Payable.....	150	-	-	150
Net Reconciling Items to be Added to (Deducted from) Operating Income.....	\$ (34,110)	\$ -	\$ -	\$ (34,110)
Net Cash Flows from Operating Activities.....	\$ 6,811	\$ -	\$ -	\$ 6,811
Cash Flows from Noncapital Financing Activities:				
Transfers-Out.....	\$ (20,860)	\$ -	\$ -	\$ (20,860)
Net Cash Flows from Noncapital Financing Activities.....	\$ (20,860)	\$ -	\$ -	\$ (20,860)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the Sale of Fixed Assets.....	\$ 762	\$ -	\$ -	\$ 762
Net Cash Flows from Capital and Related Financing Activities.....	\$ 762	\$ -	\$ -	\$ 762
Cash Flows from Investing Activities:				
Proceeds from the Sale of Investments.....	\$ 42,024	\$ -	\$ -	\$ 42,024
Purchase of Investments.....	(45,912)	-	-	(45,912)
Investment Earnings.....	22,398	-	-	22,398
Net Cash Flows from Investing Activities.....	\$ 18,510	\$ -	\$ -	\$ 18,510
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 5,223	\$ -	\$ -	\$ 5,223
Cash and Cash Equivalent, Beginning.....	\$ 21,837	\$ 6,907	\$ 163,832	\$ 192,576
Change in Fund Structure.....		(6,907)	(163,832)	(170,739)
Cash and Cash Equivalent, Restated.....	\$ 21,837	\$ -	\$ -	\$ 21,837
Cash and Cash Equivalent, Ending.....	\$ 27,060	\$ -	\$ -	\$ 27,060
Noncash Investing, Capital and Financing Activities:				
Increase in Fair Value of Investments	\$ 11,428	\$ -	\$ -	\$ 11,428

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STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 (IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL	ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST
ASSETS					
Cash and Cash Equivalents.....	\$ 121,945	\$ 285,932	\$ -	\$ 13,560	\$ 15,689
Investments.....	-	-	-	5,555	307,614
Accounts Receivable.....	114	1,562	-	914	2
Interfund Receivables.....	3,821	15,050	5,846	959	4,175
Accrued Investment/Interest Income.....	-	-	-	2	1,096
Federal Aid Receivable.....	-	-	-	-	-
Inventories.....	-	-	-	-	-
Loans and Notes Receivable.....	-	-	-	-	-
Securities Lending Collateral.....	21,455	51,848	-	2,206	-
Total Assets.....	\$ 147,335	\$ 354,392	\$ 5,846	\$ 23,196	\$ 328,576
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ 4,322	\$ 19,942	\$ -	\$ 2,322	\$ 1,851
Interfund Payables.....	-	-	-	1,439	-
Due to Component Units.....	-	-	-	-	704
Deferred Revenue.....	-	-	-	-	-
Compensated Absences Payable.....	199	407	-	257	92
Securities Lending Collateral.....	21,455	51,848	-	2,206	-
Total Liabilities.....	\$ 25,976	\$ 72,197	\$ -	\$ 6,224	\$ 2,647
Fund Balances:					
Reserved Fund Balances:					
Reserved for Encumbrances.....	\$ 385	\$ 1,358	\$ -	\$ 599	\$ 3,185
Reserved for Inventory.....	-	-	-	-	-
Reserved for Long-Term Receivables.....	-	-	-	-	-
Reserved for Local Governments.....	120,974	280,837	5,846	-	-
Reserved for Deferred Compensation Benefits.....	-	-	-	-	-
Reserved for Trust Principal.....	-	-	-	-	304,998
Total Reserved Fund Balances.....	\$ 121,359	\$ 282,195	\$ 5,846	\$ 599	\$ 308,183
Unreserved Fund Balances:					
Designated for Fund Purposes.....	\$ -	\$ -	\$ -	\$ 16,314	\$ 17,746
Undesignated.....	-	-	-	59	-
Total Fund Balances.....	\$ 121,359	\$ 282,195	\$ 5,846	\$ 16,972	\$ 325,929
Total Liabilities and Fund Balances.....	\$ 147,335	\$ 354,392	\$ 5,846	\$ 23,196	\$ 328,576

NORTHEAST MINNESOTA ECONOMIC PROTECTION	REEMPLOYMENT INSURANCE	MINNESOTA STATE RETIREMENT SYSTEM		MEDICAL EDUCATION AND RESEARCH	TOBACCO USE PREVENTION	TOTAL
		STATE DEFERRED COMPENSATION				
\$ 63,029	\$ 666,847	\$ 82,127		\$ 20,028	\$ 8,185	\$ 1,277,342
45,593	-	617,312		262,597	419,179	1,657,850
1,120	9,872	1,404		-	-	14,988
-	211	-		-	-	30,062
201	-	2,066		-	-	3,365
-	46	-		-	-	46
2,197	-	-		-	-	2,197
22,988	-	-		-	-	22,988
10,388	-	43,347		-	-	129,244
<u>\$ 145,516</u>	<u>\$ 676,976</u>	<u>\$ 746,256</u>		<u>\$ 282,625</u>	<u>\$ 427,364</u>	<u>\$ 3,138,082</u>
\$ 867	\$ 9,584	\$ 3,753		\$ 8,768	\$ 933	\$ 52,342
-	7,436	-		-	-	8,875
-	-	-		8,597	-	9,301
-	4,335	-		-	-	4,335
67	-	-		-	21	1,043
10,388	-	43,347		-	-	129,244
<u>\$ 11,322</u>	<u>\$ 21,355</u>	<u>\$ 47,100</u>		<u>\$ 17,365</u>	<u>\$ 954</u>	<u>\$ 205,140</u>
\$ 3,341	\$ -	\$ -		\$ -	\$ -	\$ 8,868
2,197	-	-		-	-	2,197
22,988	-	-		-	-	22,988
-	-	-		-	-	407,657
-	-	699,156		-	-	699,156
-	-	-		250,893	400,503	956,394
<u>\$ 28,526</u>	<u>\$ -</u>	<u>\$ 699,156</u>		<u>\$ 250,893</u>	<u>\$ 400,503</u>	<u>\$ 2,097,260</u>
\$ 100,957	\$ 655,621	\$ -		\$ -	\$ -	\$ 790,638
4,711	-	-		14,367	25,907	45,044
<u>\$ 134,194</u>	<u>\$ 655,621</u>	<u>\$ 699,156</u>		<u>\$ 265,260</u>	<u>\$ 426,410</u>	<u>\$ 2,932,942</u>
<u>\$ 145,516</u>	<u>\$ 676,976</u>	<u>\$ 746,256</u>		<u>\$ 282,625</u>	<u>\$ 427,364</u>	<u>\$ 3,138,082</u>

STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL	ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST
Net Revenues:					
Unemployment Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Mining Taxes.....	-	-	-	-	-
Tobacco Settlement.....	-	-	-	-	-
Federal Revenues.....	-	-	-	-	-
Investment/Interest Income.....	6,003	15,445	-	1,158	20,808
Gifts and Donations.....	-	-	-	19,231	-
Deferred Compensation Contributions.....	-	-	-	-	-
Securities Lending Income.....	-	-	-	-	-
Other Revenues.....	-	-	-	8,728	11
Net Revenues.....	\$ 6,003	\$ 15,445	\$ -	\$ 29,117	\$ 20,819
Expenditures:					
Current:					
Protection of Persons and Property.....	\$ -	\$ -	\$ -	\$ 59	\$ -
Transportation.....	1,788	5,601	-	-	-
Resource Management.....	-	-	-	1,031	2,874
Economic and Manpower Development.....	-	-	-	68	60
Education.....	-	-	-	7,126	-
Health and Social Services.....	-	-	-	1,066	-
General Government.....	-	-	-	208	378
Borrower Rebates.....	-	-	-	-	-
Management Fees.....	-	-	-	-	-
Total Current Expenditures.....	\$ 1,788	\$ 5,601	\$ -	\$ 9,558	\$ 3,312
Capital Outlay.....	-	-	-	8,255	1,145
Grants and Subsidies.....	90,350	400,629	20,860	11,098	3,389
Deferred Compensation Withdrawals.....	-	-	-	-	-
Total Expenditures.....	\$ 92,138	\$ 406,230	\$ 20,860	\$ 28,911	\$ 7,846
Excess of Revenues Over (Under) Expenditures.....	\$ (86,135)	\$ (390,785)	\$ (20,860)	\$ 206	\$ 12,973
Other Financing Sources (Uses):					
Operating Transfers-In.....	\$ 104,830	\$ 384,567	\$ 22,296	\$ 2,739	\$ 23,518
Operating Transfers-Out.....	-	(4,400)	-	(1,529)	-
Transfers-Out to Component Units.....	-	-	-	-	(4,900)
Net Other Financing Sources (Uses).....	\$ 104,830	\$ 380,167	\$ 22,296	\$ 1,210	\$ 18,618
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 18,695	\$ (10,618)	\$ 1,436	\$ 1,416	\$ 31,591
Fund Balances, Beginning, as Reported.....	\$ 102,664	\$ 292,813	\$ 4,410	\$ 15,556	\$ 4,817
Change in Fund Structure.....	-	-	-	-	289,521
Fund Balances, Beginning, as Restated.....	\$ 102,664	\$ 292,813	\$ 4,410	\$ 15,556	\$ 294,338
Fund Balances, Ending.....	\$ 121,359	\$ 282,195	\$ 5,846	\$ 16,972	\$ 325,929

NORTHEAST MINNESOTA ECONOMIC PROTECTION	REEMPLOYMENT INSURANCE	MINNESOTA STATE RETIREMENT SYSTEM		MEDICAL EDUCATION AND RESEARCH	TOBACCO USE PREVENTION	TOTAL
		STATE DEFERRED COMPENSATION				
\$ -	\$ 378,184	\$ -		\$ -	\$ -	\$ 378,184
5,488	-	-		-	-	5,488
-	-	-		86,496	135,289	221,785
-	4,270	-		7,803	-	12,073
7,179	43,046	53,520		8,862	12,680	168,701
-	-	-		-	-	19,231
-	-	140,146		-	-	140,146
-	-	3,256		-	-	3,256
50	653	-		7,348	-	16,790
<u>\$ 12,717</u>	<u>\$ 426,153</u>	<u>\$ 196,922</u>		<u>\$ 110,509</u>	<u>\$ 147,969</u>	<u>\$ 965,654</u>
\$ -	\$ -	\$ -		\$ -	\$ -	\$ 59
-	-	-		-	-	7,389
-	-	-		-	-	3,905
2,112	-	-		-	-	2,240
-	-	-		-	-	7,126
-	-	-		-	189	1,255
-	-	-		-	-	586
-	-	2,920		-	-	2,920
-	-	90		-	-	90
<u>\$ 2,112</u>	<u>\$ -</u>	<u>\$ 3,010</u>		<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 25,570</u>
13	-	-		-	-	9,413
4,792	384,840	-		8,766	2,458	927,182
-	-	151,048		-	-	151,048
<u>\$ 6,917</u>	<u>\$ 384,840</u>	<u>\$ 154,058</u>		<u>\$ 8,766</u>	<u>\$ 2,647</u>	<u>\$ 1,113,213</u>
<u>\$ 5,800</u>	<u>\$ 41,313</u>	<u>\$ 42,864</u>		<u>\$ 101,743</u>	<u>\$ 145,322</u>	<u>\$ (147,559)</u>
\$ -	\$ -	\$ -		\$ -	\$ 281,088	\$ 819,038
-	-	-		(2,348)	-	(8,277)
-	-	-		(14,075)	-	(18,975)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (16,423)</u>	<u>\$ 281,088</u>	<u>\$ 791,786</u>
\$ 5,800	\$ 41,313	\$ 42,864		\$ 85,320	\$ 426,410	\$ 644,227
\$ 128,394	\$ 614,308	\$ 656,292		\$ -	\$ -	\$ 1,819,254
-	-	-		179,940	-	469,461
<u>\$ 128,394</u>	<u>\$ 614,308</u>	<u>\$ 656,292</u>		<u>\$ 179,940</u>	<u>\$ -</u>	<u>\$ 2,288,715</u>
<u>\$ 134,194</u>	<u>\$ 655,621</u>	<u>\$ 699,156</u>		<u>\$ 265,260</u>	<u>\$ 426,410</u>	<u>\$ 2,932,942</u>

STATE OF MINNESOTA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2000

(IN THOUSANDS)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
DISBURSEMENT CLEARING				
ASSETS				
Cash and Cash Equivalents.....	\$ 193,340	\$ 13,451,017	\$ 13,441,213	\$ 203,144
Total Assets.....	<u>\$ 193,340</u>	<u>\$ 13,451,017</u>	<u>\$ 13,441,213</u>	<u>\$ 203,144</u>
LIABILITIES				
Warrants Payable.....	\$ 193,340	\$ 13,451,017	\$ 13,441,213	\$ 203,144
Total Liabilities.....	<u>\$ 193,340</u>	<u>\$ 13,451,017</u>	<u>\$ 13,441,213</u>	<u>\$ 203,144</u>
MISCELLANEOUS AGENCY				
ASSETS				
Cash and Cash Equivalents.....	\$ 37,884	\$ 1,418,133	\$ 1,406,222	\$ 49,795
Investments.....	7,596	11,866	7,596	11,866
Accounts Receivable.....	52,981	28,511	52,981	28,511
Interfund Receivables.....	3,293	5,775	3,293	5,775
Accrued Investment Income.....	136	181	136	181
Total Assets.....	<u>\$ 101,890</u>	<u>\$ 1,464,466</u>	<u>\$ 1,470,228</u>	<u>\$ 96,128</u>
LIABILITIES				
Accounts Payable.....	\$ 31,228	\$ 46,903	\$ 31,228	\$ 46,903
Interfund Payables.....	7,232	19,910	7,232	19,910
Funds Held in Trust.....	63,430	1,502,926	1,537,041	29,315
Total Liabilities.....	<u>\$ 101,890</u>	<u>\$ 1,569,739</u>	<u>\$ 1,575,501</u>	<u>\$ 96,128</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents.....	\$ 231,224	\$ 14,869,150	\$ 14,847,435	\$ 252,939
Investments.....	7,596	11,866	7,596	11,866
Accounts Receivable.....	52,981	28,511	52,981	28,511
Interfund Receivables.....	3,293	5,775	3,293	5,775
Accrued Investment Income.....	136	181	136	181
Total Assets.....	<u>\$ 295,230</u>	<u>\$ 14,915,483</u>	<u>\$ 14,911,441</u>	<u>\$ 299,272</u>
LIABILITIES				
Warrants Payable.....	\$ 193,340	\$ 13,451,017	\$ 13,441,213	\$ 203,144
Accounts Payable.....	31,228	46,903	31,228	46,903
Interfund Payables.....	7,232	19,910	7,232	19,910
Funds Held in Trust.....	63,430	1,502,926	1,537,041	29,315
Total Liabilities.....	<u>\$ 295,230</u>	<u>\$ 15,020,756</u>	<u>\$ 15,016,714</u>	<u>\$ 299,272</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The *General Fixed Assets Account Group* is maintained to account for fixed assets acquired or constructed for use by the state, other than those accounted for in proprietary and fiduciary funds.

STATE OF MINNESOTA

SCHEDULE OF GENERAL FIXED ASSETS

BY SOURCE

JUNE 30, 2000

(IN THOUSANDS)

GENERAL FIXED ASSETS	
Land.....	\$ 338,826
Buildings.....	2,246,489
Equipment.....	500,699
Construction in Progress.....	359,877

Total General Fixed Assets.....	<u>\$ 3,445,891</u>
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INVESTMENT IN GENERAL FIXED ASSETS

Investment in Assets Acquired Prior to July 1, 1984 - Source Unidentified.....	\$ 844,773
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Expenditures from:

General Fund.....	666,020
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Special Revenue Funds:

Trunk Highway Fund.....	415,560
Highway User Tax Distribution Fund.....	320
State Airports Fund.....	4,337
Federal Fund.....	145,579
Environmental Fund.....	19,900
Petroleum Tank Cleanup.....	266
Natural Resources Funds.....	28,770
Special Compensation Fund.....	129
Health Care Access Fund.....	1,228
Iron Range Resources and Rehabilitation Fund.....	27,120
Miscellaneous Special Revenue Fund.....	77,942

Capital Projects Funds:

General Project Fund.....	33,666
Building Fund.....	1,117,569

Expendable Trust Funds:

Endowment Fund.....	2,129
Municipal State Aid Fund.....	39
Northeast Minnesota Economic Protection Fund.....	7,255

Donations.....	<u>53,289</u>
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Total Investment in General Fixed Assets.....	<u>\$ 3,445,891</u>
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STATE OF MINNESOTA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY JUNE 30, 2000 (IN THOUSANDS)

FUNCTION AND ACTIVITY	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs.....	\$ 4,520	\$ 147,147	\$ 598	\$ 10,446	\$ 162,711
Public Safety.....	-	-	28,451	-	28,451
Others.....	-	-	2,123	-	2,123
Total Protection of Persons and Property.....	\$ 4,520	\$ 147,147	\$ 31,172	\$ 10,446	\$ 193,285
Transportation:					
Transportation.....	\$ 5,901	\$ 177,075	\$ 211,928	\$ 39,514	\$ 434,418
Total Transportation.....	\$ 5,901	\$ 177,075	\$ 211,928	\$ 39,514	\$ 434,418
Resource Management:					
Natural Resources.....	\$ 247,960	\$ 49,646	\$ 51,562	\$ 947	\$ 350,115
Pollution Control.....	2,735	-	4,576	-	7,311
Others.....	-	-	16	-	16
Total Resource Management.....	\$ 250,695	\$ 49,646	\$ 56,154	\$ 947	\$ 357,442
Economic and Manpower Development:					
Agriculture.....	\$ -	\$ -	\$ 3,652	\$ -	\$ 3,652
Commerce.....	-	-	182	-	182
Economic Security.....	1,976	7,410	4,292	-	13,678
Trade and Economic Development.....	-	-	764	-	764
Labor and Industry.....	-	-	649	-	649
Iron Range Resources and Rehabilitation.....	1,157	37,878	3,672	1,861	44,568
Public Service.....	-	-	1,456	-	1,456
Amateur Sports Commission.....	4,162	26,471	22	-	30,655
Others.....	-	-	67	-	67
Total Economic and Manpower Development.....	\$ 7,295	\$ 71,759	\$ 14,756	\$ 1,861	\$ 95,671
Education:					
Center for Arts Education.....	\$ 1,955	\$ 2,955	\$ 122	\$ 7,160	\$ 12,192
Minnesota State Colleges and Universities.....	45,683	997,348	122,314	77,545	1,242,890
Education (K-12).....	20	11,370	2,238	-	13,628
Zoological Garden.....	1,175	64,412	1,641	4,352	71,580
Total Education.....	\$ 48,833	\$ 1,076,085	\$ 126,315	\$ 89,057	\$ 1,340,290
Health and Social Services:					
Health.....	\$ -	\$ -	\$ 4,847	\$ -	\$ 4,847
Human Services.....	1,554	218,173	24,894	22,552	267,173
Veterans Affairs and Veterans Home Board.....	134	42,708	1,879	32,967	77,688
Corrections.....	479	209,108	9,207	22,814	241,608
Others.....	30	-	1,665	-	1,695
Total Health and Human Services.....	\$ 2,197	\$ 469,989	\$ 42,492	\$ 78,333	\$ 593,011
General Government:					
Administration (1).....	\$ 19,385	\$ 254,788	\$ 1,405	\$ 139,719	\$ 415,297
Attorney General.....	-	-	782	-	782
Employee Relations.....	-	-	427	-	427
Office of Strategic and Long Range Planning.....	-	-	89	-	89
Governor.....	-	-	51	-	51
Legislature.....	-	-	148	-	148
Secretary of State.....	-	-	4,981	-	4,981
Supreme Court.....	-	-	3,053	-	3,053
Revenue.....	-	-	5,458	-	5,458
Others.....	-	-	1,488	-	1,488
Total General Government.....	\$ 19,385	\$ 254,788	\$ 17,882	\$ 139,719	\$ 431,774
Total General Fixed Assets.....	\$ 338,826	\$ 2,246,489	\$ 500,699	\$ 359,877	\$ 3,445,891

(1) Consists primarily of buildings and land located in the capitol complex area.

STATE OF MINNESOTA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS BEGINNING	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS ENDING
Protection of Persons and Property:					
Military Affairs.....	\$ 157,634	\$ 5,998	\$ 1,027	\$ 106	\$ 162,711
Public Safety.....	29,241	2,726	4,496	980	28,451
Others.....	1,252	115	42	798	2,123
Total Protection of Persons and Property.....	\$ 188,127	\$ 8,839	\$ 5,565	\$ 1,884	\$ 193,285
Transportation:					
Transportation.....	\$ 403,329	\$ 41,126	\$ 16,684	\$ 6,647	\$ 434,418
Total Transportation.....	\$ 403,329	\$ 41,126	\$ 16,684	\$ 6,647	\$ 434,418
Resource Management:					
Natural Resources.....	\$ 341,311	\$ 18,343	\$ 6,880	\$ (2,659)	\$ 350,115
Pollution Control.....	5,677	1,455	572	751	7,311
Others.....	31	-	15	-	16
Total Resource Management.....	\$ 347,019	\$ 19,798	\$ 7,467	\$ (1,908)	\$ 357,442
Economic and Manpower Development:					
Agriculture.....	\$ 1,719	\$ 103	\$ -	\$ 1,830	\$ 3,652
Commerce.....	182	-	-	-	182
Economic Security.....	15,463	253	1,979	(59)	13,678
Trade and Economic Development.....	779	263	600	322	764
Labor and Industry.....	686	-	37	-	649
Iron Range Resources and Rehabilitation.....	43,181	1,991	791	187	44,568
Public Service.....	1,456	-	-	-	1,456
Amateur Sports Commission.....	27,744	2,900	-	11	30,655
Others.....	67	-	-	-	67
Total Economic and Manpower Development.....	\$ 91,277	\$ 5,510	\$ 3,407	\$ 2,291	\$ 95,671
Education:					
Center for Arts Education.....	\$ 5,016	\$ 1,047	\$ -	\$ 6,129	\$ 12,192
Minnesota State Colleges and Universities.....	1,175,877	85,590	37,603	19,026	1,242,890
Education (K-12).....	11,839	1,879	172	82	13,628
Zoological Garden.....	67,406	4,174	-	-	71,580
Total Education.....	\$ 1,260,138	\$ 92,690	\$ 37,775	\$ 25,237	\$ 1,340,290
Health and Social Services:					
Health.....	\$ 4,915	\$ -	\$ 23	\$ (45)	\$ 4,847
Human Services.....	206,024	59,999	21,206	22,356	267,173
Veterans Affairs and Veterans Home Board.....	43,591	6,840	12	27,269	77,688
Corrections.....	195,137	43,381	28,394	31,484	241,608
Others.....	1,740	-	45	-	1,695
Total Health and Human Services.....	\$ 451,407	\$ 110,220	\$ 49,680	\$ 81,064	\$ 593,011
General Government:					
Administration (1).....	\$ 356,540	\$ 80,329	\$ 84,186	\$ 62,614	\$ 415,297
Attorney General.....	852	137	637	430	782
Employee Relations.....	494	-	-	(67)	427
Office of Strategic and Long Range Planning.....	89	-	-	-	89
Governor.....	66	-	15	-	51
Legislature.....	131	-	-	17	148
Secretary of State.....	4,915	66	-	-	4,981
Supreme Court.....	3,337	31	315	-	3,053
Revenue.....	3,419	1,025	701	1,715	5,458
Others.....	1,453	213	178	-	1,488
Total General Government.....	\$ 371,296	\$ 81,801	\$ 86,032	\$ 64,709	\$ 431,774
Total General Fixed Assets.....	\$ 3,112,593	\$ 359,984	\$ 206,610	\$ 179,924	\$ 3,445,891

(1) Consists primarily of buildings and land located in the capitol complex area.

GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP

The *General Long-Term Obligation Account Group* accounts for unmatured principal of bonds, notes and other forms of long-term indebtedness which are not accounted for in proprietary or fiduciary funds.

STATE OF MINNESOTA

GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
Amount Available and to be Provided for Payment of General Long-Term Obligations:				
Amount Available in Debt Service Fund.....	\$ 232,095	\$ 211,990	\$ 214,350	\$ 229,735
Amount to be Provided:				
General Fund.....	\$ 2,548,473	\$ 404,424	\$ 263,015	\$ 2,689,882
Trunk Highway Fund.....	76,294	11,788	11,494	76,588
Highway User Tax Distribution Fund.....	896	23	-	919
Solid Waste Fund.....	129,786	4,910	-	134,696
State Airports Fund.....	459	-	26	433
Federal Fund.....	20,365	1,036	252	21,149
Environmental Fund.....	1,694	363	11	2,046
Petroleum Tank Cleanup Fund.....	424	-	70	354
Natural Resources Funds.....	9,273	357	156	9,474
Maximum Effort School Loan Fund.....	94,490	-	16,100	78,390
Special Compensation Fund.....	54,461	3,881	3,275	55,067
Health Care Access Fund.....	954	73	-	1,027
Iron Range Resources and Rehabilitation Fund.....	4,527	-	203	4,324
Miscellaneous Special Revenue Fund.....	22,219	5,658	1,300	26,577
Total Amount to be Provided.....	\$ 2,964,315	\$ 432,513	\$ 295,902	\$ 3,100,926
Total Amount Available and to be Provided.....	\$ 3,196,410	\$ 644,503	\$ 510,252	\$ 3,330,661
General Long-Term Obligations Payable:				
General Obligation Bonds Payable.....	\$ 2,384,195	\$ 360,000	\$ 216,914	\$ 2,527,281
Loans Payable.....	10,482	-	5,241	5,241
Revenue Bonds Payable.....	108,565	-	51,970	56,595
Claims Payable.....	292,045	18,178	3,275	306,948
Compensated Absences Payable.....	265,063	13,339	2,044	276,358
Workers' Compensation Liability.....	116,135	33,645	13,120	136,660
Capital Leases Payable.....	19,095	9,301	6,818	21,578
Arbitrage Payable.....	830	-	830	-
Total General Long-Term Obligations Payable.....	\$ 3,196,410	\$ 434,463	\$ 300,212	\$ 3,330,661

COMPONENT UNIT FUNDS

Component units are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body, and either (a) the ability to impose the will of the primary government, or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government. Component units are presented below in three reporting groups: Governmental fund type, Proprietary fund type and Universities.

GOVERNMENTAL FUND TYPE:

Public Facilities Authority provides financial assistance to eligible municipalities with high cost wastewater infrastructure projects.

The *Metropolitan Council* is responsible for coordinating the planning and development of the Twin Cities metropolitan area.

The *Minnesota Technology Incorporated* provides financial assistance to new or existing small and medium sized businesses in greater Minnesota, in order to stimulate economic growth and job creation.

The *Higher Education Services Office* administers state student loan programs and engages in long-range planning for the needs of higher education.

The *Export Finance Authority* aids and facilitates the financing of exports from the state.

The *Agricultural and Economic Development Board* administers programs for agricultural and economic development.

The *Rural Finance Authority* administers state agriculture programs.

The *Minnesota Partnership for Action Against Tobacco* issues grants to health, community and academic organizations throughout Minnesota in support of research and cessation activities that will encourage and help tobacco users quit.

PROPRIETARY FUND TYPE:

The *Housing Finance Agency* provides money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes.

The *Public Facilities Authority* provides financial assistance to municipalities, primarily for wastewater treatment construction projects.

The *Metropolitan Council* operates the metropolitan regional sewage treatment and disposal systems and the public transit system. The Metropolitan Sports Facilities Commission, a component unit of the Council, operates the Metropolitan Sports Center and Hubert H. Humphrey Metrodome sports facilities.

The *Workers' Compensation Assigned Risk Plan* is the source of workers' compensation and employers' liability coverage for Minnesota employers who have been unable to obtain an insurance policy through the voluntary market.

The *National Sports Center Foundation* is under contract with the Minnesota Amateur Sports Commission to maintain and operate the National Sports Center facility. The primary purpose of the facility is to hold youth-oriented athletic and other non-athletic functions and events.

The *Higher Education Services Office* makes and guarantees loans to qualified post secondary students.

COLLEGE AND UNIVERSITY TYPE:

The *University of Minnesota* is a multi-campus university providing undergraduate and graduate degrees, advanced research opportunities, and an extension service.

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STATE OF MINNESOTA

COMPONENT UNIT FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 AND JUNE 30, 2000 (IN THOUSANDS)

	GOVERNMENTAL FUND TYPES	PROPRIETARY FUND TYPES	UNIVERSITY OF MINNESOTA	TOTAL COMPONENT UNITS
ASSETS				
Cash and Cash Equivalents.....	\$ 168,251	\$ 633,112	\$ 489,108	\$ 1,290,471
Investments.....	230,212	1,122,936	864,559	2,217,707
Accounts Receivable.....	5,579	205,741	61,135	272,455
Settlement Receivable.....	57,700	-	-	57,700
Interfund Receivables.....	762	3	-	765
Due from Other Governmental Units.....	7,310	2,562	-	9,872
Due from Primary Government.....	-	240	157,093	157,333
Accrued Investment/Interest Income.....	1,180	27,402	5,103	33,685
Federal Aid Receivable.....	1,829	-	62,742	64,571
Inventories.....	-	16,965	16,470	33,435
Deferred Costs.....	-	3,947	9,712	13,659
Restricted Assets:				
Cash and Cash Equivalents.....	-	466,940	12,233	479,173
Investments.....	-	302,007	-	302,007
Loans Receivable.....	-	687,328	-	687,328
Interfund Receivables.....	-	6,665	-	6,665
Due from Other Governmental Units.....	-	21,918	-	21,918
Other Restricted Assets.....	-	97,868	-	97,868
Loans and Notes Receivable.....	93,444	2,003,998	63,745	2,161,187
Securities Lending Collateral.....	-	-	75,189	75,189
Fixed Assets (Net).....	12,575	1,202,724	1,406,245	2,621,544
Other Assets.....	381	409	370	1,160
Amount Available for Debt Service.....	31,465	-	-	31,465
Amount to be Provided for Debt Service.....	139,599	-	-	139,599
Total Assets and Other Debits.....	\$ 750,287	\$ 6,802,765	\$ 3,223,704	\$ 10,776,756
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable.....	\$ 42,788	\$ 89,161	\$ 148,121	\$ 280,070
Interfund Payables.....	7,369	2	-	7,371
Payable to Other Governmental Units.....	799	-	-	799
Due to Primary Government.....	-	3,632	48,298	51,930
Deferred Revenue.....	6,590	23,285	32,738	62,613
Payable from Restricted Assets:				
Accounts Payable.....	-	21,116	-	21,116
Interfund Payables.....	-	59	-	59
General Obligation Bonds Payable.....	-	73,065	-	73,065
Revenue Bonds Payable.....	-	588,433	-	588,433
Accrued Bond Interest Payable.....	-	69,757	-	69,757
Other Payables.....	-	87,837	-	87,837
General Obligation Bonds Payable.....	128,109	147,024	475,476	750,609
Loans/Notes Payable.....	-	330,608	4,978	335,586
Revenue Bonds Payable.....	40,697	2,069,857	12,240	2,122,794
Grants Payable.....	-	13,014	-	13,014
Claims and Judgments.....	-	375,000	23,475	398,475
Compensated Absences Payable.....	2,952	5,475	53,146	61,573
Securities Lending Collateral.....	-	-	75,189	75,189
Funds Held in Trust.....	260	112,840	-	113,100
Pension Liabilities.....	-	-	22,008	22,008
Other Liabilities.....	59	4,003	-	4,062
Total Liabilities.....	\$ 229,623	\$ 4,014,168	\$ 895,669	\$ 5,139,460
Fund Equity:				
Contributed Capital.....	\$ -	\$ 962,334	\$ -	\$ 962,334
Investment in Fixed Assets.....	\$ 12,180	\$ -	\$ 1,004,572	\$ 1,016,752
Retained Earnings:				
Reserved Retained Earnings.....	\$ -	\$ 724,039	\$ -	\$ 724,039
Unreserved Retained Earnings.....	-	1,102,224	-	1,102,224
Total Retained Earnings.....	\$ -	\$ 1,826,263	\$ -	\$ 1,826,263
Fund Balances:				
Reserved for Encumbrances.....	\$ 10,314	\$ -	\$ 27,765	\$ 38,079
Other Reserved Fund Balances.....	130,327	-	899,692	1,030,019
Unreserved Fund Balances:				
Designated Fund Balances.....	328,347	-	250,210	578,557
Undesignated Fund Balances.....	39,496	-	145,796	185,292
Total Fund Balances.....	\$ 508,484	\$ -	\$ 1,323,463	\$ 1,831,947
Total Fund Equity and Other Credits.....	\$ 520,664	\$ 2,788,597	\$ 2,328,035	\$ 5,637,296
Total Liabilities, Equity and Other Credits.....	\$ 750,287	\$ 6,802,765	\$ 3,223,704	\$ 10,776,756

STATE OF MINNESOTA

COMPONENT UNIT FUNDS - GOVERNMENTAL FUND TYPES COMBINING BALANCE SHEET DECEMBER 31, 1999 and JUNE 30, 2000 (IN THOUSANDS)

	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	MINNESOTA TECHNOLOGY INCORPORATED	HIGHER EDUCATION SERVICES OFFICE
ASSETS				
Cash and Cash Equivalents.....	\$ 38,812	\$ 79,964	\$ 4,338	\$ 318
Investments.....	-	80,663	-	-
Accounts Receivable.....	-	1,907	54	3,618
Settlement Receivable.....	-	-	-	-
Interfund Receivables.....	-	762	-	-
Due from Other Governmental Units.....	-	7,310	-	-
Accrued Investment/Interest Income.....	-	1,003	-	-
Federal Aid Receivable.....	936	-	588	305
Loans and Notes Receivable.....	-	17,137	-	-
Fixed Assets (Net).....	-	12,085	395	95
Other Assets.....	-	181	3	-
Amount Available for Debt Service.....	-	31,465	-	-
Amount to be Provided for Debt Service.....	-	98,902	-	-
Total Assets and Other Debits.....	<u>\$ 39,748</u>	<u>\$ 331,379</u>	<u>\$ 5,378</u>	<u>\$ 4,336</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 728	\$ 38,847	\$ 362	\$ 1,768
Interfund Payables.....	-	7,369	-	-
Payable to Other Governmental Units.....	-	799	-	-
Deferred Revenue.....	936	3,858	-	1,796
General Obligation Bonds Payable.....	-	128,109	-	-
Revenue Bonds Payable.....	-	-	-	-
Compensated Absences Payable.....	-	2,259	372	321
Funds Held in Trust.....	-	260	-	-
Other Liabilities.....	-	-	-	-
Total Liabilities.....	<u>\$ 1,664</u>	<u>\$ 181,501</u>	<u>\$ 734</u>	<u>\$ 3,885</u>
Investment in Fixed Assets.....	<u>\$ -</u>	<u>\$ 12,085</u>	<u>\$ -</u>	<u>\$ 95</u>
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances.....	\$ 9,055	\$ 1,259	\$ -	\$ -
Reserved for Long-Term Receivables.....	-	17,137	-	-
Reserved for Long-Term Commitments.....	-	36,883	-	-
Total Reserved Fund Balances.....	<u>\$ 9,055</u>	<u>\$ 55,279</u>	<u>\$ -</u>	<u>\$ -</u>
Unreserved Fund Balances:				
Designated for Fund Purposes.....	\$ 29,029	\$ 48,710	\$ 4,644	\$ -
Undesignated.....	-	33,804	-	356
Total Unreserved Fund Balances.....	<u>\$ 29,029</u>	<u>\$ 82,514</u>	<u>\$ 4,644</u>	<u>\$ 356</u>
Total Fund Balances.....	<u>\$ 38,084</u>	<u>\$ 137,793</u>	<u>\$ 4,644</u>	<u>\$ 356</u>
Total Liabilities, Fund Balances and Other Credits.....	<u>\$ 39,748</u>	<u>\$ 331,379</u>	<u>\$ 5,378</u>	<u>\$ 4,336</u>

EXPORT FINANCE AUTHORITY	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	RURAL FINANCE AUTHORITY	MINNESOTA PARTNERSHIP FOR ACTION AGAINST TOBACCO	TOTAL
\$ 1,055	\$ 29,411	\$ 14,281	\$ 72	\$ 168,251
-	10,002	-	139,547	230,212
-	-	-	-	5,579
-	-	-	57,700	57,700
-	-	-	-	762
-	-	-	-	7,310
5	169	3	-	1,180
-	-	-	-	1,829
-	24,516	51,791	-	93,444
-	-	-	-	12,575
-	-	-	197	381
-	-	-	-	31,465
-	40,697	-	-	139,599
<u>\$ 1,060</u>	<u>\$ 104,795</u>	<u>\$ 66,075</u>	<u>\$ 197,516</u>	<u>\$ 750,287</u>
\$ -	\$ 964	\$ -	\$ 119	\$ 42,788
-	-	-	-	7,369
-	-	-	-	799
-	-	-	-	6,590
-	-	-	-	128,109
-	40,697	-	-	40,697
-	-	-	-	2,952
-	-	-	-	260
-	-	-	59	59
<u>\$ -</u>	<u>\$ 41,661</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ 229,623</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,180</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,314
-	24,516	51,791	-	93,444
-	-	-	-	36,883
<u>\$ -</u>	<u>\$ 24,516</u>	<u>\$ 51,791</u>	<u>\$ -</u>	<u>\$ 140,641</u>
\$ -	\$ 38,618	\$ 14,284	\$ 193,062	\$ 328,347
1,060	-	-	4,276	39,496
<u>\$ 1,060</u>	<u>\$ 38,618</u>	<u>\$ 14,284</u>	<u>\$ 197,338</u>	<u>\$ 367,843</u>
<u>\$ 1,060</u>	<u>\$ 63,134</u>	<u>\$ 66,075</u>	<u>\$ 197,338</u>	<u>\$ 508,484</u>
<u>\$ 1,060</u>	<u>\$ 104,795</u>	<u>\$ 66,075</u>	<u>\$ 197,516</u>	<u>\$ 750,287</u>

STATE OF MINNESOTA

COMPONENT UNIT FUNDS - GOVERNMENTAL FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEARS ENDED DECEMBER 31, 1999 AND JUNE 30, 2000 (IN THOUSANDS)

	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	MINNESOTA TECHNOLOGY INCORPORATED	HIGHER EDUCATION SERVICES OFFICE
Net Revenues:				
Other Taxes.....	\$ -	\$ 49,566	\$ -	\$ -
Federal Revenues.....	315	-	2,006	2,366
Other Intergovernmental Revenues.....	-	25,713	-	-
Tobacco Settlement.....	-	-	-	-
Investment/Interest Income.....	-	2,239	599	-
Other Revenues.....	-	31,144	766	158
Net Revenues.....	\$ 315	\$ 108,662	\$ 3,371	\$ 2,524
Expenditures:				
Current:				
Transportation.....	\$ -	\$ 49,762	\$ -	\$ -
Resource Management.....	-	19,309	-	-
Economic & Manpower Development.....	-	2,894	9,388	-
Education.....	-	-	-	10,234
Health and Social Services.....	-	28,728	-	-
General Government.....	-	36,432	3,068	52
Total Current Expenditures.....	\$ -	\$ 137,125	\$ 12,456	\$ 10,286
Capital Outlay.....	-	3,655	-	-
Debt Service.....	-	41,414	-	-
Grants and Subsidies.....	23,274	-	-	136,834
Total Expenditures.....	\$ 23,274	\$ 182,194	\$ 12,456	\$ 147,120
Excess of Revenues Over (Under) Expenditures.....	\$ (22,959)	\$ (73,532)	\$ (9,085)	\$ (144,596)
Other Financing Sources (Uses):				
General Obligation and Revenue Bonds.....	\$ -	\$ 29,048	\$ -	\$ -
Operating Transfers-In.....	-	1,910	-	-
Other Operating Transfers-Out.....	-	(4,685)	-	-
Transfers-In from Primary Government.....	19,319	54,684	4,605	145,000
Transfers-Out to Primary Government.....	(319)	-	-	-
Net Other Financing Sources (Uses).....	\$ 19,000	\$ 80,957	\$ 4,605	\$ 145,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (3,959)	\$ 7,425	\$ (4,480)	\$ 404
Fund Balances, Beginning.....	\$ 42,043	\$ 145,061	\$ 9,124	\$ (48)
Residual Equity Transfers-Out.....	-	(14,693)	-	-
Fund Balances, Ending.....	\$ 38,084	\$ 137,793	\$ 4,644	\$ 356

EXPORT FINANCE AUTHORITY	AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	RURAL FINANCE AUTHORITY	MINNESOTA PARTNERSHIP FOR ACTION AGAINST TOBACCO	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 49,566
-	-	-	-	4,687
-	-	8	-	25,721
-	-	-	3,800	3,800
63	2,342	3,299	8,498	17,040
-	97	-	-	32,165
<u>\$ 63</u>	<u>\$ 2,439</u>	<u>\$ 3,307</u>	<u>\$ 12,298</u>	<u>\$ 132,979</u>
\$ -	\$ -	\$ -	\$ -	\$ 49,762
-	-	-	-	19,309
-	798	-	-	13,080
-	-	-	-	10,234
-	-	-	1,372	30,100
-	-	-	432	39,984
<u>\$ -</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 1,804</u>	<u>\$ 162,469</u>
-	-	-	-	3,655
-	15,754	-	-	57,168
-	-	-	-	160,108
<u>\$ -</u>	<u>\$ 16,552</u>	<u>\$ -</u>	<u>\$ 1,804</u>	<u>\$ 383,400</u>
<u>\$ 63</u>	<u>\$ (14,113)</u>	<u>\$ 3,307</u>	<u>\$ 10,494</u>	<u>\$ (250,421)</u>
\$ -	\$ 14,900	\$ 3,100	\$ -	\$ 47,048
-	-	-	-	1,910
-	-	-	-	(4,685)
-	-	-	-	223,608
(66)	-	(8,547)	-	(8,932)
<u>\$ (66)</u>	<u>\$ 14,900</u>	<u>\$ (5,447)</u>	<u>\$ -</u>	<u>\$ 258,949</u>
<u>\$ (3)</u>	<u>\$ 787</u>	<u>\$ (2,140)</u>	<u>\$ 10,494</u>	<u>\$ 8,528</u>
\$ 1,063	\$ 62,347	\$ 68,215	\$ 186,844	\$ 514,649
-	-	-	-	(14,693)
<u>\$ 1,060</u>	<u>\$ 63,134</u>	<u>\$ 66,075</u>	<u>\$ 197,338</u>	<u>\$ 508,484</u>

STATE OF MINNESOTA

COMPONENT UNIT FUNDS - PROPRIETARY FUND TYPES
COMBINING BALANCE SHEET
DECEMBER 31, 1999 AND JUNE 30, 2000
(IN THOUSANDS)

	HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION SERVICES OFFICE	TOTAL
ASSETS							
Cash and Cash Equivalents.....	\$ 549,270	\$ -	\$ 65,818	\$ 10,736	\$ 294	\$ 6,994	\$ 633,112
Investments.....	276,273	-	5,271	738,237	-	103,155	1,122,936
Accounts Receivable.....	1,873	-	12,866	190,755	247	-	205,741
Interfund Receivables.....	-	-	3	-	-	-	3
Due from Other Governmental Units.....	-	-	2,562	-	-	-	2,562
Due from Primary Government.....	240	-	-	-	-	-	240
Accrued Investment/Interest Income.....	18,582	-	522	5,845	-	2,453	27,402
Inventories.....	1,848	-	15,083	-	34	-	16,965
Deferred Costs.....	-	-	-	2,997	16	934	3,947
Restricted Assets:							
Cash and Cash Equivalents.....	164,521	127,555	153,117	-	-	21,747	466,940
Investments.....	86,231	182,485	33,291	-	-	-	302,007
Loans Receivable.....	-	687,328	-	-	-	-	687,328
Interfund Receivables.....	-	-	6,665	-	-	-	6,665
Due from Other Governmental Units.....	-	-	21,918	-	-	-	21,918
Other Restricted Assets.....	-	87,763	10,105	-	-	-	97,868
Loans and Notes Receivable.....	1,737,863	-	-	-	-	266,135	2,003,998
Fixed Assets (Net).....	1,264	-	1,198,060	-	3,363	37	1,202,724
Other Assets.....	-	-	214	103	-	92	409
Total Assets and Other Debits.....	<u>\$ 2,837,965</u>	<u>\$ 1,085,131</u>	<u>\$ 1,525,495</u>	<u>\$ 948,673</u>	<u>\$ 3,954</u>	<u>\$ 401,547</u>	<u>\$ 6,802,765</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts Payable.....	\$ 10,932	\$ 3,822	\$ 70,527	\$ 3,055	\$ 387	\$ 438	\$ 89,161
Interfund Payables.....	-	-	2	-	-	-	2
Due to Primary Government.....	-	-	-	3,632	-	-	3,632
Deferred Revenue.....	5,666	1,016	2,386	13,989	228	-	23,285
Payable from Restricted Assets:							
Accounts Payable.....	-	-	21,116	-	-	-	21,116
Interfund Payables.....	-	-	59	-	-	-	59
General Obligation Bonds Payable.....	-	-	73,065	-	-	-	73,065
Revenue Bonds Payable.....	34,800	553,633	-	-	-	-	588,433
Accrued Bond Interest Payable.....	52,755	9,450	7,283	-	-	269	69,757
Other Payables.....	-	-	87,837	-	-	-	87,837
General Obligation Bonds Payable.....	-	-	147,024	-	-	-	147,024
Loans/Notes Payable.....	-	-	327,470	-	3,138	-	330,608
Revenue Bonds Payable.....	1,940,157	-	-	-	-	129,700	2,069,857
Grants Payable.....	-	13,014	-	-	-	-	13,014
Claims and Judgments.....	-	-	-	375,000	-	-	375,000
Compensated Absences Payable.....	1,007	-	4,329	-	-	139	5,475
Funds Held in Trust.....	112,840	-	-	-	-	-	112,840
Other Liabilities.....	-	-	3,946	-	-	57	4,003
Total Liabilities.....	<u>\$ 2,158,157</u>	<u>\$ 580,935</u>	<u>\$ 745,044</u>	<u>\$ 395,676</u>	<u>\$ 3,753</u>	<u>\$ 130,603</u>	<u>\$ 4,014,168</u>
Fund Equity and Other Credits:							
Contributed Capital.....	\$ -	\$ 454,044	\$ 508,290	\$ -	\$ -	\$ -	\$ 962,334
Retained Earnings:							
Reserved for Debt Requirements.....	\$ 535,741	\$ 14,050	\$ 8,703	\$ -	\$ -	\$ 21,478	\$ 579,972
Reserved per State Law.....	144,067	-	-	-	-	-	144,067
Unreserved Retained Earnings.....	-	36,102	263,458	552,997	201	249,466	1,102,224
Total Retained Earnings.....	<u>\$ 679,808</u>	<u>\$ 50,152</u>	<u>\$ 272,161</u>	<u>\$ 552,997</u>	<u>\$ 201</u>	<u>\$ 270,944</u>	<u>\$ 1,826,263</u>
Total Fund Equity and Other Credits.....	<u>\$ 679,808</u>	<u>\$ 504,196</u>	<u>\$ 780,451</u>	<u>\$ 552,997</u>	<u>\$ 201</u>	<u>\$ 270,944</u>	<u>\$ 2,788,597</u>
Total Liabilities, Equity and Other Credits.....	<u>\$ 2,837,965</u>	<u>\$ 1,085,131</u>	<u>\$ 1,525,495</u>	<u>\$ 948,673</u>	<u>\$ 3,954</u>	<u>\$ 401,547</u>	<u>\$ 6,802,765</u>

STATE OF MINNESOTA

COMPONENT UNIT FUNDS - PROPRIETARY FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEARS ENDED DECEMBER 31, 1999 AND JUNE 30, 2000 (IN THOUSANDS)

	HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION SERVICES OFFICE	TOTAL
Operating Revenues:							
Net Sales.....	\$ -	\$ -	\$ 12,287	\$ -	\$ 6,150	\$ -	\$ 18,437
Interest Income on Loans.....	121,173	23,039	-	-	-	15,745	159,957
Investment Income.....	46,060	20,480	-	-	-	-	66,540
Rental and Service Fees.....	4,633	-	197,107	-	78	-	201,818
Insurance Premiums.....	-	-	-	33,741	-	-	33,741
Other Income.....	-	656	4,821	-	-	2,472	7,949
Total Operating Revenues.....	\$ 171,866	\$ 44,175	\$ 214,215	\$ 33,741	\$ 6,228	\$ 18,217	\$ 488,442
Operating Expenses:							
Interest and Financing Costs.....	\$ 116,869	\$ 30,343	\$ -	\$ -	\$ -	\$ 4,899	\$ 152,111
Purchased Services.....	11,309	255	41,640	5,659	3,650	4,954	67,467
Salaries and Fringe Benefits.....	9,450	1,546	172,219	-	3,151	1,028	187,394
Claims.....	-	-	-	14,930	-	-	14,930
Depreciation.....	678	2	64,740	-	142	48	65,610
Amortization.....	-	-	-	-	-	59	59
Supplies and Materials.....	449	7	21,947	-	-	29	22,432
Indirect Costs.....	166	268	23,171	-	-	77	23,682
Other Expenses.....	26,282	3,409	12,555	3,865	266	1,752	48,129
Total Operating Expenses.....	\$ 165,203	\$ 35,830	\$ 336,272	\$ 24,454	\$ 7,209	\$ 12,846	\$ 581,814
Operating Income (Loss).....	\$ 6,663	\$ 8,345	\$ (122,057)	\$ 9,287	\$ (981)	\$ 5,371	\$ (93,372)
Nonoperating Revenues (Expenses):							
Investment Income.....	\$ -	\$ -	\$ 23	\$ 44,837	\$ 6	\$ 6,200	\$ 51,066
Interest and Financing Costs.....	-	-	(27,564)	-	(36)	-	(27,600)
Federal Grants and Subsidies.....	173,718	-	-	-	-	-	173,718
Other Nonoperating Revenues.....	-	-	88,619	-	1,059	(1)	89,677
Gains (Losses) on Sale of Fixed Assets.....	-	-	(5,806)	-	-	-	(5,806)
Grants, Aids and Subsidies.....	(198,089)	(925)	-	-	-	-	(199,014)
Other Nonoperating Expenses.....	-	-	968	-	-	-	968
Total Nonoperating Revenues (Expenses).....	\$ (24,371)	\$ (925)	\$ 56,240	\$ 44,837	\$ 1,029	\$ 6,199	\$ 83,009
Income (Loss) Before Transfers.....	\$ (17,708)	\$ 7,420	\$ (65,817)	\$ 54,124	\$ 48	\$ 11,570	\$ (10,363)
Transfers-In	-	-	2,776	-	-	-	2,776
Transfers-In from Primary Government.....	93,010	-	29,520	-	-	-	122,530
Transfers-Out	-	-	(1)	-	-	-	(1)
Net Income (Loss) before Extraordinary Item.....	\$ 75,302	\$ 7,420	\$ (33,522)	\$ 54,124	\$ 48	\$ 11,570	\$ 114,942
Depreciation on Fixed Assets Acquired with Contributed Capital.....	-	-	31,546	-	-	-	31,546
Increase (Decrease) in Retained Earnings.....	\$ 75,302	\$ 7,420	\$ (1,976)	\$ 54,124	\$ 48	\$ 11,570	\$ 146,488
Retained Earnings, Beginning	\$ 604,506	\$ 42,732	\$ 274,137	\$ 498,873	\$ 153	\$ 259,374	\$ 1,679,775
Retained Earnings, Ending.....	\$ 679,808	\$ 50,152	\$ 272,161	\$ 552,997	\$ 201	\$ 270,944	\$ 1,826,263

STATE OF MINNESOTA

COMPONENT UNIT FUNDS - PROPRIETARY FUND TYPES COMBINING STATEMENT OF CASH FLOWS YEARS ENDED DECEMBER 31, 1999 AND JUNE 30, 2000 (IN THOUSANDS)

	HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION SERVICES OFFICE	TOTAL
Cash Flows from Operating Activities:							
Operating Income (Loss).....	\$ 6,663	\$ 8,345	\$ (122,057)	\$ 9,287	\$ (981)	\$ 5,371	\$ (93,372)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:							
Depreciation.....	\$ 678	\$ 2	\$ 64,740	\$ -	\$ 142	\$ 48	\$ 65,610
Amortization.....	-	-	-	-	-	59	59
Investment Income.....	(46,060)	(20,480)	-	-	-	-	(66,540)
Interest and Financing Costs.....	116,869	30,343	-	-	-	4,899	152,111
Loan Principal Repayments.....	236,963	26,244	-	-	-	40,084	303,291
Loans Issued.....	(244,148)	(153,406)	-	-	-	(87,671)	(485,225)
Customer Deposits.....	41,236	-	-	-	-	-	41,236
Return of Customer Deposits.....	(32,096)	-	-	-	-	-	(32,096)
Provision for Loan Defaults.....	-	-	-	-	-	(1,305)	(1,305)
Net Nonoperating Revenues (Expenses).....	-	-	1,468	-	-	-	1,468
Change in Assets and Liabilities:							
Accounts Receivable.....	(970)	-	697	6,119	92	-	5,938
Inventories.....	335	-	(278)	-	(33)	-	24
Other Assets.....	865	(734)	(49)	899	3	(624)	360
Accounts Payable.....	2,994	(73)	(869)	22	13	216	2,303
Deferred Revenues.....	5,666	-	239	(4,504)	(57)	-	1,344
Claims and Judgments Payable.....	-	-	-	(30,000)	-	-	(30,000)
Other Liabilities.....	45	-	(5,042)	(1,125)	-	5	(6,117)
Net Reconciling Items to be Added to (Deducted from) Operating Income.....	\$ 82,377	\$ (118,104)	\$ 60,906	\$ (28,589)	\$ 160	\$ (44,289)	\$ (47,539)
Net Cash Flows from Operating Activities.....	\$ 89,040	\$ (109,759)	\$ (61,151)	\$ (19,302)	\$ (821)	\$ (38,918)	\$ (140,911)
Cash Flows from Noncapital Financing Activities:							
Grant Receipts.....	\$ 172,748	\$ 91,505	\$ 97,044	\$ -	\$ 1,523	\$ -	\$ 362,820
Grant Disbursements.....	(198,089)	(9,604)	-	-	-	-	(207,693)
Transfers-In.....	92,870	-	3,707	-	-	-	96,577
Transfers-Out.....	-	-	(4,467)	-	-	-	(4,467)
Proceeds from Bond Sales.....	362,316	21,256	-	-	-	61,200	444,772
Repayment of Debt.....	(467,954)	(25,285)	-	-	(499)	-	(493,738)
Bond Issuance Costs.....	-	(293)	-	-	-	(602)	(895)
Interest Paid.....	(120,904)	(29,246)	-	-	(36)	(4,818)	(155,004)
Net Cash Flows from Noncapital Financing Activities.....	\$ (159,013)	\$ 48,333	\$ 96,284	\$ -	\$ 988	\$ 55,780	\$ 42,372
Cash Flows from Capital and Related Financing Activities:							
Investment in Fixed Assets.....	\$ (912)	\$ -	\$ (115,058)	\$ -	\$ (206)	\$ (5)	\$ (116,181)
Proceeds from the Sale of Fixed Assets.....	-	-	53	-	-	-	53
Capital Contributions.....	-	-	63,665	-	-	-	63,665
Proceeds from Bond Sales.....	-	-	75,432	-	-	-	75,432
Repayment of Bond Principal.....	-	-	(75,614)	-	-	-	(75,614)
Interest Paid.....	-	-	(30,273)	-	-	-	(30,273)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (912)	\$ -	\$ (81,795)	\$ -	\$ (206)	\$ (5)	\$ (82,918)
Cash Flows from Investing Activities:							
Proceeds from Sales & Maturities of Investments.....	\$ 176,531	\$ 266,234	\$ 135,696	\$ 739,493	\$ -	\$ 310,885	\$ 1,628,839
Purchase of Investments.....	(237,690)	(180,924)	(86,986)	(786,548)	-	(350,119)	(1,642,267)
Investment Earnings.....	50,168	25,798	8,328	29,636	6	5,410	119,346
Net Cash Flows from Investing Activities.....	\$ (10,991)	\$ 111,108	\$ 57,038	\$ (17,419)	\$ 6	\$ (33,824)	\$ 105,918
Net Increase (Decrease) in Cash & Cash Equivalents.....	\$ (81,876)	\$ 49,682	\$ 10,376	\$ (36,721)	\$ (33)	\$ (16,967)	\$ (75,539)
Cash and Cash Equivalents, Beginning.....	\$ 795,667	\$ 77,873	\$ 208,559	\$ 47,457	\$ 327	\$ 45,708	\$ 1,175,591
Cash and Cash Equivalents, Ending.....	\$ 713,791	\$ 127,555	\$ 218,935	\$ 10,736	\$ 294	\$ 28,741	\$ 1,100,052
Noncash Investing, Capital and Financing Activities:							
Decrease in Contributed Capital - Depreciation on Fixed Assets Acquired with Contributed Capital	\$ -	\$ -	\$ 31,546	\$ -	\$ -	\$ -	\$ 31,546
Change in Capitalization Policy	-	-	5,795	-	-	-	5,795
Fixed Assets Acquired Under Capital Leases	-	-	744	-	-	-	744

**GENERAL OBLIGATION
DEBT SCHEDULES**

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
GENERAL FUND								
STATE BUILDING CAPITAL IMPROVEMENT								
	'87.400	8,760 1,553	4,240 387	1,395 208	455 156	245 136	245 124	245 111
	'88.718	365 16	310 14	45 2	10 0	0 0	0 0	0 0
	'89.290	550 94	275 25	65 13	60 11	15 8	15 7	15 6
	'89.300	34,300 12,403	4,135 1,746	3,750 1,523	2,530 1,357	2,110 1,238	2,110 1,129	2,110 1,018
	'90.365	105 3	105 3	0 0	0 0	0 0	0 0	0 0
	'90.610	21,063 5,688	5,124 1,015	3,267 769	2,500 609	855 518	855 474	855 429
	'91.354	2,450 902	175 122	175 113	175 105	175 96	175 88	175 79
	'92.558	96,497 36,577	7,890 4,868	7,887 4,466	7,925 4,064	6,110 3,708	6,105 3,396	6,105 3,072
	'93.373	5,235 2,185	405 277	355 257	345 239	345 221	345 201	345 181
	'93.558	7,700 2,836	550 383	550 356	550 329	550 302	550 275	550 247
	'94.643	301,798 133,717	20,145 15,356	18,465 14,387	18,460 13,486	17,910 12,576	17,905 11,635	17,900 10,659
	X'95.002	4,290 1,874	310 222	270 207	245 193	245 181	245 168	245 154
	'96.463	289,540 129,584	20,500 14,097	20,035 13,164	16,715 12,313	16,690 11,528	16,285 10,718	15,985 9,909
	'97.246	68,645 29,812	4,655 3,286	3,755 3,068	3,755 2,893	3,855 2,718	4,255 2,533	4,555 2,328
	X'97.002	27,105 12,292	1,505 1,353	2,035 1,281	2,030 1,183	1,505 1,086	1,505 1,010	1,505 934
	'98.404	37,215 19,551	1,970 1,923	1,970 1,825	1,940 1,727	1,940 1,630	1,940 1,532	1,940 1,433
	'99.240	147,215 64,947	12,810 7,342	12,810 6,709	10,295 6,066	10,295 5,561	10,305 5,056	7,370 4,621
STATE MUNICIPAL ENERGY BUILDING BONDS								
	'83.323	2,580 377	545 118	545 90	485 64	385 41	185 27	185 17
	'94.643	2,600 460	395 124	395 104	395 85	395 65	395 45	395 22
	'96.463	3,070 588	385 135	385 118	385 100	385 82	385 64	385 46

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
245 99	245 86	245 73	245 60	245 47	245 34	245 21	170 7	20 2	20 1	5 0	5 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
15 6	15 5	15 4	15 3	15 2	15 2	15 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0
2,005 904	2,005 801	2,005 696	2,010 590	2,010 482	2,010 373	2,010 263	1,815 152	815 80	650 40	125 8	75 3	20 1	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
855 384	855 340	855 295	855 250	855 204	855 158	855 111	857 64	400 30	110 17	110 12	105 6	20 2	20 1
175 70	175 61	175 52	175 42	175 33	175 24	175 14	175 5	0 0	0 0	0 0	0 0	0 0	0 0
6,105 2,751	6,345 2,429	6,335 2,099	6,335 1,766	6,335 1,429	6,335 1,089	6,335 746	5,825 400	2,100 183	1,790 79	505 20	55 6	55 3	20 1
335 162	335 145	335 127	335 109	335 90	335 71	335 52	335 33	335 15	50 4	10 1	10 1	5 0	5 0
550 219	550 191	550 162	550 133	550 104	550 74	550 45	550 15	0 0	0 0	0 0	0 0	0 0	0 0
18,210 9,661	18,000 8,745	17,900 7,833	17,895 6,909	17,900 5,970	17,895 5,021	17,895 4,059	17,895 3,088	17,893 2,116	15,235 1,234	6,860 582	4,860 287	1,925 90	650 24
280 139	280 125	270 111	270 97	270 83	270 68	270 54	270 39	270 23	270 8	5 0	5 0	0 0	0 0
15,800 9,089	15,805 8,295	15,375 7,503	15,375 6,728	15,375 5,944	15,375 5,156	14,925 4,363	15,025 3,592	15,025 2,819	15,025 2,050	13,230 1,280	9,705 700	5,555 262	1,735 72
4,255 2,108	4,255 1,902	3,755 1,696	3,755 1,514	3,755 1,332	3,755 1,148	3,355 963	3,355 798	3,355 632	3,355 465	3,355 297	3,355 129	155 4	0 0
1,505 859	1,505 783	1,505 707	1,505 631	1,505 556	1,505 480	1,505 404	1,255 328	1,255 265	1,255 202	1,255 138	1,255 75	105 12	105 6
1,940 1,335	1,940 1,234	1,940 1,132	1,940 1,030	1,940 929	1,940 827	1,940 725	1,940 624	1,940 522	1,940 420	1,940 318	1,940 217	1,290 115	945 53
7,370 4,255	7,370 3,886	7,370 3,510	7,370 3,125	5,385 2,772	5,385 2,485	5,385 2,198	5,385 1,912	5,385 1,625	5,385 1,338	5,385 1,051	5,385 765	5,385 478	5,385 189
95 10	95 6	30 2	30 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
95 9	95 4	20 2	20 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
345 28	345 12	60 2	10 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ IN THOUSANDS)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
GENERAL FUND (CONT)								
REFUNDING BONDS								
	'16A.66	616,191	68,002	70,192	76,557	68,712	63,647	49,142
		156,690	29,457	26,090	22,537	18,837	15,505	12,562
REINVESTMENT IN MINNESOTA (RIM)								
	'87.400	560	60	60	110	20	25	25
		191	29	26	22	18	16	15
	'89.300	570	245	75	30	15	15	15
		128	26	16	13	11	11	10
	'90.610	1,415	245	160	145	85	85	85
		450	72	60	54	46	42	38
	'91.354	10,940	1,275	1,205	840	645	640	640
		4,038	557	488	434	396	362	327
RURAL FINANCE AUTHORITY (RFA)								
	'86.398	34,025	2,400	0	3,625	5,000	0	14,000
		9,911	2,005	1,856	1,856	1,503	1,380	942
	'96.463	35,600	0	3,000	0	0	2,000	0
		14,522	2,044	1,949	1,853	1,853	1,790	1,726
LANDFILL								
	'94.639	31,970	1,950	1,845	1,840	1,840	1,845	1,835
		14,992	1,633	1,536	1,445	1,353	1,257	1,156
POLLUTION CONTROL								
	'87.400	5,155	1,640	655	310	210	210	210
		1,439	245	174	147	134	123	111
	'89.300	2,060	930	135	185	75	75	75
		454	91	58	51	43	39	35
	'90.610	6,720	1,815	1,525	275	275	275	275
		1,736	333	229	176	162	148	134
	'92.558	9,665	680	680	725	685	685	685
		3,696	493	459	425	389	353	318
	'93.373	5,415	515	330	330	330	330	330
		2,344	285	260	244	227	209	190
	'93.558	5,600	400	400	400	400	400	400
		2,063	279	259	240	220	200	180
	'94.643	30,150	2,210	1,805	1,805	1,800	1,800	1,800
		13,166	1,535	1,429	1,340	1,251	1,156	1,057
	X'95.002	540	30	30	30	30	30	30
		234	25	24	22	21	19	18
	'96.463	21,915	1,215	1,215	1,215	1,215	1,215	1,215
		9,816	1,040	984	927	871	814	755
	'97.246	3,350	175	175	175	175	175	175
		1,737	171	162	154	145	136	128
	'98.404	1,100	55	55	55	55	55	55
		568	54	52	49	46	44	41

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
48,247 10,102	42,912 7,754	38,583 5,602	37,963 3,613	18,190 2,167	17,845 1,260	5,500 673	5,400 400	5,300 133	0 0	0 0	0 0	0 0	0 0
30 14	30 12	30 10	30 9	30 7	30 6	30 4	20 2	20 1	10 0	0 0	0 0	0 0	0 0
20 9	20 8	20 7	20 6	20 5	20 4	20 2	20 1	10 1	5 0	0 0	0 0	0 0	0 0
85 33	85 29	85 24	85 20	85 15	85 10	85 6	5 1	5 1	5 0	0 0	0 0	0 0	0 0
625 293	625 261	625 228	625 195	625 162	625 128	625 94	560 59	380 33	275 15	45 4	45 2	15 0	0 0
9,000 369	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
5,000 1,726	18,000 1,206	4,500 277	3,100 99	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
1,805 1,056	1,805 962	1,805 870	1,805 778	1,795 684	1,795 590	1,795 495	1,795 400	1,795 305	1,715 213	1,345 132	810 76	375 37	375 16
210 99	210 88	210 77	210 66	210 55	210 44	210 32	130 21	130 14	130 7	60 2	0 0	0 0	0 0
75 31	75 27	75 23	75 19	75 15	75 11	75 7	15 3	15 2	15 1	15 0	0 0	0 0	0 0
280 119	280 104	280 90	280 75	280 60	280 45	280 30	85 14	85 10	85 5	50 2	15 0	0 0	0 0
685 281	685 246	670 210	670 174	665 138	665 102	670 65	540 29	175 10	50 4	50 1	0 0	0 0	0 0
325 170	325 154	325 137	325 120	325 103	325 85	325 67	325 49	325 30	325 12	0 0	0 0	0 0	0 0
400 159	400 139	400 118	400 97	400 75	400 54	400 32	400 11	0 0	0 0	0 0	0 0	0 0	0 0
1,820 956	1,820 866	1,810 774	1,810 682	1,810 588	1,810 492	1,810 395	1,810 297	1,810 197	1,690 103	465 36	465 13	0 0	0 0
30 17	30 15	30 14	30 12	30 11	30 10	30 8	30 7	30 5	30 4	30 2	30 1	0 0	0 0
1,215 695	1,215 636	1,215 577	1,215 519	1,215 459	1,215 399	1,215 339	1,215 278	1,215 217	1,215 156	1,215 95	915 42	260 12	85 3
175 119	175 110	175 101	175 92	175 83	175 74	175 64	175 55	175 46	175 37	175 28	175 19	125 10	75 4
55 39	55 36	55 33	55 30	55 27	55 25	55 22	55 19	55 16	55 13	55 10	55 7	55 4	55 1

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
GENERAL FUND (CONT)								
POLLUTION CONTROL (CONT)								
	'99.240	20,450	1,030	1,030	1,030	1,030	1,030	1,020
		11,493	1,095	1,040	986	931	877	822
VARIOUS PURPOSE								
	'00.492	21,430	1,130	1,130	1,065	1,065	1,065	1,065
		12,363	1,181	1,119	1,057	998	940	881
SPECIAL STATE BUILDING								
	'90.610	185	185	0	0	0	0	0
		6	6	0	0	0	0	0
STATE TRANSPORTATION								
	'84.597	6,200	700	700	700	700	700	700
		1,608	338	298	257	217	176	136
	'87.400	945	155	100	100	50	50	50
		315	47	40	34	31	28	25
	'89.300	785	285	60	60	40	35	35
		205	36	25	22	20	18	16
	'90.610	3,600	475	370	270	195	200	200
		1,319	177	153	136	125	115	104
	'92.558	9,480	780	780	765	515	515	510
		3,968	472	432	392	359	333	307
	'93.373	5,540	485	360	320	320	320	320
		2,519	289	266	248	232	215	197
	'94.643	33,260	1,920	1,820	1,820	1,815	1,815	1,825
		15,965	1,678	1,585	1,495	1,406	1,314	1,219
	X'95.002	2,980	235	185	175	175	170	170
		1,273	145	133	124	116	107	99
	'96.463	6,250	505	430	340	340	340	340
		2,760	302	278	258	242	226	210
	'97.246	2,805	180	165	155	155	155	145
		1,364	139	130	122	115	107	100
	X'97.002	1,330	70	70	70	70	70	70
		616	60	58	55	52	49	46
	'98.404	3,965	245	250	215	215	215	215
		1,886	199	187	174	164	153	142
	'99.240	18,300	915	915	915	915	915	915
		10,276	977	929	881	833	784	736
WASTE MANAGEMENT								
	X'85.015	5	5	0	0	0	0	0
		0	0	0	0	0	0	0
	'87.400	540	180	145	30	15	15	15
		110	26	16	10	9	9	8
	'90.610	2,080	325	325	170	90	90	90
		714	104	85	71	64	59	54

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1,020 768	1,020 714	1,020 660	1,020 604	1,020 549	1,020 494	1,020 438	1,020 383	1,020 327	1,020 272	1,020 216	1,020 161	1,020 106	1,020 49
1,065 823	1,065 764	1,065 706	1,065 647	1,065 588	1,065 530	1,065 471	1,065 413	1,065 354	1,065 296	1,065 237	1,065 178	1,065 120	1,065 60
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
700 95	700 55	300 27	300 11	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
50 23	50 20	50 17	50 15	50 12	50 9	50 7	50 4	20 2	20 1	0 0	0 0	0 0	0 0
30 14	30 12	30 11	30 9	30 8	30 6	30 4	30 3	15 1	15 1	0 0	0 0	0 0	0 0
195 94	190 84	190 74	190 65	190 55	190 45	190 35	190 25	125 16	120 10	55 5	55 2	10 0	0 0
520 280	520 254	520 228	520 201	520 174	520 147	520 119	520 92	415 67	345 47	235 32	235 20	135 10	90 4
320 179	320 163	315 146	315 130	315 113	315 96	310 79	310 62	310 45	300 28	95 15	95 10	55 5	40 2
1,875 1,124	1,875 1,030	1,875 935	1,875 840	1,875 743	1,875 646	1,875 548	1,875 448	1,875 348	1,820 251	1,235 168	1,205 105	655 56	455 26
165 90	165 82	165 74	165 66	165 58	165 50	165 42	165 33	165 25	165 16	110 8	110 3	0 0	0 0
330 193	330 178	330 161	330 145	330 128	330 112	330 95	330 79	330 62	330 45	290 29	290 14	75 2	0 0
145 93	145 86	140 79	140 72	140 64	140 57	140 50	140 43	140 35	140 28	140 21	140 14	90 7	70 3
70 44	70 40	70 37	70 33	70 30	70 26	70 23	70 19	70 16	70 12	70 9	70 5	70 2	0 0
215 132	215 121	215 110	215 99	215 88	215 77	215 67	215 56	215 45	215 34	215 23	215 13	15 2	15 1
915 688	915 639	915 590	915 541	915 491	915 442	915 392	915 342	915 293	915 243	915 193	915 144	915 94	915 44
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
15 7	15 6	15 5	15 5	20 4	20 3	20 2	20 1	0 0	0 0	0 0	0 0	0 0	0 0
90 49	90 44	90 39	90 35	90 30	90 25	90 21	90 16	90 11	90 7	90 2	0 0	0 0	0 0

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
GENERAL FUND (CONT)								
WASTE MANAGEMENT (CONT)								
	'92.558	275 51	50 13	50 11	50 8	25 6	25 5	25 4
	'96.463	2,660 1,287	200 129	135 120	135 114	135 108	135 101	135 95
EXCHANGE BONDS								
	'16A.66	6,289 3	3,145 2	3,145 1	0 0	0 0	0 0	0 0
INFRASTRUCTURE DEVELOPMENT								
STATE BUILDING CAPITAL IMPROVEMENT								
	'90.610	44,642 13,974	7,911 2,206	5,893 1,802	2,890 1,562	2,540 1,425	2,540 1,296	2,540 1,165
	'92.558	28,938 11,986	2,065 1,513	2,063 1,408	2,060 1,303	1,830 1,200	1,830 1,096	1,830 989
	'94.643	87,462 38,416	6,775 4,368	5,275 4,050	5,250 3,800	5,250 3,547	5,255 3,280	5,255 3,010
	'96.463	96,335 45,428	5,985 4,646	5,305 4,376	5,245 4,134	5,245 3,896	5,240 3,653	5,240 3,410
	'98.404	16,060 8,552	855 825	855 783	835 740	835 699	835 657	800 617
REFUNDING BONDS								
	'16A.66	58,015 19,148	1,420 2,914	2,170 2,827	5,580 2,638	5,915 2,357	5,955 2,065	5,770 1,774
REINVESTMENT IN MINNESOTA (RIM)								
	'90.610	410 134	45 20	45 18	45 16	25 14	25 13	25 11
POLLUTION CONTROL								
	'90.610	2,140 678	255 106	255 92	255 79	125 69	125 63	125 56
VARIOUS PURPOSE								
	'00.492	5,440 3,135	290 300	290 284	270 268	270 253	270 238	270 223
CIGARETTE TAX REFUNDING BONDS								
	'16A.66	7,005 562	2,335 311	2,335 188	2,335 63	0 0	0 0	0 0
SPORTS & HEALTH TAX								
	'16A.66	11,415 2,474	1,565 583	1,625 500	1,630 413	1,275 335	1,280 265	1,260 194
GROUP TOTAL GENERAL FUND		2,391,240 908,225	212,972 118,376	199,972 108,005	192,687 98,429	176,752 89,044	168,527 80,327	162,817 71,661
GAME & FISH								
	'16A.66	99 19	18 5	13 4	13 3	13 3	13 2	13 1

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
25 3	25 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
135 89	135 82	135 75	135 68	135 62	135 55	135 48	135 41	135 34	135 27	135 20	135 13	95 6	70 2
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
2,540 1,033	2,540 902	2,540 768	2,540 633	2,540 497	2,540 359	2,540 221	2,078 83	325 17	145 5	0 0	0 0	0 0	0 0
1,830 888	1,835 794	1,835 698	1,835 600	1,835 500	1,835 399	1,835 296	1,835 192	1,835 89	750 20	0 0	0 0	0 0	0 0
4,915 2,732	4,915 2,486	4,910 2,238	4,910 1,987	4,905 1,732	4,905 1,475	4,905 1,215	4,905 955	4,907 696	4,235 456	2,740 241	2,240 116	890 29	120 3
5,075 3,160	5,075 2,915	5,065 2,663	5,065 2,408	5,060 2,150	5,060 1,892	5,060 1,632	5,060 1,372	5,060 1,112	5,060 851	4,450 590	4,450 363	3,150 162	1,385 45
800 577	800 536	800 494	800 451	800 409	800 366	800 324	800 281	800 238	800 196	800 153	800 111	800 68	645 29
5,760 1,481	5,760 1,184	5,685 885	5,690 586	4,135 328	4,175 110	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
25 10	25 9	25 7	25 6	25 5	25 3	25 2	25 1	0 0	0 0	0 0	0 0	0 0	0 0
125 50	125 43	125 37	125 30	125 24	125 17	125 10	125 3	0 0	0 0	0 0	0 0	0 0	0 0
270 209	270 194	270 179	270 164	270 149	270 134	270 119	270 105	270 90	270 75	270 60	270 45	270 30	270 15
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
1,260 122	1,260 50	130 11	130 4	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
160,742 63,421	159,442 55,186	138,458 47,133	136,393 40,048	109,475 33,620	109,165 27,920	91,795 22,613	89,670 17,749	80,420 13,255	68,890 9,348	50,220 6,043	42,575 3,664	24,655 1,730	15,615 653
8 1	3 0	3 0	3 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ IN THOUSANDS)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
GAME & FISH (CONT)								
EXCHANGE BONDS								
	'16A.66	11 0	5 0	5 0	0 0	0 0	0 0	0 0
GROUP TOTAL GAME & FISH		110 19	23 5	18 4	13 3	13 3	13 2	13 1
TRUNK HIGHWAY REFUNDING BONDS								
	'16A.66	13,070 1,669	3,350 599	2,730 444	2,655 306	2,560 169	600 84	600 50
GROUP TOTAL TRUNK HIGHWAY		13,070 1,669	3,350 599	2,730 444	2,655 306	2,560 169	600 84	600 50
MAX EFFORT SCHOOL LOAN								
	'16A.66	35,010 11,055	1,305 1,713	1,645 1,641	2,725 1,533	3,770 1,375	3,680 1,195	3,545 1,019
SCHOOL LOANS								
	'88.718	1,075 41	985 38	90 3	0 0	0 0	0 0	0 0
	'90.610	2,595 183	1,165 124	1,165 51	265 8	0 0	0 0	0 0
	'91.265	17,670 6,055	1,785 896	1,785 803	1,800 710	1,155 634	1,160 576	1,160 516
	'92.558	4,945 1,571	585 244	585 213	585 182	290 159	290 145	290 130
	'93.373	2,690 1,035	190 137	190 127	190 118	190 108	185 99	185 89
	'94.643	2,390 1,036	145 124	145 116	150 109	150 102	150 93	150 84
	X'95.002	19,545 8,550	1,190 1,001	1,190 941	1,185 882	1,185 823	1,185 759	1,185 690
GROUP TOTAL MAX EFFORT SCHOOL LOAN		85,920 29,527	7,350 4,276	6,795 3,896	6,900 3,542	6,740 3,200	6,650 2,866	6,515 2,529
STATE GUARANTEED BONDS GUARANTEED BOND CLASS								
	'91.350	41,560 31,707	610 2,592	715 2,552	750 2,508	805 2,460	855 2,407	975 2,348
GROUP TOTAL STATE GUARANTEED BONDS		41,560 31,707	610 2,592	715 2,552	750 2,508	805 2,460	855 2,407	975 2,348
TOTAL PRINCIPAL - LESS GUARANTEE		2,490,340	223,695	209,515	202,255	186,065	175,790	169,945
TOTAL INTEREST - LESS GUARANTEE		939,440	123,256	112,350	102,279	92,416	83,279	74,241
TOTAL DEBT SERVICE - LESS GUARANTEE (1)		3,429,780	346,951	321,865	304,534	278,481	259,069	244,186

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	3	3	3	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0	0	0
575	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0
575	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0
3,525	3,425	3,325	3,305	2,385	2,375	0	0	0	0	0	0	0	0
844	669	497	327	182	61	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,160	1,160	1,160	1,160	1,160	1,160	1,160	655	50	0	0	0	0	0
456	396	334	272	210	147	84	20	1	0	0	0	0	0
290	290	290	290	290	290	290	290	0	0	0	0	0	0
116	101	85	70	55	39	23	8	0	0	0	0	0	0
185	185	185	185	185	190	190	190	65	0	0	0	0	0
79	69	60	50	40	30	19	9	2	0	0	0	0	0
150	150	150	150	150	150	150	150	150	150	0	0	0	0
76	69	61	53	45	37	29	21	12	4	0	0	0	0
1,185	1,180	1,185	1,185	1,180	1,180	1,175	1,175	1,175	1,175	630	0	0	0
621	559	499	439	377	315	252	188	125	63	16	0	0	0
6,495	6,390	6,295	6,275	5,350	5,345	2,965	2,460	1,440	1,325	630	0	0	0
2,192	1,862	1,537	1,212	909	629	407	246	140	67	16	0	0	0
1,035	1,105	1,180	1,260	1,350	1,430	1,515	1,605	26,370	0	0	0	0	0
2,282	2,211	2,133	2,050	1,966	1,883	1,794	1,698	824	0	0	0	0	0
1,035	1,105	1,180	1,260	1,350	1,430	1,515	1,605	26,370	0	0	0	0	0
2,282	2,211	2,133	2,050	1,966	1,883	1,794	1,698	824	0	0	0	0	0
167,820	165,835	144,755	142,670	114,825	114,510	94,760	92,130	81,860	70,215	50,850	42,575	24,655	15,615
65,631	57,048	48,670	41,260	34,529	28,549	23,021	17,995	13,394	9,415	6,059	3,664	1,730	653
233,451	222,883	193,425	183,930	149,354	143,059	117,781	110,125	95,254	79,630	56,909	46,239	26,385	16,268

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/2000	2001	2002	2003	2004	2005	2006
TOTAL PRINCIPAL - ALL FUNDS		2,531,900	224,305	210,230	203,005	186,870	176,645	170,920
TOTAL INTEREST - ALL FUNDS		971,147	125,847	114,902	104,787	94,875	85,686	76,589
TOTAL DEBT SERVICE - ALL FUNDS (1)		3,503,047	350,152	325,132	307,792	281,745	262,331	247,509

The Total Debt Service - All Funds does not include:

\$97,900,000 of bonds dated July 1, 1990; \$95,900,000 of bonds dated August 1, 1991; \$81,650,000 of bonds dated July 1, 1992;
 \$96,100,000 of bonds dated October 1, 1994; \$2,040,000 of bonds dated May 1, 1995;
 For which funds are held in escrow, have been invested and will be sufficient to pay the principal of, and interest on, the bonds
 to their earliest call date.

STATE OF MINNESOTA
GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 2001-2020

PRINCIPAL PAYMENTS - BOLD FACE

(\$ IN THOUSANDS)

INTEREST PAYMENTS - MEDIUM FACE

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
168,855	166,940	145,935	143,930	116,175	115,940	96,275	93,735	108,230	70,215	50,850	42,575	24,655	15,615
67,913	59,259	50,804	43,310	36,495	30,432	24,815	19,693	14,219	9,415	6,059	3,664	1,730	653
236,768	226,199	196,739	187,240	152,670	146,372	121,090	113,428	122,449	79,630	56,909	46,239	26,385	16,268

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 2000
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1983- 323	Building	\$ 30,000	Municipal Energy	\$ 30,000	\$ 29,830	\$ 170
1984- 597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	16,000	0
1987- 400 (1)(2)(3)(4)	Building	369,687	Supreme Court	32,288		
			Administration	19,554		
			Capital Area Architectural Planning Board	299		
			Natural Resources	16,745		
			Energy & Economic Development	46,250		
			Iron Range Resources and Rehabilitation Board	2,200		
			Military Affairs	2,500		
			Veterans Affairs	2,500		
			Historical Society	54,284		
			Education	10,981		
			Vocational Technical Education	33,190		
			Community College	34,939		
			State Universities	52,466		
			University of Minnesota	47,773		
			Corrections	2,259		
			Human Services	7,171		
			Minnesota Center for the Arts	4,000		
			Other	287	369,561	127
1987- 400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	66,740	7
1989- 300 (1)(2)(3)(4)	Building	135,740	Vocational Technical Education	5,110		
			Community Colleges	5,805		
			State Universities	27,658		
			University of Minnesota	14,194		
			Education	2,685		
			Human Services	9,097		
			Corrections	2,600		
			Health	390		
			Veterans Home Board	165		
			Economic Security	1,000		
			Historical Society	301		
			Administration	35,874		
			Capital Area Architectural and Planning Board	166		
			Natural Resources	3,348		
			Pollution Control Agency	10,125		
			Public Facilities Authority	12,700		
			Trade and Economic Development	4,021		
			Military Affairs	400		
			Other	97	135,040	700
1990- 610 (1)(2)(3)(4)	Building	328,340	Technical Colleges	25,361		
			Community Colleges	50,488		
			State Universities	42,945		
			University of Minnesota	71,480		
			Education	4,793		
			Human Services	13,446		
			Corrections	13,121		
			Health	1,376		
			Veterans Home Board	1,750		
			Economic Security	750		
			Historical Society	3,175		
			Administration	13,665		
			Capital Area Architectural and Planning Board	300		
			Natural Resources	14,934		
			Pollution Control Agency	27,225		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 2000
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Public Facilities Authority	30,954		
			Trade and Economic Development	5,000		
			Military Affairs	200		
			Public Safety	545		
			Indian Affairs Council	50		
			Amateur Sports Commission	5,000		
			Housing Finance Agency	1,500		
			Other	279	328,046	294
1990- 610 (4)	Transportation	11,035	County Municipal Township Bridges	11,035	10,805	230
1990- 610 (4)	Reinvest in Minnesota	5,375	Board of Water and Soil Resources Natural Resources	2,375 3,000	5,350	25
1990- 610	Waste Management	7,000	Waste Processing Facility Assistance	7,000	6,570	430
1991- 350 (4)	Airport Facilities	126,235	Airport Facilities	126,235	44,960	81,275
1991- 354	Wetlands/Reinvest in Minnesota	28,000	Board of Water and Soil Resources Natural Resources Trade and Economic Development	13,900 7,545 6,525	27,340	660
1992- 558 (2)(3)(4)	Building	223,035	Technical Colleges Community Colleges State Universities University of Minnesota Education Human Services Corrections Economic Security Housing Finance Agency Administration Military Affairs Trade and Economic Development Public Facilities Authority Natural Resources Board of Water and Soil Resources Agriculture Pollution Control Agency Minnesota Zoological Garden Historical Society Other	12,607 14,630 12,870 61,900 13,606 21,960 11,082 2,000 3,000 24,343 2,400 4,550 7,500 11,682 1,250 365 13,050 1,815 2,375 195	217,165	5,870
1992- 558	Transportation	17,500	County Municipal Township Bridges	17,500	17,310	190
1992- 558	Waste Management	2,000	Waste Processing Facility Assistance	2,000	250	1,750
1993- 373 (2)(4)	Building	54,615	Technical Colleges Community Colleges State Universities University of Minnesota Education Human Services Corrections Administration Historical Society Public Facilities Authority Pollution Control Agency Veterans Home Board Other	667 1,367 1,161 2,000 7,000 8,765 9,812 8,246 150 4,000 11,000 400 47	53,355	1,260
1993- 373	Transportation	9,900	County Municipal Township Bridges	9,900	9,375	525

**STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 2000
(In Thousands)**

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1994- 639	Landfill	90,000	Environmental Response Actions at Municipal Solid Waste Disposal facilities	90,000	37,540	52,460
1994- 643 (3)(5)(6)	Building	564,826	Technical Colleges	45,505		
			Community Colleges	36,945		
			State Universities	56,150		
			University of Minnesota	68,700		
			Education	36,967		
			Human Services	46,350		
			Corrections	72,953		
			Administration	32,275		
			Capital Area Architectural and Planning Board	5,098		
			Finance	5,400		
			Veterans Homes Board	10,630		
			Amateur Sports Commission	3,119		
			Military Affairs	366		
			Housing Finance Agency	2,500		
			Economic Security	2,500		
			Labor Interpretive Center	16		
			Historical Society	6,960		
			Trade and Economic Development	4,900		
			MN Technologies, Inc.	400		
			Natural Resources	58,361		
			Public Facilities Authority	13,400		
			Pollution Control Agency	23,401		
			Board of Water and Soil Resources	9,800		
			Zoological Garden	21,500		
			Other	630	547,590	17,236
1994- 643	Building	4,000	Municipal Energy	4,000	3,950	50
1994- 643 (5)	Transportation	35,000	County Municipal			
			Township Bridges	21,076		
			Federal Aid Demonstration Projects	3,924		
			Light Rail Transit	0		
			Transit Capital Improvements	10,000	32,320	2,680
X1995- 2	Building	5,630	MN State Colleges and Universities	750		
			Administration	1,881		
			Agriculture	103		
			Natural Resources	1,700		
			Pollution Control Agency	750		
			Public Safety	410		
			Other	36	5,580	50
X1995- 2	Transportation	4,500	County Municipal			
			Township Bridges	4,500	4,500	0
1996- 463 (4)(6)	Building	509,587	MN State Colleges and Universities	86,431		
			University of Minnesota	93,804		
			Children, Families and Learning	19,100		
			Center for Arts Education	6,879		
			Residential Academies	2,306		
			Natural Resources	36,120		
			Pollution Control Agency	3,350		
			Public Facilities Authority	22,100		
			Board of Water and Soil Resources	14,750		
			Agriculture	275		
			Administration	78,560		
			Amateur Sports Commission	21,600		
			Military Affairs	900		
			Corrections	93,430		
			Human Services	7,367		
			Veterans Homes Board	740		
			Transportation	10,500		

**STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 2000
(In Thousands)**

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Housing Finance Agency	2,500		
			Economic Security	3,500		
			Historical Society	5,150		
			Other	608	475,835	33,752
1996- 463	Building	4,000	Municipal Energy	4,000	3,850	150
1996- 463	Waste Management	3,000	Waste Processing Facility Assistance	3,000	2,900	100
1996- 463	Transportation	10,000	County Municipal Township Bridges	10,000	9,965	35
1996- 463	Rural Finance Authority	41,000	Farm Loan Restructuring	41,000	35,600	5,400
1997- 246	Building	86,625	Administration	74,035		
			MN State Colleges and Universities	4,500		
			Natural Resources	4,000		
			Public Facilities Authority	4,000		
			Other	90	85,900	725
1997- 246	Transportation	3,000	County Municipal Township Bridges	3,000	2,975	25
X1997- 2 (6)	Building	45,305	Public Safety	20,000		
			Natural Resources	13,000		
			Housing Finance Agency	2,000		
			Public Facilities Authority	9,000		
			Agriculture	1,250		
			Other	55	28,500	16,805
1998- 404	Building	102,445	MN State Colleges and Universities	75,880		
			University of Minnesota	180		
			Public Facilities Authority	3,650		
			Corrections	9,485		
			Grants to Political Subdivisions	0		
			Human Services	13,700		
			Indian Affairs Council	0		
			Transportation	0		
			Zoological Garden	1,750		
			Historical Society	0		
			Other	100	58,000	44,445
1998- 404	Transportation	4,000	County Municipal Township Bridges	4,000	4,000	0
1999-240	Building	484,305	MN State Colleges and Universities	15,300		
			University of Minnesota	112,390		
			Children, Families & Learning	1,300		
			Residential Academies	7,913		
			Natural Resources	43,418		
			Public Facilities Authority	39,500		
			Capitol Area Architectural & Planning Brd	6,500		
			Corrections	1,785		
			Veterans Home Board	11,000		
			Grants to Political Subdivisions	126,447		
			Office of Environmental Assistance	3,000		
			Indian Affairs Council	1,700		
			Administration	4,000		
			Transportation	103,000		
			Historical Society	6,500		
			Other	552	167,665	316,640

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 2000
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1999-240	Transportation	28,440	County Municipal Township Bridges	28,440	18,300	10,140
2000-479	Trunk Highway	100,100	Trunk Highway Projects Other	100,000 100	0	100,100
2000-492 (7)	Various Purpose	470,900	MN State Colleges and Universities University of Minnesota Children, Families & Learning Perpich Center for Arts State Academies Natural Resources Trade & Economic Development Corrections Veterans Home Board Grants to Political Subdivisions Office of Environmental Assistance Water & Soil Resources Board Agriculture Zoological Garden Administration Amateur Sports Commission Military Affairs Human Services Health Public Safety Historical Society Other	127,421 100,213 70,541 795 3,066 72,481 35,803 18,035 11,700 1,500 2,200 23,300 20,000 1,000 18,800 1,110 2,625 12,171 7,000 3,000 5,750 450	26,870	444,030
Total Authorized, Unissued						\$ 1,138,335

- (1) Laws 1993, Chapter 373 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$700,000; Laws 1989, Chapter 300 by \$2,550,000; and Laws 1990, Chapter 610 by \$2,500,000.
- (2) Laws 1994, Chapter 643 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$240,000; Laws 1989, Chapter 300 by \$895,000; Laws 1990, Chapter 610 by \$115,000; Laws 1992, Chapter 558 by \$65,000; and Laws 1993, Chapter 373 by \$15,000.
- (3) Special Session Laws 1995, Chapter 2 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$50,000; Laws 1989, Chapter 300 by \$65,000; Laws 1990, Chapter 610 by \$580,000; Laws 1992, Chapter 558 by \$5,000; and Laws 1994, Chapter 643 by \$1,245,000. Special Session Laws 1995, Chapter 2 also reduced the Transportation Bond authorization in Laws 1987, Chapter 400 by \$10,000.
- (4) Laws 1997, Chapter 202 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$295,000; Laws 1989, Chapter 300 by \$3,335,000; Laws 1990, Chapter 610 by \$9,260,000; Laws 1992, Chapter 558 by \$6,590,000; Laws 1993, Chapter 373 by \$10,000; and Laws 1996, Chapter 463 by \$37,285,000. Laws 1997, Chapter 202 also reduced: the Transportation Bond authorization in Laws 1990, Chapter 610 by \$165,000; the Reinvest in Minnesota authorization in Laws 1990, Chapter 610 by \$20,000; and Airport Facility Bond authorized in Laws 1991, Chapter 350 by \$48,765,000.
- (5) Laws 1998, Chapter 404 reduced Building Bond authorization in Laws 1994, Chapter 643 by \$1,350,000. Laws 1998, Chapter 404 also reduced Transportation Bond authorization in Laws 1994, Chapter 643 by \$10,000,000.
- (6) Laws 2000, Chapter 492 reduced Building Bonds authorizations as follows: Laws 1994, Chapter 643 by \$1,964,000; Laws 1996, Chapter 463 by \$1,855,000; Special Session Laws 1997, Chapter 2 by \$10,000,000; Laws 1998, Chapter 404 by \$2,700,000; and Laws 1999, Chapter 240 by \$4,000,000.
- (7) Appropriations of bond authorizations were \$68.061 million less than the bond appropriations. Accordingly, \$68.061 of these bonds cannot be issued without further legislative bond authorizations.

STATISTICAL SECTION

The following usual statistical tables are not included because they are not applicable to the state's operations: all tables relating to property tax levies and collections; computation of legal debt margin, and computation of overlapping debt. Minnesota data privacy laws prevent disclosure of the names of principal taxpayers.

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1991-2000
(IN THOUSANDS)

	1991	1992	1993	1994
Individual Income Taxes.....	\$ 2,969,239	\$ 3,148,740	\$ 3,470,244	\$ 3,532,465
Corporate Income Taxes.....	462,943	428,412	507,703	546,558
Sales Tax.....	1,961,716	2,192,547	2,375,793	2,515,224
Gross Earnings Taxes.....	159,745	146,487	145,248	136,768
Motor Vehicle Excise Tax.....	236,236	270,151	295,755	332,491
Motor Vehicle Licenses.....	331,783	349,549	384,209	420,471
Gasoline and Special Fuel Taxes.....	451,995	457,826	462,136	482,453
Other Taxes.....	516,981	623,714	712,043	827,520
Federal Revenues.....	2,213,281	2,508,640	2,777,061	2,986,532
Other Revenues.....	756,795	781,761	789,002	906,186
Net Revenues.....	<u>\$10,060,714</u>	<u>\$10,907,827</u>	<u>\$11,919,194</u>	<u>\$12,686,668</u>

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1991-2000
(IN THOUSANDS)

	1991	1992	1993	1994
Current Expenditures:				
Protection of Persons/Property.....	\$ 157,528	\$ 169,391	\$ 178,778	\$ 183,695
Transportation.....	304,486	316,628	329,310	324,729
Resource Management.....	196,699	216,059	226,664	223,237
Economic/Manpower Development.....	200,036	221,856	258,183	250,532
Education.....	501,098	505,997	529,844	551,987
Health and Social Services.....	545,547	539,419	558,076	596,449
General Government.....	187,190	205,434	222,141	232,861
Capital Outlay.....	465,632	492,968	486,578	398,742
Debt Service.....	276,982	277,741	313,776	295,731
Grants and Subsidies.....	<u>7,453,042</u>	<u>7,868,726</u>	<u>8,164,541</u>	<u>8,614,081</u>
Total Expenditures.....	\$10,288,240	\$10,814,219	\$11,267,891	\$11,672,044
Net Operating Transfers-Out (2).....	<u>232,882</u>	<u>247,642</u>	<u>261,904</u>	<u>258,186</u>
Total Expenditures and Net Transfers-Out.....	<u>\$10,521,122</u>	<u>\$11,061,861</u>	<u>\$11,529,795</u>	<u>\$11,930,230</u>

(1) Revenues and expenditures are accounted for on the modified accrual basis.

(2) Net operating transfers-out, not including transfers to component units, are reduced by bond proceeds of the special revenue funds for the following years:

1991	\$32,904,000	1994	\$25,300,000	1997	\$12,650,000	2000	\$2,000,000
1992	\$22,460,000	1995	\$14,025,000	1998	\$3,400,000		
1993	\$34,945,000	1996	\$13,990,000	1999	\$7,100,000		

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 3,774,855	\$ 4,129,026	\$ 4,757,086	\$ 5,146,586	\$ 5,695,664	\$ 5,591,326
667,542	696,393	665,321	746,720	767,364	834,243
2,728,525	2,933,886	3,013,188	3,254,757	2,119,403	3,114,521
146,646	122,879	178,626	171,463	169,780	172,788
346,673	380,574	401,079	452,353	491,146	538,519
416,793	450,216	487,064	512,327	555,557	597,174
484,573	520,702	542,896	557,556	587,954	611,112
908,515	949,206	919,037	928,896	1,014,324	1,046,391
3,157,038	3,384,598	3,498,849	3,643,217	3,726,654	4,205,802
964,623	1,217,204	1,299,714	1,449,177	1,718,857	1,619,680
<u>\$13,595,783</u>	<u>\$14,784,684</u>	<u>\$15,762,860</u>	<u>\$16,863,052</u>	<u>\$16,846,703</u>	<u>\$18,331,556</u>

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 196,981	\$ 202,535	\$ 230,252	\$ 235,346	\$ 254,063	\$ 268,499
374,194	351,712	403,806	426,775	426,365	451,697
233,167	273,961	283,296	286,312	310,784	326,437
263,451	191,283	209,404	209,431	237,105	230,606
562,672	723,923	869,754	900,590	987,823	1,028,794
698,295	736,466	849,510	888,461	884,747	919,925
258,609	273,786	274,908	290,327	321,744	329,102
330,482	419,555	418,796	472,906	504,123	581,256
285,344	522,296	378,707	371,916	653,028	446,939
<u>9,068,110</u>	<u>9,920,296</u>	<u>10,160,159</u>	<u>10,419,601</u>	<u>11,381,301</u>	<u>11,970,060</u>
\$12,271,305	\$13,615,813	\$14,078,592	\$14,501,665	\$15,961,083	\$16,553,315
<u>277,012</u>	<u>302,618</u>	<u>317,092</u>	<u>648,977</u>	<u>545,435</u>	<u>800,360</u>
<u>\$12,548,317</u>	<u>\$13,918,431</u>	<u>\$14,395,684</u>	<u>\$15,150,642</u>	<u>\$16,506,518</u>	<u>\$17,353,675</u>

STATE OF MINNESOTA
 ASSESSED VALUE OF TAXABLE PROPERTY
 1991-2000

<u>Year of Assessment</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Tax Assessed Value/ Tax Capacity</u>	<u>Percentage Increase Per Year</u>
1991	\$3,100,542,487	\$133,137,661	\$3,233,680,148	(1.45)
1992	3,068,090,432	137,961,249	3,206,051,681	(0.85)
1993	3,036,843,689	134,339,758	3,171,183,447	(1.09)
1994	3,157,294,317	139,515,555	3,296,809,872	3.96
1995	3,350,007,524	147,560,824	3,497,568,348	6.09
1996	3,594,280,546	154,793,236	3,749,073,782	7.19
1997	3,500,012,129	136,978,564	3,636,990,693	(2.99)
1998	3,479,953,266	124,043,585	3,603,996,851	(0.91)
1999	3,713,253,053	129,817,042	3,843,070,095	6.63
2000 (est.)	4,101,000,000	137,000,000	4,238,000,000	10.28

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
 MARKET VALUE OF TAXABLE PROPERTY
 1991-2000

<u>Year of Assessment</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Market Value</u>	<u>Percentage Increase Per Year</u>
1991	\$149,150,447,836	\$2,873,816,502	\$152,024,264,338	3.85
1992	153,992,608,020	3,007,985,604	157,000,593,624	3.27
1993	159,008,719,142	2,990,779,548	161,999,498,690	3.18
1994	166,739,642,423	3,104,511,567	169,844,153,990	4.84
1995	177,163,788,491	3,282,461,951	180,446,250,442	6.24
1996	189,112,448,343	3,440,030,594	192,552,478,937	6.71
1997	202,875,382,657	3,515,300,071	206,390,682,728	7.19
1998	219,034,138,639	3,641,069,248	222,675,207,887	7.89
1999	237,547,128,291	3,931,268,879	241,478,397,170	8.44
2000 (est.)	259,076,000,000	4,075,000,000	263,151,000,000	8.97

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
SCHEDULE OF GENERAL OBLIGATION BONDED DEBT
PER CAPITA
FISCAL YEARS 1991-2000

<u>Year</u>	<u>General Obligation Bonded Debt (In Thousands)</u>	<u>Bonded Debt Per Capita</u>
1991	\$1,573,630	\$354.4
1992	1,630,105	363.5
1993	1,706,885	376.3
1994	1,769,435	386.3
1995	1,892,169	409.3
1996	2,162,015	463.2
1997	2,160,719	458.9
1998	2,506,939	528.4
1999	2,384,195	498.5
2000	2,527,281	523.9

STATE OF MINNESOTA
SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION
BONDED DEBT TO GENERAL EXPENDITURES
FISCAL YEARS 1991-2000
(IN THOUSANDS)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Expenditures (1)</u>	<u>Percent of Expenditures</u>
1991	\$133,990	\$103,642	\$237,632	\$10,288,240	2.31
1992	138,525	112,104	250,629	10,814,219	2.32
1993	140,885	116,614	257,499	11,267,891	2.29
1994	155,743	118,454	274,197	11,672,044	2.35
1995	160,666	99,036	259,702	12,271,305	2.12
1996	169,780	102,747	272,527	13,615,813	2.00
1997	171,295	180,991	352,286	14,078,592	2.50
1998	184,820	147,297	332,117	14,501,665	2.29
1999	444,941	137,776	582,717	15,961,083	3.65
2000	267,888	123,288	391,176	16,553,315	2.36

(1) Includes the General, Special Revenue and Debt Service Funds.

SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1991-2000
(IN THOUSANDS)

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Available For Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1991	\$ 40,449	\$ 30,790	\$ 9,659	\$4,675	\$ 1,746	\$ 6,421	1.50
1992	39,831	30,525	9,306	580	1,545	2,125	4.38
1993	38,674	29,698	8,976	605	1,371	1,976	4.54
1994	39,051	30,969	8,082	945	2,342	3,287	2.46
1995	41,492	31,715	9,777	945	2,217	3,162	3.09
1996	45,105	34,491	10,614	1,420	2,200	3,620	2.93
1997	46,036	34,508	11,528	1,450	1,974	3,424	3.37
1998	45,481	38,321	7,160	1,520	2,003	3,523	2.03
1999	48,857	40,449	8,408	2,185	1,888	4,073	2.06
2000	51,470	38,543	12,927	665	1,813	2,478	5.22

(1) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.

(2) Depreciation, amortization, interest and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
VERMILLION COMMUNITY COLLEGE DORMITORY, SEGMENT OF
COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES
FISCAL YEARS 1991-2000
(IN THOUSANDS)

<u>Year</u>	<u>Gross Revenue (3)</u>	<u>Direct Operating Expenses (4)</u>	<u>Net Available For Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1991	\$269	\$ 98	\$171	\$35	\$107	\$142	1.20
1992	255	114	141	40	105	145	0.97
1993	242	132	110	40	102	142	0.77
1994	369	133	236	89	154	243	0.97
1995	425	126	299	83	161	244	1.23
1996	448	230	218	42	116	158	1.38
1997	495	172	323	99	145	244	1.32
1998	506	163	343	119	134	253	1.36
1999	536	158	378	99	126	225	1.68
2000	596	169	427	105	118	223	1.91

(3) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.

(4) Depreciation, amortization, interest and financing expenses are not included.

MINNESOTA COMMERCIAL BANK DEPOSITS
1991-2000
(IN MILLIONS)

<u>Year</u>	<u>Bank Deposits</u>
1991	\$ 45,300
1992	43,771
1993	45,157
1994	44,826
1995	46,809
1996	51,361
1997	71,706
1998	98,769
1999	106,441
2000	117,864

*Sources : Federal Deposit Insurance Corporation
Minnesota Department of Revenue, Unpublished.*

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME
AND UNEMPLOYMENT RATE
1991-2000

<u>Year</u>	<u>Population (In Thousands)</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>
1991	4,440	\$ 19,791	5.1
1992	4,484	21,068	5.1
1993	4,535	21,433	5.1
1994	4,579	22,736	3.9
1995	4,622	23,648	3.7
1996	4,667	25,132	4.0
1997	4,707	26,133	3.3
1998	4,743	27,565	2.5
1999	4,782	28,890	2.8
2000 (est.)	4,824	30,245	2.9

*Sources: Data Resources Incorporated.
Survey of Current Business*

STATE OF MINNESOTA
NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES
1991-2000
(IN THOUSANDS)

<u>Year</u>	<u>Valuation</u>	<u>Year</u>	<u>Valuation</u>
1991	\$1,882,328	1996	\$2,902,560
1992	2,481,644	1997	2,757,956
1993	2,672,436	1998	3,485,224
1994	2,557,846	1999	4,052,716
1995	2,589,746	2000	N/A

Source: U.S. Bureau of the Census Construction Reports.

EMPLOYMENT MIX IN MINNESOTA
1991-2000
(IN THOUSANDS)

Category	1991	1992	1993	1994
Manufacturing Durable	225.3	223.9	230.8	237.7
Manufacturing Non-Durable	171.0	171.9	174.7	178.4
Mining	7.9	7.6	7.5	7.6
Construction	75.8	76.9	79.1	80.6
Transportation/Public Utilities	110.2	109.4	109.2	113.8
Trade	517.4	426.9	536.6	559.2
Finance/Insurance/Real Estate	127.5	129.6	135.7	140.1
Service	558.2	592.6	614.4	635.8
Government	343.3	346.9	353.8	324.3
Agriculture	93.8	84.1	84.6	82.8
Total Employed	<u>2,230.4</u>	<u>2,169.8</u>	<u>2,326.4</u>	<u>2,360.3</u>

Source: Minnesota Department of Economic Security

MINNESOTA BASED COMPANIES INCLUDED IN THE FORTUNE 500
(IN THOUSANDS)

Rank			
1999	1998	Company	Sales
32	30	Target (Dayton Hudson)	\$ 33,702,000
86	84	United Healthcare	19,562,000
99	86	Supervalu	17,420,500
110	103	Minnesota Mining & Manufacturing(3M)	15,659,000
165	175	Northwest Airlines	10,276,000
169	195	Best Buy	10,077,900
204	171	St. Paul Companies	8,641,000
212	215	US Bancorp (First Bank System)	8,435,400
267	N/A	Cenex Harvest States	6,434,500
279	272	General Mills	6,246,100
381	N/A	Medtronic	4,134,100
383	372	Nash Finch	4,123,200
458	453	Hormel Foods	3,357,800
500	N/A	ReliaStar Financial	3,037,300

Source: Fortune Magazine, dated April 24, 2000.

STATE OF MINNESOTA
AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary	All Grades
1990-91	63,886	363,978	317,730	745,594
1991-92	67,310	372,558	323,891	763,759
1992-93	68,320	377,274	374,299	819,893
1993-94	65,872	378,214	337,314	781,400
1994-95	65,732	380,891	360,777	807,400
1995-96	66,672	383,458	372,345	822,475
1996-97	63,575	375,683	371,147	810,405
1997-98	64,501	383,904	389,293	837,698
1998-99	59,280	384,641	396,999	840,920
1999-00	57,686	383,682	399,059	840,427

Source: Minnesota Department of Children, Families and Learning

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u> <u>(est.)</u>
243.6	244.8	254.2	262.3	260.3	262.1
182.3	183.5	179.9	181.8	179.2	177.1
7.9	7.9	7.9	8.1	7.4	7.4
82.7	88.7	93.5	101.8	112.1	114.3
117.0	119.7	123.6	127.6	130.5	129.8
576.7	592.9	600.3	613.9	619.3	630.6
138.2	142.5	146.4	156.2	160.3	163.2
659.4	685.1	712.3	741.8	765.8	789.6
332.2	332.4	366.8	366.5	373.2	386.9
72.9	78.1	71.9	67.2	64.0	66.2
<u>2,412.9</u>	<u>2,475.6</u>	<u>2,556.8</u>	<u>2,627.2</u>	<u>2,672.1</u>	<u>2,727.2</u>

<u>Assets</u>	<u>Rank</u>	<u>Net Income</u>	<u>Rank</u>
\$17,143,000	156	\$ 1,144,000	92
10,273,000	231	568,000	180
4,265,900	363	191,300	337
13,896,000	193	1,763,000	56
10,584,000	228	300,000	278
2,512,500	437	224,400	324
38,873,000	80	834,000	125
81,530,000	47	1,506,500	65
2,787,700	422	N/A	N/A
4,140,700	368	534,500	187
4,870,300	348	468,400	205
862,400	495	19,800	443
1,685,600	468	163,400	358
24,926,900	118	253,600	306

STATE OF MINNESOTA
MISCELLANEOUS STATISTICS
JUNE 30, 2000

Date of Statehood	May 11, 1858 - 32nd State
Land Area - 12th Largest State	84,068 Square Miles

Higher Education:

2 Year State Community Colleges	10
4 Year State Universities	7
University of Minnesota	4 Campuses
2 Year Technical Colleges	7
2 Year Consolidated Community/Technical Colleges	28 Campuses
4 Year Private Colleges	29
2 Year Private Colleges	4
Private Professional Schools	7
Private Vocational Schools	87

Trade Routes:

Miles of Highways	135,080
Miles of Main Line Railroad Track	4,606
Public Airports	145
Waterways-	
Lake Superior	
Mississippi River	

Recreation:

Lakes	11,842
State Forests	57
Area of State Forests	3,200,000 Acres
State Parks	70
Area of State Parks	240,000 Acres

Sources: *Higher Education Services Office*
Minnesota State Colleges and Universities
Department of Natural Resources
Department of Transportation