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**For the Year Ended
June 30, 1992**

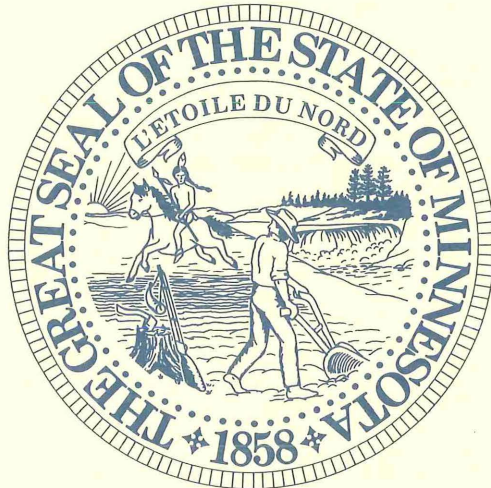
Comprehensive Annual Financial Report

State of Minnesota

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STATE OF MINNESOTA



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1992

PREPARED BY
DEPARTMENT OF FINANCE
JOHN GUNYOU, 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, 1992**

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INTRODUCTION

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State of Minnesota Department of Finance

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
(612) 296-5900

December 15, 1992

The Honorable Arne Carlson, 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, 1992. This report includes the financial statements for the state and the disclosure 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 and has earned an unqualified opinion.

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 prior and current years. The Notes to the Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. They include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.

All of the organizational units of the state which are controlled by, or dependent upon, the legislature and the constitutional officers are included in this report. A more complete description of the state's reporting entity and the criteria used in defining it are provided in Note 1 to the financial statements.

Economic Condition and Outlook

Minnesota's economy continued to outperform its national counterpart during 1992. Although national payroll employment remained at roughly 98 per cent of its pre-recession peak, employment in Minnesota

has grown since early 1991. Payroll employment had exceeded its pre-recession high by the spring of 1992, and at the end of the fiscal year Minnesota jobs had grown by an additional 2 percent. Minnesota has continually increased its share of national employment since the recession began in July, 1990.

Most of the state's employment growth was concentrated in services and retail trade. The opening of the Mall of America added an estimated 6000 net new jobs during late summer. Manufacturing employment remained constant during the past year, even though while manufacturing jobs elsewhere in the nation declined by 1.5 percent. The state's limited exposure to defense related production cutbacks and its small exposure to auto manufacturing, coupled with the state's strong food processing sector helped Minnesota be able to run counter to the national trend.

Economic growth rates in Minnesota are expected to follow those for the national economy during the 1994-95 biennium. While Minnesota's near term outlook is brighter than that for most of the nation, Finance Department economists expect that later in the biennium the state's growth rate will be slightly less than the national average. The recession has been much more severe on the east coast and in California, as the recovery proceeds jobs are likely to be added in disproportionate numbers in those hard hit areas.

Major Program Initiatives

Major Financial Systems. Progress on the Statewide Systems Project, which will replace the state's major financial and human resource systems, continued in fiscal year 1992. The requirements phase was completed, including identifying areas for re-engineering. Teams composed of staff from the three sponsoring agencies, Administration, Employee Relations and Finance, and from several other agencies worked for several months to identify the requirements for the system. They also identified re-engineering opportunities in the areas reviewed.

Proposals from vendors are being reviewed by a sub-set of the above teams, including extensive demonstrations by the vendors. We expect to have a contract by mid January with work on systems design expected to begin in late January, 1993. The systems to be replaced include accounting, procurement and human resources, including payroll.

Accounts Receivable Management. To better address the revenue side of the budget equation, the Departments of Finance, Revenue and Human Services and the Office of the Attorney General are sponsoring a review of accounts receivable management. The objectives are to assess current accounts receivable practices and to identify options and recom-

mendations to improve the state's accounts receivable processes, policies, organization and procedures.

Currently revenue collection is the responsibility of each agency with a wide variation in results. Areas for collaboration among agencies and other levels of government will be identified as well as possibilities for centralization and/or privatization of some collection activities. Improvements to permit measuring collection performance, including statewide reporting are also expected. These recommendations are expected to reduce the amount of outstanding accounts receivable and increase income.

Health care access. Minnesota passed landmark health care access and cost containment measures into law last April after more than two years of extensive study and public debate. The law's primary goals are to curb the growing cost of health care while providing expanded access to affordable health care to all Minnesotans.

MinnesotaCare creates a subsidized health insurance program in an incremental, comprehensive approach for uninsured residents. Health plans that will make it easier for small employers to obtain health care for their employees are also being developed. MinnesotaCare addresses rural health care needs and concerns.

The entire span of MinnesotaCare must stay within the financing allotment created within the law. This allotment includes (at varying effective dates) a five cent increase in the cigarette tax, a 2% health care provider tax and a 1% insurance gross premiums tax on non-profit health service corporations and health maintenance organizations.

The MinnesotaCare Program will cover an estimated 81,000 households, including 158,000 Minnesotans by 1997. The long run success of this ultimately rests on the cost containment and insurance reform. If these are achieved MinnesotaCare can attain its goals of providing affordable and accessible quality health care to residents of Minnesota.

Education. In FY93, the State Board of Education will continue working to develop learner goals and outcomes for use in an outcome based education (OBE) system. OBE is defined in statute as a " pupil centered, result-oriented system premised on the belief that all individuals can learn". The State Board of Education is to develop recommendations by February 1, 1993 for integrating education funding and the achievement of state and local outcomes.

Beginning in FY92, Minnesota law allows school boards to permit one or more teachers to form schools - "charter schools". No more than eight may exist throughout the state, and each plan must be approved by the State Board of Education. These schools will be exempt from most rules and statutes applicable to a school board or school district, but they must be nonsectarian and tuition free. These schools are eligible for most state school aids, with the exception of several aid programs requiring a levy component.

A 1991 law authorized a new program (Learning Readiness) designed to benefit four-year old children who have not entered kindergarten. Required components of the program include 1) a plan to coordinate social services, 2) a development and learning feature, 3) health referral services, 4) nutrition, and 5) parental involvement. Highest priority is to be given to children identified as "being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness". Funding, projected to grow to approximately \$ 10 million per year, is currently allocated on the basis of the number of four-year olds residing in the school district.

Beginning in FY93, funds will be available to provide some equalization of school district debt service levies. Levies equal to the first 10% of adjusted net tax capacity (ANTC) are not equalized. For portions over 10% of ANTC, each 1% of ANTC levied is guaranteed to raise \$54.66 per pupil unit. State aid for this purpose is being phased in over a three year period.

Human services. Institutional care remained a major source of growth in the state's budget. The state's medical assistance payments for institutionalized elderly, mentally ill and disabled people rose eight percent, from \$443 million in F.Y. 1991 to \$478 million in F.Y. 1992. Minnesota also saw unexpected growth in the percentage of the state's elderly in nursing homes who rely on public assistance. This fact, combined with the growing numbers of frail elderly, indicates that funding for institutional care will remain a critical funding issue in years ahead.

Financial Information

The Department of Finance is responsible for the statewide accounting system (SWAS) from which these financial statements were prepared. The SWAS is maintained on a budgetary basis of accounting. 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 significantly differ 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 were 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 the 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, Transit Assistance, Game and Fish, Natural Resources, Minnesota Resources, and Environmental 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.

Overstatement of June 30, 1991 fund balance for the General Fund. In March, 1992, an error was discovered in reporting for human service programs. Because of a law change, expenditures that had once been recognized as a liability in July of each year, became a liability for the previous year. Thus \$74.2 million of payments for income maintenance programs should have been recognized as expenditures in 1991. This would have reduced the fund balance by a similar amount. All recipients of the CAFR were notified of the error soon after it was discovered. All data relating to fiscal year 1991 financial activity has been restated to correct for this error.

General Fund. During fiscal year 1992, the total fund balance, on a GAAP basis, for the General Fund decreased by \$83.9 million (as restated) to \$290.6 million. At June 30, 1992, the unreserved, undesignated portion of the fund balance reflected a deficit of \$301.8 million, after providing for a \$400 million budgetary reserve. This compares with a negative \$154.5 million (as restated) unreserved, undesignated fund balance at the end of fiscal year 1991. On a budgetary basis, the June 30, 1992, unrestricted (undesignated) fund deficit for the General Fund was \$38.6 million, compared with a positive balance of \$113.3 at the end of 1991.

General Fund revenues and transfers-in totaled \$7,159,875,000 for fiscal year 1992, up 7.9 percent from those for fiscal year 1991. General Fund expenditures and transfers-out for the year totaled \$7,247,210,000, an increase of 2.3 percent from the previous year. Of this amount, \$5,601,524,000 (77.3 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 \$131.5 million, with the General Fund balance dropping by \$83.9 million and the special revenue funds by \$48.2 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 F.Y. 1991 are also presented.

NET REVENUES:	1992	%	Increase/(Decrease) over F.Y. 1991	
	Amount		Amount	%
Individual Income Taxes	\$ 3,148,740	28.9%	\$ 179,501	6.0%
Corporate Income Taxes	428,412	3.9%	(34,531)	(7.5)%
Sales Tax	2,192,547	20.1%	230,831	11.8%
Fuel Taxes	457,826	4.2%	5,831	1.3%
Other Taxes	1,389,901	12.6%	145,156	11.7%
Federal Revenues	2,508,851	23.0%	295,570	13.4%
Investment/Interest Income	82,951	0.8%	(59,748)	(41.9)%
Other Revenues	<u>709,343</u>	<u>6.5%</u>	<u>80,706</u>	12.8%
Total Net Revenues	\$ 10,918,571	100.0%	\$ 843,316	8.4%

Overall revenue increases were greater than in recent years. The increase in sales tax revenues resulted from a half percent tax increase at the beginning of the fiscal year. The decrease in corporate income tax revenues for the third year is the result of a continuing drop in corporate profits. The increase in other taxes results from the new health care surcharge tax and the return of the deed and mortgage tax to the state from the counties in return for greater state share of family support programs. The federal revenue increase is for grants for medical assistance and family support payments and also for the federal share of development and operating costs for chemical dependency, child support and the system for making family support payments. A sharp drop in the rate of return on investments over the past year, combined with decreasing balances, brought about the 42 percent drop in investment revenues for these funds. Environmental related revenues account for much of the greater than average increases in other revenues. These include the petroleum tank release clean-up and the fees for vehicle emissions testing.

EXPENDITURES & NET TRANSFERS:	1992 Amount	%	Increase (Decrease) over F.Y. 1991	
			Amount	%
Protection of Persons and Property	\$ 169,614	1.5%	\$ 11,843	7.5%
Transportation	316,628	2.8%	12,142	4.0%
Resource Management	224,342	2.0%	19,558	9.6%
Economic and Manpower Development	221,910	2.0%	21,435	10.7%
Education	516,207	4.6%	3,078	0.6%
Health and Social Services	545,056	4.8%	16,712	3.2%
General Government	217,112	1.9%	(5,370)	(2.4)%
Capital Outlays	538,845	4.8%	10,373	2.0%
Debt Service	277,741	2.5%	759	0.3%
Grants and Subsidies	<u>7,963,154</u>	<u>70.6%</u>	<u>342,096</u>	<u>4.5%</u>
Total Expenditures	\$ 10,990,609	97.5%	\$ 432,626	4.1%
Net Transfers-Out	<u>281,482</u>	<u>2.5%</u>	<u>2,520</u>	<u>0.9%</u>
Total Expenditures & Net Transfers	\$11,272,091	100.0%	\$ 435,146	4.0%

The overall increase in expenditures and net transfers out, 4.0 percent is the lowest since fiscal year 1986. The most significant increase in expenditures is for economic and manpower development and is for petroleum tank release cleanup costs.

Enterprise fund operations. Retained earnings for the enterprise funds increased by \$35.9 million, as restated, to \$722.4 million. Of this amount, almost \$477 million is reserved, primarily for debt repayment. Enterprise funds provide services to the general public and are expected to recover full costs, primarily through user charges. The Housing Finance Agency Funds had the largest increase in retained earnings, with net income exceeding \$17 million. The Higher Education Coordinating Board Student Loan Fund followed with net income of \$9.4 million. Included among the enterprise funds is the State Lottery Fund, whose income of \$54.7 million after taxes was transferred to other state funds. This is \$12.2 million less than last year's transfer.

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 capital 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. Net income for the internal service funds was \$14.9 million for fiscal year 1992, out of total operating revenues of \$273.8 million. The internal service funds ended the year with total retained earnings of \$86 million, up approximately \$15 million from last year. Once again, the largest increase in retained earnings occurred in the Employee Insurance Fund, with net income of \$16.8 million, bringing its year end retained earnings to \$73.5 million.

Fiduciary fund operations. Contributions to the various pension funds 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 more than \$874 million were provided from the expendable trust funds, primarily to local governments and individuals. Of this amount, \$310 million of the various highway taxes went to cities and counties for roads and bridges. Another \$33 million from the earnings on the Permanent School Fund assets was distributed to school districts. Most of the remainder of the grants were for unemployment benefits funded by taxes on employers. The fund balance for the Unemployment Compensation (UC) Fund decreased by \$84.4 million to \$271.2 million. Although revenues for the UC fund increased by \$41 million, paid unemployment claims increased by 25 percent to more than \$520 million.

Debt administration. Minnesota's credit ratings on general obligation bonds are AA+ (Standard & Poor's and Fitch) and Aa (Moody's). During fiscal year 1992, the state issued \$195 million of new general obligation bonds. \$138.5 million of general obligation bonds were redeemed during 1992, leaving an outstanding balance of \$1.63 billion.

The state has a debt management policy which has three goals.

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

The state debt management policy has three 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% of the total projected biennial unrestricted General Fund non-dedicated revenues, net of refunds, on a budgetary basis. The ratio of transfers to net unrestricted revenues for the biennium ending June 30, 1993, is estimated to be 2.9%.

The second and third guidelines state that general obligation bonded debt should not exceed 2.5% 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% of total personal income. These ratios were 1.88% and 3.10%, respectively, based on debt outstanding at June 30, 1992, and estimated personal income for the year ending on that date.

Risk management. The state is essentially self-insured against major losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program and workers' compensation coverage for the Department of Military Affairs. The Risk Management Fund (an internal service fund) provides for casualty claims for those state agencies authorized to acquire such insurance. The state is a member of the Workers' Compensation Reinsurance Association for workers' compensation claims in excess of \$430,000. All other state workers' compensation claims are provided for on a current funding basis.

Employee health, dental and life insurance are provided mainly through contracts with outside organizations. However, the state retains the potential for liabilities for some health plans. Premiums collected for these benefits have been more than sufficient to cover claims submitted.

Audits

The 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. Additionally they issue an audit report to each state agency 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 of 1984. The audit covers federal program activities for state agencies for the year ended June 30, 1992. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in May, 1993.

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, 1991. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

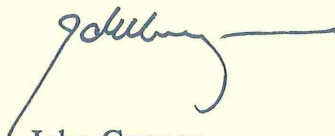
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable 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 seven fiscal years through June 30, 1991. 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.

Acknowledgements

Although the Department of Finance accepts final responsibility for this report, much of the data was provided by staff in many other state agencies. Assistance from these agencies 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, with its unqualified audit opinion, would not have been possible.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Gunyou", followed by a horizontal line extending to the right.

John Gunyou
Commissioner

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, 1991

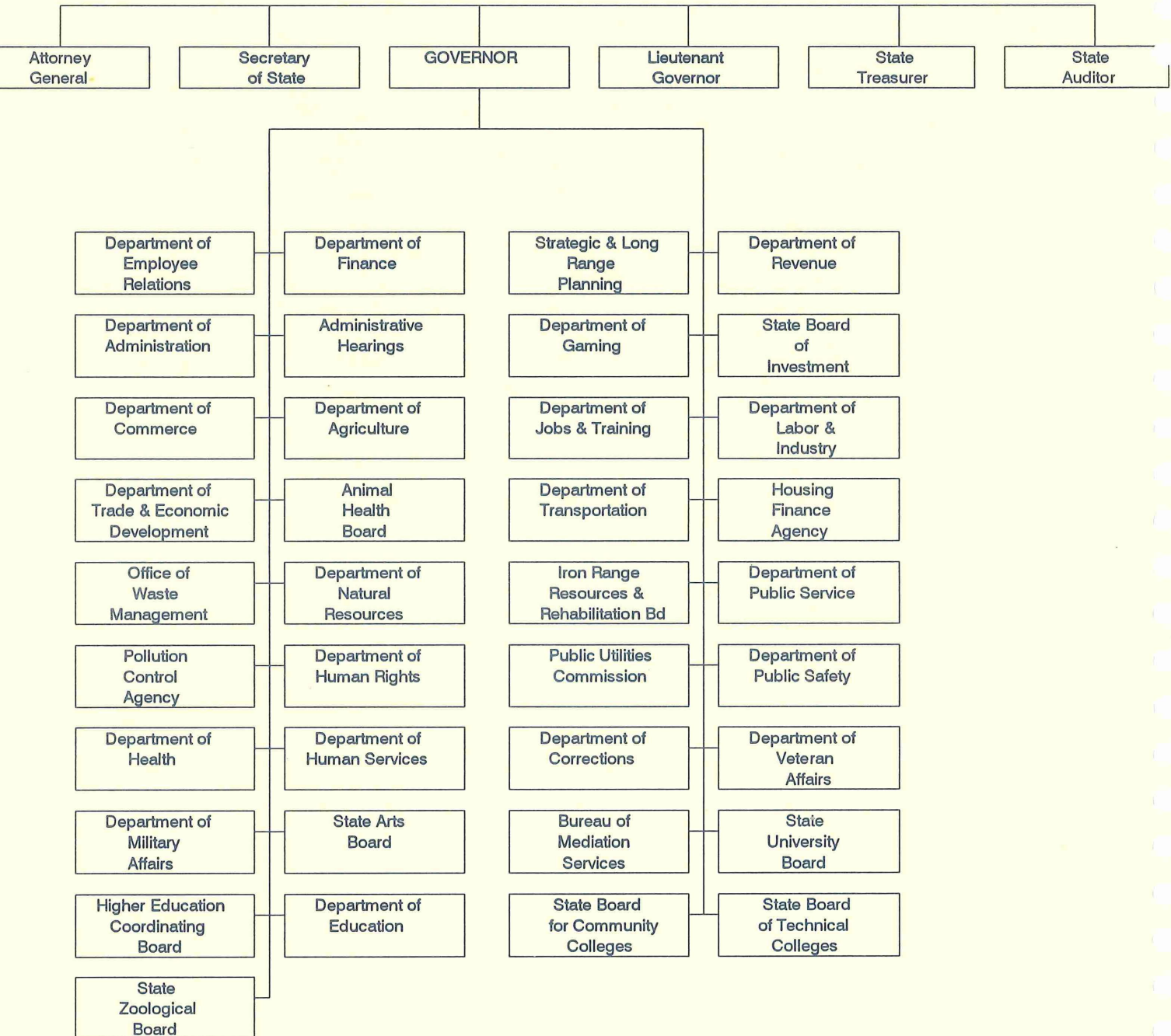
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



[Signature]
President

[Signature]
Executive Director

STATE ORGANIZATION CHART



STATE OF MINNESOTA
Principal Officials

EXECUTIVE BRANCH

GOVERNOR:	Arne H. Carlson
LIEUTENANT GOVERNOR:	Joanell M. Dyrstad
ATTORNEY GENERAL:	Hubert H. Humphrey, III
STATE TREASURER:	Michael M. McGrath
SECRETARY OF STATE:	Joan Anderson Growe
STATE AUDITOR:	Mark B. Dayton

LEGISLATIVE BRANCH

SPEAKER OF THE HOUSE OF REPRESENTATIVES

Dee Long

PRESIDENT OF THE SENATE

Jerome M. Hughes

JUDICIAL BRANCH

CHIEF JUSTICE OF THE SUPREME COURT

A. M. Keith

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FINANCIAL SECTION



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

Members of the Legislature

The Honorable Arne Carlson, Governor


John Gunyou, Commissioner, Department of Finance

We have audited the accompanying general purpose financial statements of the State of Minnesota as of and for the years ended June 30, 1992 and 1991, 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.

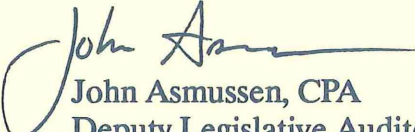
We conducted our audits in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Minnesota at June 30, 1992 and 1991, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 in 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.


James R. Nobles
Legislative Auditor

December 1, 1992


John Asmussen, CPA
Deputy Legislative Auditor

General Purpose Financial Statements

STATE OF MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1992
(IN THOUSANDS)

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
Cash and Cash Equivalents.....	\$ 651,967	\$ 490,993	\$ 58,999	\$ 239,474
Investments.....	—	10,958	3,900	31,546
Accounts Receivable.....	54,594	72,023	—	12
Interfund Receivables.....	33,834	19,236	—	494
Accrued Investment/Interest Income.....	17,467	870	23	516
Federal Aid Receivable.....	—	300,976	—	—
Inventories.....	—	16,046	—	—
Deferred Costs.....	624	247	—	—
Restricted Assets:				
Cash and Cash Equivalents.....	—	—	—	—
Investments.....	—	—	—	—
Loans/Financing Leases Receivable.....	—	—	—	—
Other Restricted Assets.....	—	—	—	—
Loans/Notes/Financing Leases Receivable.....	20,515	142,565	13,995	—
Advances to Other Funds.....	6,313	—	—	—
Fixed Assets (Net).....	—	—	—	—
Other Assets.....	—	—	—	—
Amount Available in Debt Service Fund.....	—	—	—	—
Amount to be Provided from General Fund.....	—	—	—	—
Amount to be Provided from Special Revenue Funds.....	—	—	—	—
Total Assets and Other Debits.....	\$ 785,314	\$ 1,053,914	\$ 76,917	\$ 272,042
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Warrants Payable.....	\$ —	\$ —	\$ —	\$ —
Accounts Payable.....	425,645	396,374	31,152	2,236
Interfund Payables.....	11,240	43,409	2,965	—
Payable to Other Governmental Units.....	—	34,180	—	—
Deferred Revenue.....	57,863	20,747	700	—
Payable from Restricted Assets:				
General Obligation Bonds Payable.....	—	—	—	—
Revenue Bonds Payable.....	—	—	—	—
Accrued Bond Interest Payable.....	—	—	—	—
Other Payable from Restricted Assets.....	—	—	—	—
General Obligation Bonds Payable.....	—	—	—	—
Loans/Notes Payable.....	—	—	—	—
Installment Purchases Payable.....	—	—	—	—
Revenue Bonds Payable.....	—	—	—	—
Grants Payable.....	—	—	—	—
Claims Payable.....	—	—	—	—
Compensated Absences Payable.....	—	—	—	—
Advances from Other Funds.....	—	978	—	—
Workers Compensation Liability.....	—	—	—	—
Funds Held in Trust.....	—	—	—	1,568
Other Liabilities.....	—	—	—	—
Total Liabilities.....	\$ 494,748	\$ 495,688	\$ 34,817	\$ 3,804
Equity and Other Credits:				
Contributed Capital.....	\$ —	\$ —	\$ —	\$ —
Investment in General Fixed Assets.....	—	—	—	—
Retained Earnings:				
Reserved for Debt Requirements.....	—	—	—	—
Reserved per Law.....	—	—	—	—
Reserved for Claims.....	—	—	—	—
Unreserved Retained Earnings.....	—	—	—	—
Fund Balances:				
Reserved for Encumbrances.....	84,480	84,886	—	—
Reserved for Inventory.....	—	16,046	—	—
Reserved for Long-Term Receivables.....	26,434	137,920	13,969	—
Reserved for Long-Term Commitments.....	—	63,237	16,575	—
Reserved for Local Governments.....	—	—	—	—
Reserved for Endowment Principal.....	—	—	—	—
Reserved for Debt Requirements.....	—	23,682	—	268,238
Reserved for Pension Benefits.....	—	—	—	—
Budgetary Reserve.....	400,000	—	—	—
Reserved for Other.....	624	14,661	—	—
Unreserved Fund Balances:				
Designated for Appropriation Carryover.....	80,871	16,405	—	—
Designated for Fund Purposes.....	—	124,592	—	—
Undesignated.....	(301,843)	76,797	11,556	—
Total Equity and Other Credits.....	\$ 290,566	\$ 558,226	\$ 42,100	\$ 268,238
Total Liabilities, Equity and Other Credits.....	\$ 785,314	\$ 1,053,914	\$ 76,917	\$ 272,042

The notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY	ACCOUNT GROUPS		TOTALS	
ENTERPRISE	INTERNAL SERVICE	FUND TYPES TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	(MEMORANDUM ONLY) JUNE 30, 1992	JUNE 30, 1991
\$ 434,133	\$ 96,824	\$ 2,029,105	\$ —	\$ —	\$ 4,001,495	\$ 3,734,354
312,822	823	15,566,788	—	—	15,926,837	13,897,054
16,204	19,692	99,081	—	—	261,606	254,617
4	2	54,497	—	—	108,067	185,048
27,475	3	116,025	—	—	162,379	188,852
—	—	3,377	—	—	304,353	253,912
22,444	1,008	3,573	—	—	43,071	33,747
27,356	326	89	—	—	28,642	30,562
181,945	—	—	—	—	181,945	190,305
412,020	—	—	—	—	412,020	344,944
309,806	—	—	—	—	309,806	238,183
47,921	—	—	—	—	47,921	37,659
1,785,665	168	9,105	—	—	1,972,013	1,967,641
—	900	—	—	—	7,213	3,939
65,942	22,751	16,108	1,660,410	—	1,765,211	1,678,078
178	—	28	—	—	206	222
—	—	—	—	143,975	143,975	141,615
—	—	—	—	1,952,967	1,952,967	1,856,015
—	—	—	—	384,343	384,343	398,539
<u>\$ 3,643,915</u>	<u>\$ 142,497</u>	<u>\$ 17,897,776</u>	<u>\$ 1,660,410</u>	<u>\$ 2,481,285</u>	<u>\$ 28,014,070</u>	<u>\$ 25,435,286</u>
\$ —	\$ —	\$ 156,303	\$ —	\$ —	\$ 156,303	\$ 118,867
23,548	13,490	38,650	—	—	931,095	917,299
5,791	2,195	42,467	—	—	108,067	185,048
—	—	6,615	—	—	40,795	34,417
1,941	199	2,309	—	—	83,759	82,355
200	—	—	—	—	200	200
564,265	—	—	—	—	564,265	412,507
100,086	—	—	—	—	100,086	95,192
4,542	—	—	—	—	4,542	5,126
4,025	—	—	—	1,630,105	1,634,130	1,577,855
20	22,935	—	—	71,130	94,085	80,014
—	852	—	—	—	852	4,090
1,935,044	2,635	—	—	46,790	1,984,469	1,921,700
—	—	—	—	395,453	395,453	351,728
—	—	—	—	56,964	56,964	93,000
3,022	1,959	759	—	144,696	150,436	140,616
16	6,219	—	—	—	7,213	3,939
—	—	—	—	99,861	99,861	98,291
138,665	—	534,160	—	—	674,393	584,714
381	—	—	—	36,286	36,667	36,965
<u>\$ 2,781,546</u>	<u>\$ 50,484</u>	<u>\$ 781,263</u>	<u>\$ —</u>	<u>\$ 2,481,285</u>	<u>\$ 7,123,635</u>	<u>\$ 6,743,923</u>
\$ 140,013	\$ 6,046	\$ —	\$ —	\$ —	\$ 146,059	\$ 110,249
—	—	—	1,660,410	—	1,660,410	1,574,496
404,860	—	—	—	—	404,860	388,376
71,873	—	—	—	—	71,873	67,596
—	73,524	—	—	—	73,524	56,735
245,623	12,443	—	—	—	258,066	244,894
—	—	16,309	—	—	185,675	172,407
—	—	3,573	—	—	19,619	19,686
—	—	44,074	—	—	222,397	203,845
—	—	—	—	—	79,812	127,542
—	—	517,971	—	—	517,971	488,383
—	—	426,238	—	—	426,238	403,455
—	—	—	—	—	291,920	286,429
—	—	15,790,621	—	—	15,790,621	13,609,532
—	—	—	—	—	400,000	400,000
—	—	3	—	—	15,288	17,187
—	—	—	—	—	97,276	43,888
—	—	317,724	—	—	442,316	506,999
—	—	—	—	—	(213,490)	(30,336)
<u>\$ 862,369</u>	<u>\$ 92,013</u>	<u>\$ 17,116,513</u>	<u>\$ 1,660,410</u>	<u>\$ —</u>	<u>\$ 20,890,435</u>	<u>\$ 18,691,363</u>
<u>\$ 3,643,915</u>	<u>\$ 142,497</u>	<u>\$ 17,897,776</u>	<u>\$ 1,660,410</u>	<u>\$ 2,481,285</u>	<u>\$ 28,014,070</u>	<u>\$ 25,435,286</u>

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE		JUNE 30, 1992	JUNE 30, 1991
Net Revenues:							
Individual Income Taxes.....	\$ 3,148,740	\$ -	\$ -	\$ -	\$ -	\$ 3,148,740	\$ 2,969,239
Corporate Income Taxes.....	428,412	-	-	-	-	428,412	462,943
Sales Taxes.....	2,192,547	-	-	-	-	2,192,547	1,961,716
Motor Vehicle License Taxes.....	748	348,801	-	-	-	349,549	331,783
Fuel Taxes.....	-	457,826	-	-	-	457,826	451,995
Other Taxes.....	844,950	195,402	-	-	325,060	1,365,412	1,275,417
Federal Revenues.....	9,203	2,499,250	211	187	94,811	2,603,662	2,219,326
License Fees.....	40,898	123,591	-	-	-	164,489	143,576
Care and Hospitalization Revenues.....	102,721	61	-	-	-	102,782	110,267
Tuition and Student Fees.....	158,751	6,334	-	-	-	165,085	155,107
Departmental Services.....	47,598	55,113	-	-	19	102,730	80,140
Investment/Interest Income.....	25,310	36,045	9,070	12,526	40,804	123,755	186,754
Other Revenues.....	86,359	83,789	1,463	2,665	36,206	210,482	190,433
Net Revenues.....	\$ 7,086,237	\$ 3,806,212	\$ 10,744	\$ 15,378	\$ 496,900	\$ 11,415,471	\$ 10,538,696
Expenditures:							
Current:							
Protection of Persons and Property.....	\$ 82,086	\$ 87,305	\$ 223	\$ -	\$ 5	\$ 169,619	\$ 157,771
Transportation.....	660	315,968	-	-	5,056	321,684	306,800
Resource Management.....	95,380	120,679	8,283	-	2,152	226,494	205,264
Economic and Manpower Development.....	59,104	162,752	54	-	1,870	223,780	202,193
Education.....	465,236	40,761	10,210	-	4,482	520,689	517,405
Health and Social Services.....	450,098	89,321	5,637	-	1,110	546,166	529,410
General Government.....	186,327	19,082	11,678	25	721	217,833	222,716
Total Current Expenditures.....	\$ 1,338,891	\$ 835,868	\$ 36,085	\$ 25	\$ 15,396	\$ 2,226,265	\$ 2,141,559
Capital Outlay.....	15,374	477,594	45,877	-	-	538,845	528,472
Debt Service.....	10,994	16,118	-	250,629	18	277,759	276,982
Grants and Subsidies.....	5,601,524	2,267,202	94,428	-	874,311	8,837,465	8,395,864
Total Expenditures.....	\$ 6,966,783	\$ 3,596,782	\$ 176,390	\$ 250,654	\$ 889,725	\$ 11,880,334	\$ 11,342,877
Excess of Revenues Over (Under)							
Expenditures.....	\$ 119,454	\$ 209,430	\$ (165,646)	\$ (235,276)	\$ (392,825)	\$ (464,863)	\$ (804,181)
Other Financing Sources (Uses):							
General Obligation Bonds.....	\$ -	\$ 22,460	\$ 172,540	\$ -	\$ -	\$ 195,000	\$ 199,999
Revenue Bonds.....	-	-	-	-	-	-	13,605
Proceeds from Loans.....	-	18,669	-	-	-	18,669	16,733
Operating Transfers-In.....	69,171	542,462	1,489	238,975	352,731	1,204,828	1,196,249
Operating Transfers to Debt Service.....	(202,835)	(23,240)	(12,900)	-	-	(238,975)	(221,856)
Other Operating Transfers-Out.....	(75,837)	(818,798)	(251)	-	(4,723)	(899,609)	(909,371)
Capital Leases.....	3,625	4,119	-	-	-	7,744	17,854
Other Sources (Uses).....	(238)	915	-	-	(887)	(210)	(806)
Net Other Financing Sources (Uses).....	\$ (208,114)	\$ (253,413)	\$ 160,878	\$ 238,975	\$ 347,121	\$ 287,447	\$ 312,407
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (86,660)	\$ (43,983)	\$ (4,768)	\$ 3,699	\$ (45,704)	\$ (177,416)	\$ (491,774)
Fund Balances, July 1, as Reported.....	\$ 448,755	\$ 606,458	\$ 45,441	\$ 264,214	\$ 936,563	\$ 2,301,431	\$ 2,729,138
Prior Period Adjustments.....	(74,241)	-	-	-	-	(74,241)	-
Fund Balances, July 1, as Restated.....	\$ 374,514	\$ 606,458	\$ 45,441	\$ 264,214	\$ 936,563	\$ 2,227,190	\$ 2,729,138
Residual Equity Transfers-In.....	4,467	3	1,755	325	8,840	15,390	4,964
Residual Equity Transfers-Out.....	(1,755)	(4,185)	(328)	-	(45)	(6,313)	(14,785)
Change in Inventory.....	-	(67)	-	-	-	(67)	(353)
Fund Balances, June 30.....	\$ 290,566	\$ 558,226	\$ 42,100	\$ 268,238	\$ 899,654	\$ 2,058,784	\$ 2,227,190

The notes are an integral part of the financial statements.

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, 1992 (IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Individual Income Taxes.....	\$ 3,075,300	\$ 3,144,637	\$ 69,337	\$ —	\$ —	\$ —
Corporate Income Taxes.....	419,800	420,278	478	—	—	—
Sales Taxes.....	2,168,018	2,190,516	22,498	—	—	—
Motor Vehicle License Taxes.....	—	—	—	357,956	349,878	(8,078)
Fuel Taxes.....	—	—	—	452,286	458,022	5,736
Other Taxes.....	827,863	839,370	11,507	25,747	25,166	(581)
Federal Revenues.....	—	—	—	239,640	218,365	(21,275)
Other Intergovernmental Revenues.....	184,795	183,075	(1,720)	—	—	—
License Fees.....	—	—	—	89,642	98,012	8,370
Care and Hospitalization Revenues.....	154,517	164,281	9,764	—	—	—
Tuition and Student Fees.....	152,894	159,499	6,605	—	—	—
Departmental Services.....	—	—	—	30,386	28,834	(1,552)
Investment/Interest Income.....	29,400	25,801	(3,599)	18,284	17,274	(1,010)
Other Revenues.....	319,429	267,104	(52,325)	17,310	18,840	1,530
Net Revenues.....	\$ 7,332,016	\$ 7,394,561	\$ 62,545	\$ 1,231,251	\$ 1,214,391	\$ (16,860)
Expenditures:						
Protection of Persons and Property.....	\$ 141,111	\$ 137,085	\$ 4,026	\$ 75,915	\$ 75,015	\$ 900
Transportation.....	40,152	39,466	686	749,631	722,284	27,347
Resource Management.....	129,058	126,605	2,453	104,566	96,511	8,055
Economic and Manpower Development.....	98,120	95,458	2,662	40,647	40,639	8
Education.....	3,600,474	3,548,477	51,997	2,969	2,969	—
Health and Social Services.....	2,305,593	2,257,167	48,426	1,679	1,643	36
General Government.....	1,062,846	1,047,281	15,565	4,801	3,701	1,100
Total Expenditures.....	\$ 7,377,354	\$ 7,251,539	\$ 125,815	\$ 980,208	\$ 942,762	\$ 37,446
Excess of Revenues Over (Under) Expenditures.....	\$ (45,338)	\$ 143,022	\$ 188,360	\$ 251,043	\$ 271,629	\$ 20,586
Other Financing Sources (Uses):						
Proceeds from Loans.....	\$ —	\$ —	\$ —	\$ 27,384	\$ 2,915	\$ (24,469)
Operating Transfers—In.....	25,824	33,037	7,213	487,662	486,998	(664)
Operating Transfers to Debt Service.....	(202,940)	(202,940)	—	(14,899)	(14,032)	867
Other Operating Transfers—Out.....	(96,736)	(94,275)	2,461	(800,544)	(800,544)	—
Net Other Financing Sources (Uses).....	\$ (273,852)	\$ (264,178)	\$ 9,674	\$ (300,397)	\$ (324,663)	\$ (24,266)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (319,190)	\$ (121,156)	\$ 198,034	\$ (49,354)	\$ (53,034)	\$ (3,680)
Fund Balances, July 1, 1991, as Reported.....	555,183	555,183	—	145,721	145,721	—
Prior Year Adjustments.....	19,128	15,852	(3,276)	—	13,116	13,116
Estimated Appropriation Cancellations.....	10,000	—	(10,000)	—	—	—
Total Fund Balances, June 30, 1992.....	\$ 265,121	\$ 449,879	\$ 184,758	\$ 96,367	\$ 105,803	\$ 9,436
Less Appropriation Carryover.....	—	88,447	(88,447)	—	16,405	(16,405)
Less Budgetary Reserve.....	400,000	400,000	—	—	—	—
Undesignated Fund Balances, June 30, 1992.....	\$ (134,879)	\$ (38,568)	\$ 96,311	\$ 96,367	\$ 89,398	\$ (6,969)

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 AND SIMILAR TRUST FUNDS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
Operating Revenues:						
Net Sales.....	\$ 330,558	\$ 21,977	\$ —	\$ 6,194	\$ 358,729	\$ 386,150
Contributions.....	—	—	660,510	—	660,510	636,685
Interest Income.....	156,526	—	—	—	156,526	152,584
Investment Income.....	55,031	—	1,664,347	36,991	1,756,369	1,121,160
Rental and Service Fees.....	61,179	61,471	—	152	122,802	117,325
Insurance Premiums.....	—	189,789	—	—	189,789	182,959
Realized and Unrealized Gains.....	—	—	469,635	—	469,635	45,133
Other Income.....	553	575	5,294	356	6,778	6,010
Total Operating Revenues.....	\$ 603,847	\$ 273,812	\$ 2,799,786	\$ 43,693	\$ 3,721,138	\$ 2,648,006
Less Cost of Goods Sold.....	241,995	17,058	—	—	259,053	269,274
Gross Margin.....	\$ 361,852	\$ 256,754	\$ 2,799,786	\$ 43,693	\$ 3,462,085	\$ 2,378,732
Operating Expenses:						
Annuity Payments.....	\$ —	\$ —	\$ 590,936	\$ —	\$ 590,936	\$ 529,891
Refunded Contributions.....	—	—	26,338	—	26,338	26,678
Interest and Financing Costs.....	175,607	80	2,632	—	178,319	170,092
Purchased Services.....	44,884	97,243	2,515	471	145,113	139,183
Investment Management Fees.....	—	—	12,663	46	12,709	11,307
Salaries and Fringe Benefits.....	42,254	21,590	5,992	73	69,909	69,075
Claims.....	—	102,029	—	—	102,029	90,783
Depreciation.....	5,303	16,366	207	1	21,877	17,890
Amortization.....	3,349	185	—	—	3,534	2,912
Supplies and Materials.....	6,019	2,942	126	3	9,090	8,425
Indirect Costs.....	925	1,804	109	—	2,838	3,157
Other Expenses.....	5,744	516	531	—	6,791	11,392
Total Operating Expenses.....	\$ 284,085	\$ 242,755	\$ 642,049	\$ 594	\$ 1,169,483	\$ 1,080,785
Operating Income.....	\$ 77,767	\$ 13,999	\$ 2,157,737	\$ 43,099	\$ 2,292,602	\$ 1,297,947
Nonoperating Revenues (Expenses):						
Investment Income.....	\$ 11,087	\$ 6,867	\$ —	\$ —	\$ 17,954	\$ 20,915
Participant Contributions.....	—	—	37,330	—	37,330	26,180
Grants and Subsidies.....	64,039	—	—	—	64,039	68,778
Local Association Mergers.....	—	—	17,129	—	17,129	43,645
Other Nonoperating Revenues.....	239	—	—	—	239	2,409
Interest and Financing Costs.....	(1,650)	(2,173)	—	—	(3,823)	(3,986)
Participant Withdrawals.....	—	—	(34,487)	—	(34,487)	(17,405)
Grants, Aids and Subsidies.....	(72,939)	—	—	—	(72,939)	(73,821)
Other Nonoperating Expenses.....	(261)	—	—	—	(261)	(238)
Gain (Loss) on Sale of Fixed Assets.....	(2)	(144)	—	1,296	1,150	3,165
Net Nonoperating Revenues (Expenses).....	\$ 513	\$ 4,550	\$ 19,972	\$ 1,296	\$ 26,331	\$ 69,642
Income Before Operating Transfers.....	\$ 78,280	\$ 18,549	\$ 2,177,709	\$ 44,395	\$ 2,318,933	\$ 1,367,589
Operating Transfers—In.....	18,805	1,940	1,605	21,860	44,210	43,665
Operating Transfers—Out.....	(57,648)	(5,632)	(3,702)	(43,472)	(110,454)	(108,687)
Net Income before Extraordinary Item.....	\$ 39,437	\$ 14,857	\$ 2,175,612	\$ 22,783	\$ 2,252,689	\$ 1,302,567
Extraordinary Loss on Debt Extinguishment.....	(3,692)	—	—	—	(3,692)	(1,320)
Net Income.....	\$ 35,745	\$ 14,857	\$ 2,175,612	\$ 22,783	\$ 2,248,997	\$ 1,301,247
Depreciation on Fixed Assets Acquired with Contributed Capital.....	368	2	—	—	370	369
Increase in Retained Earnings/Fund Balances.....	\$ 36,113	\$ 14,859	\$ 2,175,612	\$ 22,783	\$ 2,249,367	\$ 1,301,616
Retained Earnings/Fund Balances, July 1, as Reported.....	\$ 691,955	\$ 71,108	\$ 13,609,476	\$ 412,295	\$ 14,784,834	\$ 13,477,812
Prior Period Adjustments.....	(5,462)	—	—	—	(5,462)	—
Changes in Reporting Entity.....	—	—	5,533	—	5,533	—
Retained Earnings/Fund Balances, July 1, as Restated.....	\$ 686,493	\$ 71,108	\$ 13,615,009	\$ 412,295	\$ 14,784,905	\$ 13,477,812
Residual Equity Transfers—Out.....	(250)	—	—	(8,840)	(9,090)	—
Retained Earnings/Fund Balances, June 30.....	\$ 722,356	\$ 85,967	\$ 15,790,621	\$ 426,238	\$ 17,025,182	\$ 14,779,428

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
Cash Flows from Operating Activities:					
Operating Income (Loss).....	\$ 77,767	\$ 13,999	\$ 43,099	\$ 134,865	\$ 160,519
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation.....	\$ 5,303	\$ 16,498	\$ 1	\$ 21,802	\$ 17,902
Amortization.....	3,349	185	—	3,534	2,912
Investment Income.....	(55,031)	—	(36,991)	(92,022)	(90,958)
Interest and Financing Costs.....	175,607	80	—	175,687	167,754
Loan Principal Repayments.....	200,800	—	—	200,800	163,008
Loans Issued.....	(275,734)	—	—	(275,734)	(359,434)
Provision for Loan Defaults.....	4,243	—	—	4,243	6,690
Customer Deposits.....	42,536	—	—	42,536	46,222
Return of Customer Deposits.....	(45,606)	—	—	(45,606)	(51,093)
Change in Assets and Liabilities:					
Accounts Receivable.....	(4,568)	(2,634)	(191)	(7,393)	(5,634)
Inventories.....	(9,430)	31	—	(9,399)	(1,049)
Other Assets.....	(471)	(83)	—	(554)	(2,147)
Accounts Payable.....	3,614	(2,422)	46	1,238	2,044
Deferred Revenues.....	(530)	(67)	—	(597)	(151)
Other Liabilities.....	46	60	—	106	1,432
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ 44,128	\$ 11,648	\$ (37,135)	\$ 18,641	\$ (102,502)
Net Cash Flows from Operating Activities.....	\$ 121,895	\$ 25,647	\$ 5,964	\$ 153,506	\$ 58,017
Cash Flows from Noncapital Financing Activities:					
Grant Receipts.....	\$ 64,268	\$ —	\$ —	\$ 64,268	\$ 69,218
Grant Disbursements.....	(72,962)	—	—	(72,962)	(73,922)
Transfers—In.....	18,902	1,940	23,405	44,247	43,695
Transfers—Out.....	(57,202)	(4,131)	(43,390)	(104,723)	(105,043)
Residual Equity Transfers—Out.....	—	—	(8,840)	(8,840)	—
Capital Contributions.....	29,106	—	—	29,106	46,354
Advances from Other Funds.....	—	4,384	—	4,384	—
Repayments of Advances from Other Funds.....	(24)	(365)	—	(389)	(27)
Advances to Other Funds.....	—	(484)	—	(484)	—
Proceeds from Bond Sales.....	506,732	—	—	506,732	320,270
Repayment of Bond Principal.....	(313,865)	—	—	(313,865)	(148,288)
Bond Issuance Costs.....	(4,935)	—	—	(4,935)	(4,601)
Interest Paid.....	(158,431)	(45)	—	(158,476)	(149,216)
Net Cash Flows from Noncapital Financing Activities.....	\$ 11,589	\$ 1,299	\$ (28,825)	\$ (15,937)	\$ (1,560)
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets.....	\$ (14,957)	\$ (9,036)	\$ —	\$ (23,993)	\$ (26,177)
Proceeds from the Sale of Fixed Assets.....	38	929	1,051	2,018	2,615
Advances from Other Funds.....	—	3,200	—	3,200	2,795
Repayments of Advances from Other Funds.....	—	(2,747)	—	(2,747)	(3,133)
Proceeds from Loans.....	—	7,504	—	7,504	12,720
Repayment of Loan Principal and Other Capital Debt.....	—	(10,130)	—	(10,130)	(5,677)
Collection of Financing Leases Receivable.....	6,322	87	—	6,409	4,808
Financing Leases Issued.....	—	—	—	—	(297)
Proceeds from Bond Sales.....	49,136	—	—	49,136	47,760
Repayment of Bond Principal.....	(22,654)	(2,910)	—	(25,564)	(22,745)
Interest Paid.....	(13,154)	(2,240)	—	(15,394)	(11,556)
Net Cash Flows from Capital and Related Financing Activities.....	\$ 4,731	\$ (15,343)	\$ 1,051	\$ (9,561)	\$ 1,113
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments.....	\$ 750,343	\$ 449	\$ 25,977	\$ 776,769	\$ 728,282
Purchase of Investments.....	(864,879)	—	(29,957)	(894,836)	(761,346)
Investment Earnings.....	68,982	6,875	36,845	112,702	108,979
Net Cash Flows from Investing Activities.....	\$ (45,554)	\$ 7,324	\$ 32,865	\$ (5,365)	\$ 75,915
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 92,661	\$ 18,927	\$ 11,055	\$ 122,643	\$ 133,485
Cash and Cash Equivalents, July 1.....	523,417	77,897	45,137	646,451	512,966
Cash and Cash Equivalents, June 30.....	\$ 616,078	\$ 96,824	\$ 56,192	\$ 769,094	\$ 646,451

The notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

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 criteria used to determine the state's reporting entity were degrees of financial interdependence, fiscal accountability, administrative control, and scope of public service. All governmental units not meeting those criteria, and therefore considered to be autonomous from the state, have been excluded from this report.

Although partially supported by state appropriations, the University of Minnesota has not been included in the reporting entity. The high degree of autonomy of the University was of primary importance in deciding upon its exclusion. This autonomy is attributed to the independence of its governing board, the Board of Regents, which controls the administration and operation of the University. The Board of Regents' authority for overall budget approval and responsibility for funding of deficits or use of surpluses were also significant in determining the University's exclusion. The University is the only significant exclusion from the state's reporting entity.

The state universities and community colleges are, however, an integral part of the state's operations. Their primary operations are accounted for on the Statewide Accounting System and they are subject to the same controls as all other state agencies. The results of operations and the financial position for the colleges and universities, therefore, do not appear as discrete presentations in these financial statements but are blended in with the activities of all state agencies in the appropriate funds or fund types.

The organizations below, which are included in this report, also prepare and publish their own financial reports which may contain differences in presentation resulting from differing reporting emphases:

- Minnesota Technology, Inc.
- Housing Finance Agency
- Higher Education Facilities Authority
- State University Board (revenue fund)
- Higher Education Coordinating Board (student loan fund)
- Department of Trade and Economic Development (Public Facilities Authority fund)
- State Lottery
- Public Employees Retirement Association
- Teachers Retirement Association
- Minnesota State Retirement System
- State Board of Investment (investment trust funds)

Copies of their reports may be obtained directly from the organizations.

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 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 (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 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 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 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 trust and agency fund types. Depending on their nature, fiduciary funds are classified for accounting measurement purposes like governmental (expendable trust funds) or proprietary funds (pension trust and nonexpendable trust funds). Agency funds are custodial in nature; thus they do not measure results of operations.

Account Groups provide the means to account for the fixed assets acquired, and the general obligation long-term indebtedness, for all governmental fund types.

Basis of Accounting

All proprietary, pension trust 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. 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 collectible by the September close of the books. 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.

Expenditures and Related Liabilities: Expenditures and payables are recognized when fund obligations are incurred as a result of the receipt of goods and services, except principal and interest on long term debt, which is 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 9.

Grants Expenditures and Liabilities Recognition

Grants are contributions of cash or other assets by the state to other governmental units, individuals or to nongovernmental organizations. The GAAP requirement that expenditures and liabilities be recognized at the point goods and services are received is not relevant for grants because the state does not receive a direct service for grant payments. It is therefore necessary to use different criteria for the recognition of grant expenditures and liabilities.

Grants are normally paid on an entitlement or reimbursement basis. Reimbursements can be for specific services provided to eligible recipients or such reimbursements can be for eligible types of expenditures. Grants paid on a reimbursement basis 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 types of expenditures. Entitlement type grants may be based on services provided by the grantee which the grant is meant to help fund, but not based on the cost of providing the service. Expenditures and related liabilities for these types of entitlement 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 type grants are not based on services provided or actions taken by the grantee. Expenditures and related liabilities for these types of 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 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. All other fund types report this liability as a fund liability.

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. Also included are cash management pools and money market funds that are used essentially as demand deposit accounts.

Investments are reported at market value for the investment trust funds, defined contribution funds and the Deferred Compensation Fund, which are all fiduciary funds. All other funds report equity securities at cost and debt securities at amortized cost.

Inventories

Inventories for governmental funds are recorded as expenditures when purchased and therefore are not a resource available for appropriation. Inventories for all other funds are expensed when consumed. Inventories maintained by the various funds are determined by annual and periodic physical counts. The Trunk Highway Fund (special revenue fund) inventories are valued using the weighted-average cost. Inventories of the Miscellaneous Special Revenue and Northeast Minnesota Economic Protection (expendable trust) funds consist of repossessed properties, held for resale, and are valued at market. Enterprise funds' inventories are valued using first-in first-out, average cost and specific cost methods. Internal service funds' inventories 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 market value at the date of acquisition. An inventory of land and buildings for 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 general fixed assets nor is interest during construction capitalized.

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

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 noncurrent portions of liabilities resulting from debt issuances, compensated absences, workers compensation claims, grant programs, arbitrage rebate requirements and some unfunded pension liabilities (see Note 6).

Bond Discounts, Bond Premiums and Deferred Costs

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the current period. In the proprietary funds they 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.

Risk Management

The state is self-insured for most losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program, and workers' compensation coverage for Military Affairs. The state has established the Risk Management Fund (an internal service fund) to provide for casualty claims, primarily automobile liabilities, for state agencies. For catastrophic workers' compensation claims the state is a member of the Workers' Compensation Reinsurance Association which pays for compensation claims in excess of the retention amount, which is currently \$430,000.

Budgeting and Budgetary Control

Minnesota operates on a two-year (biennial) budget cycle ending on June 30 of the 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, Special Workers Compensation, Iron Range Resources and Rehabilitation and Miscellaneous Special Revenue Funds. Some appropriations are "open appropriations" for entitlement type, and some interfund transfer, programs. In these cases, whatever amount 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.

All expenditures in these appropriated funds are made pursuant to the appropriations in the biennial budget, as amended by subsequent legislative appropriation actions. No deficiency appropriations were required for fiscal year 1992.

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

For most appropriations, unencumbered balances at fiscal year end cancel; for specified others, such balances may carry forward to the subsequent year. The budget and the Statewide Accounting System (SWAS) 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 SWAS controls expenditures by appropriation line item as established in the legally adopted appropriation bills. In no instance did expenditures exceed 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.

Eliminations

We have incorporated eliminations into the report to exclude the significant double counting of assets and related income caused by the participation of certain fiduciary funds in the investment trust funds (also fiduciary funds). Defined Benefit Pension and Defined Contribution Funds (pension trust funds) and the Deferred Compensation Fund (an agency fund) invest part of their assets through the investment trust funds (also classified as pension trust funds).

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. Information in these columns does not present consolidated financial position, results of operations, or cash flows.

Comparative Data

Comparative totals for fiscal year 1991 are presented in the financial statements to provide an understanding of the changes in the state's financial position and operations. Disclosures relevant to the prior year are available in the state's fiscal year 1991 Comprehensive Annual Financial Report. Prior year totals were restated to reflect prior period adjustments (see Note 14).

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash in most funds is held in the state treasury and is 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. A fund's investment with these cash pools is reported as a cash equivalent. Investment earnings of the pools are allocated to the individual funds where provided by statute; earnings for all other funds are credited to the General Fund.

The following table summarizes the state's cash and cash equivalents (including amounts reported as restricted assets) at June 30, 1992 (in thousands). Cash with the U.S. Treasury is available for the cash demands of the Unemployment Compensation Fund (expendable trust fund).

	Carrying Amount
Cash in Bank	\$ 76,787
Cash on Hand and Imprest Cash	5,144
Cash with U.S. Treasury	232,985
Cash Equivalents:	
Cash Management Investment Pools	3,272,730
Other	595,794
Total Cash and Cash Equivalents	\$4,183,440

Deposits

At June 30, 1992 the bank balance, for cash in bank was \$141,677,000. This balance was fully covered by federal depository insurance or collateral held by the state's agent in the state'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% of the sum of the insured amount and the market value of the collateral.

During fiscal year 1992, the combined insured amount and collateral fell short of the legal requirement by more than \$10 million on at least 12 days.

Investments

Nearly all of the state's investing is managed by the Minnesota State Board of Investment (MSBI). Minnesota Statutes, Section 11A.24 broadly restricts investments 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. A more conservative restriction which applies to certain funds is that investments be limited to fixed income securities. The conservative restriction applies to all funds except the Permanent School Fund (a nonexpendable trust fund), the defined benefit pension funds, and the investment trust funds (the latter fund categories are included among the pension trust funds).

Investments at June 30, 1992 (in thousands)

Investment Type	Carrying Amount	Market Value
Repurchase Agreements	\$ 488,445	\$ 488,445
Other Short-Term Obligations	3,181,718	3,182,525
U.S. and Other Government Obligations	7,890,721	7,983,373
Corporate Obligations	1,809,488	1,835,628
Corporate Stocks	5,443,924	5,804,633
Other Equity	761,016	1,106,241
Total Investments in Risk Category 1	\$19,575,312	\$20,400,845
Trustee Managed Pools (not categorized)	632,069	632,069
Total Investments	\$20,207,381	\$21,032,914

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

The investment table on the previous page shows the state's risk category 1 and other investments, including cash equivalents, at their carrying and market 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. The state has no investments in risk category 2 (uninsured and unregistered securities held by the counterparty's trust department or agent in the state's name) or in risk category 3 (uninsured and unregistered securities held by the counterparty or by its trust department or agent but not in the state's name).

3. INTERFUND ACTIVITY

Interfund receivables and payables at June 30, 1992, including current portion of interfund advances, are summarized as follows (in thousands).

	<u>Receivables</u>	<u>Payables</u>		<u>Receivables</u>	<u>Payables</u>
General Fund	\$33,834	\$11,240	Fiduciary Funds:		
Special Revenue Funds:			Pension Trust Funds:		
Trunk Highway	\$ 6,456	\$ 1,590	Defined Benefit Pension Funds:		
Highway User Tax Distribution	-	15,461	Public Employees Retirement	\$ 300	\$ 9,946
Other Transportation	-	82	Police and Fire	-	1,743
Federal	6,432	16,615	Police and Fire Consolidation	1,922	47
Environmental	-	237	Teachers Retirement	-	3,107
Natural Resources	4,496	-	State Employees Retirement	399	629
Maximum Effort School Loan	-	2,036	State Patrol Retirement	-	451
Miscellaneous Special Revenue	<u>1,852</u>	<u>7,388</u>	Correctional Employees Retirement	3	499
Total Special Revenue Funds	\$19,236	\$43,409	Judicial Retirement	-	724
Capital Projects Funds:			Elective State Officers	334	2
General Projects	\$ -	\$ 194	Legislative Retirement	5,015	160
Building	-	<u>2,771</u>	Defined Contribution Fund:		
Total Capital Projects Funds	\$ -	\$ 2,965	Unclassified Employees Retirement	49	47
Debt Service Fund	\$ 494	\$ -	Investment Trust Fund:		
Enterprise Funds:			Minnesota Post-Retirement Investment	16,645	1,909
Housing Finance Agency Loan	\$ 4	\$ -	Nonexpendable Trust Funds:		
State Lottery	-	3,497	Permanent School	-	21,368
Chemical Dependency Treatment	-	2,044	Environment and Natural Resources Trust	1,398	765
Enterprise Activities	-	<u>250</u>	Expendable Trust Funds:		
Total Enterprise Funds	\$ 4	\$ 5,791	Municipal State-Aid Street	2,358	-
Internal Service Funds:			County State-Aid Highway	7,892	967
Central Motor Pool	\$ -	\$ 680	Endowment School	17,417	-
Plant Management	-	1,504	Endowment	-	45
Master Lease	2	-	Environment and Natural Resources Trust	765	-
Central Services	-	<u>11</u>	Agency Funds:		
Total Internal Service Funds	\$ 2	\$ 2,195	Deferred Compensation	-	54
			Miscellaneous Agency	-	<u>4</u>
			Total Fiduciary Funds	\$ 54,497	\$ 42,467
			Total All Funds	\$108,067	\$108,067

The noncurrent portion of interfund advances at June 30, 1992, are summarized as follows (in thousands):

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 6,313	\$ -
Special Revenue Funds:		
Miscellaneous Special Revenue	-	978
Enterprise Funds:		
Enterprise Activities	-	16
Internal Service Funds:		
Computer Services	900	-
State Printer	-	28
Central Motor Pool	-	1,125
Telecommunications	-	5,030
Central Services	-	<u>36</u>
Total All Funds	\$ 7,213	\$ 7,213

Residual equity transfers-out exceed similar transfers-in by \$13,000 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 funds.

4. LOANS, NOTES AND FINANCING LEASES RECEIVABLE

Loans, notes, and financing leases receivable, net of allowances for possible losses, as of June 30, 1992, consisted of the following (in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fiduciary</u>
Housing Finance	\$ -	\$ -	\$ -	\$1,567,912	\$ -	\$ -
Student Loan Programs	704	-	-	217,753	-	1
Higher Education Facilities	-	-	-	123,216	-	-
Economic Development	3,892	46,584	102	186,590	-	9,104
School Districts	-	68,030	-	-	-	-
Energy	-	2,110	12,435	-	-	-
Agricultural	10,580	11,120	-	-	-	-
Other	<u>5,339</u>	<u>14,721</u>	<u>1,458</u>	<u>-</u>	<u>168</u>	<u>-</u>
Totals	\$20,515	\$142,565	\$13,995	\$2,095,471	\$ 168	\$ 9,105

Financing agreements for the Higher Education Facilities Authority (HEFA) include both loans and direct financing leases. Future payments listed below are sufficient to fund the related revenue bond principal and interest payments. The future minimum payments and net investment in financing agreements is as follows (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
1993	\$17,487
1994	19,271
1995	18,585
1996	17,214
1997	18,616
Thereafter	<u>228,565</u>
Total Future Payments to be Received	\$319,738
Less: Assets Held in Trust	(52,578)
Less: Unearned Income	<u>(143,944)</u>
Net Investment in Financing Agreements	\$123,216

5. FIXED ASSETS

Summary of Changes in General Fixed Assets (in thousands)

	<u>Balances July 1, 1991</u>	<u>Additions</u>	<u>Deductions</u>	<u>Completed Construction</u>	<u>Adjustments</u>	<u>Balances June 30, 1992</u>
Land	\$ 218,298	\$ 10,592	\$ 68	\$ -	\$ 142	\$ 228,964
Buildings	955,586	-	1,851	69,732	(4,282)	1,019,185
Equipment	251,884	36,171	17,392	-	598	271,261
Construction in Progress	<u>148,728</u>	<u>65,125</u>	<u>-</u>	<u>(69,732)</u>	<u>(3,121)</u>	<u>141,000</u>
Total	\$1,574,496	\$111,888	\$19,311	\$ -	(\$6,663)	\$1,660,410

Governmental fund capital outlay expenditures totaled \$538,845,000 for fiscal year 1992. Of this amount, \$429,356,000 was for infrastructure fixed assets which are not included in general fixed assets. Donations of general fixed assets received during fiscal year 1992 are valued at \$2,399,000. Other adjustments were primarily corrections of prior year balances.

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1992, consisted of equipment costing \$56,521,000 and buildings costing \$1,780,000.

Authorizations and commitments, as of June 30, 1992, for the largest construction in progress projects follows (in thousands):

	Educational Buildings	Regional Treatment Centers	Veterans Home	Transportation Headquarters
Authorization	\$77,699	\$9,908	\$6,748	\$11,826
Expended through June 30, 1992	33,110	6,101	2,369	10,131
Unexpended Commitment	<u>20,167</u>	<u>19</u>	<u>4,379</u>	<u>101</u>
Available Authorization	\$24,422	\$3,788	\$ -	\$ 1,594

Commitments are reserved in the fund balance for either encumbrances or long-term commitments.

Proprietary and fiduciary fund type fixed assets consisted of the following as of June 30, 1992 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	\$ 3	\$ -	\$15,432	\$ 15,435
Buildings	82,644	-	-	82,644
Land and Building Improvements	29,934	1,928	-	31,862
Equipment	<u>21,306</u>	<u>72,247</u>	<u>1,557</u>	<u>95,110</u>
Total	\$133,887	\$74,175	\$16,989	\$225,051
Less: Accumulated Depreciation	<u>67,945</u>	<u>51,424</u>	<u>881</u>	<u>120,250</u>
Net Total	\$ 65,942	\$22,751	\$16,108	\$104,801

Land in the Permanent School Fund (a nonexpendable trust fund) totaling 2,513,725 acres was donated by the federal government and is valued at the estimated fair market value at the time of donation.

6. GENERAL LONG-TERM OBLIGATIONS

A summary of general long-term obligations at June 30, 1992, and the changes during fiscal year 1992 is as follows (in thousands):

	July 1, 1991 Balances	Increases	Decreases	June 30, 1992 Balances
Liabilities For:				
General Obligation Bonds	\$1,573,630	\$195,000	\$138,525	\$1,630,105
Revenue Bonds	50,015	-	3,225	46,790
Loans	57,806	18,669	5,345	71,130
Claims	93,000	-	36,036	56,964
Grants	351,728	395,453	351,728	395,453
Compensated Absences	135,123	9,573	-	144,696
Workers Compensation	98,291	15,394	13,824	99,861
Capital Leases	29,094	7,744	8,480	28,358
Pension Liabilities	343	605	65	883
Other Liabilities	<u>7,139</u>	<u>-</u>	<u>94</u>	<u>7,045</u>
Totals	\$2,396,169	\$642,438	\$557,322	\$2,481,285

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	\$1,508,343	\$121,762	\$1,630,105
Revenue Bonds	-	46,790	46,790
Loans	-	71,130	71,130
Claims	-	56,964	56,964
Grants	395,453	-	395,453
Compensated Absences	84,775	59,921	144,696
Workers Compensation	79,841	20,020	99,861
Capital Leases	12,229	16,129	28,358
Pension Liabilities	883	-	883
Other Liabilities	<u>7,045</u>	<u>-</u>	<u>7,045</u>
Totals	\$2,088,569	\$392,716	\$2,481,285

Principal and interest payment schedules are provided in the following table (in thousands) for general obligation bonds, revenue bonds, loans and capital leases. The liability for grants was liquidated in October, 1992. There are no payment schedules for claims, compensated absences, workers compensation or pension liabilities. Other liabilities include arbitrage rebate payable to the federal government. Of this amount \$2,023,000 is payable in fiscal year 1993, \$2,500,000 payable in fiscal year 1994 and the remainder in fiscal year 1995.

<u>Fiscal Year(s)</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Loans</u>	<u>Capital Leases</u>	<u>Totals</u>
1993	\$ 245,317	\$11,278	\$29,312	\$10,790	\$ 296,697
1994	251,167	5,911	5,481	8,488	271,047
1995	231,856	5,908	5,191	7,667	250,622
1996	217,342	5,796	5,191	3,766	232,095
1997	198,007	5,614	5,191	851	209,663
Thereafter	<u>1,226,157</u>	<u>48,411</u>	<u>20,764</u>	<u>1,119</u>	<u>1,296,451</u>
Total Payments	\$2,369,846	\$82,918	\$71,130	\$32,681	\$2,556,575
Interest	<u>739,741</u>	<u>36,128</u>	<u>-</u>	<u>4,323</u>	<u>780,192</u>
Total Principal	\$1,630,105	\$46,790	\$71,130	\$28,358	\$1,776,383

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 November 1 of each year for state bonds issued by January 1, 1985, and on December 1 of each year for state bonds issued after January 1, 1985, 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 1992 the Department of Finance made the necessary transfers (in thousands) to the Debt Service Fund as follows:

General Fund	\$202,835
Special Revenue Funds:	
Natural Resources Funds	35
Trunk Highway Fund	13,997
Maximum Effort School Loan Fund	7,331
Miscellaneous Special Revenue Fund	1,877
Capital Projects Fund (Building Fund)	<u>12,900</u>
Total Operating Transfers to Debt Service Fund	\$238,975

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.

One issue of general obligation bonds is recorded as the liability of an enterprise fund, the State University Board Revenue Fund, because the earnings of the fund are pledged for repayment of these bonds. This fund makes debt service transfers to the Debt Service Fund, fulfilling the legal requirements for general obligation debt service. Debt service transfers and the earnings on them are reported as restricted assets in the enterprise fund and as funds held in trust in the Debt Service Fund. The Debt Service Fund makes the payments for these bonds. The General Fund remains secondarily liable for these bonds.

General Obligation Bond Issues

During fiscal year 1992, \$195,000,000 in general obligation bonds were issued at a true interest rate of 6.55 percent and \$138,525,000 in general obligation bond principal was repaid.

Advance Refunding

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 added to the General Long-Term Obligation Account Group.

The balance outstanding for all the extinguished debt at June 30, 1992, was \$282,300,000 consisting of the following (in thousands). The state remains contingently liable to pay the refunded general obligation bonds.

Outstanding Defeased Debt

<u>Refunding Date</u>	<u>Refunding Amount</u>	<u>Refunded Amount</u>	<u>Outstanding Amount</u>	<u>Final Maturity Date</u>
August 1, 1986	\$236,500	\$227,800	\$121,300	August 1, 2000
March 6, 1988	182,500	165,450	161,000	August 1, 2007
Total	\$419,000	\$393,250	\$282,300	

A schedule of general obligation bonds authorized but unissued and bonds outstanding at June 30, 1992, is provided in the table below (in thousands):

<u>Purpose</u>	<u>Authorized But Unissued</u>	<u>Amount Outstanding</u>	<u>Interest Rates Range - %</u>
State Building	\$448,700	\$ 849,532	3.75 - 9.63
State Transportation	38,435	45,553	4.69 - 9.31
Waste Management	8,975	18,629	6.50 - 8.66
Water Pollution Control	6,367	102,863	4.58 - 8.66
Maximum Effort School Loan	62,195	60,059	5.86 - 8.40
Municipal Aid	4,330	-	
Reinvest in Minnesota	26,195	20,880	6.00 - 7.20
Rural Finance Administration	38,825	10,985	6.80 - 8.95
Natural Resources	-	5,000	5.10
Parks and Recreation	-	16,200	4.72
Zoological Garden	-	5,000	4.99 - 5.70
Vietnam Veterans Bonus	-	6,000	4.48 - 4.98
Refunding Bonds	-	414,085	6.99 - 8.41
Exchange Bonds	-	6,289	.05
School Energy Building	6,370	7,330	6.00 - 9.31
Game and Fish Building	-	515	7.96 - 8.66
Trunk Highway	-	61,185	3.75 - 9.31
Airport Facilities	175,000	-	
Totals	\$815,392	\$1,630,105	

Revenue Bonds Payable

Revenue bonds payable totaling \$46,790,000 reported in the General Long-Term Obligation Account Group are obligations of the Agricultural and Economic Development Board (AEDB). Minnesota Statutes Section 41A.022 authorized the issuance of revenue bonds by the AEDB to promote economic development by providing loans to businesses in Minnesota. These bonds are to be repaid from loan repayments and interest earnings of the AEDB and are not a general obligation of the state.

The activities of this board were transferred to the Miscellaneous Special Revenue Fund by the 1989 Legislature. A reservation of fund balance for debt requirements, totaling \$23,682,000, is provided for these bonds.

Loans

Loans payable are the result of loans from local governments to the state for preliminary 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

Claims are for workers compensation claims for employees of uninsured and bankrupt firms. These claims are funded by an assessment on insurers and is payable from the Special Compensation Fund, a special revenue fund.

Grants

Various grant payments are based on data for one fiscal year but are paid from resources appropriated for the subsequent year. Where the payment is based on services or actions completed by the recipient as of June 30, 1992, we have determined that a long-term liability exists. Liabilities totaling \$395,453,000 for such grants are recognized at June 30, 1992. This amount includes \$386,212,000 in final payments for school aids for fiscal year 1992, payable in October, 1992. The remainder is for tuition reciprocity owed to surrounding states for the school year ended June 30, 1992, and for reimbursements to counties for property taxes lost as the state took over certain previously taxable property.

Compensated Absences

The liability for compensated absences for governmental funds totaling \$144,696,000 is primarily for vacation leave and for vested sick leave which is payable as severance pay under specific conditions. Both amounts are paid only at the time of termination from state employment. This obligation will be liquidated using future resources at unspecified times.

Workers Compensation

The liability for workers compensation reported is based on claims filed for injuries, to state employees, occurring prior to June 30, 1992, 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 meeting the criteria in GASB Statement 1, Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide. See Note 7 for minimum future payments under operating leases.

Pension Liabilities

The pension liabilities of \$883,000 represent the fiscal year 1992 funding deficit for the pension trust funds. This liability is the amount, for any fund, that the actuarially determined contribution requirement exceeds actual contributions made. See Note 15.

Other Liabilities

Other liabilities is the arbitrage rebate payable to the federal government of \$7,045,000. It is the estimate of excess earnings on tax-exempt bond proceeds and debt service reserves as required under the Tax Reform Act of 1986 and U.S. Treasury regulations. Interest earnings on bond proceeds are used primarily for debt service payments. The arbitrage rebate will be paid through an appropriation from the general fund. There is no reservation of assets for this liability.

7. LEASE AGREEMENTS

Operating Leases

The state is 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, 1992, totaled \$32,432,000. Future minimum lease payments for existing lease agreements are as follows (in thousands):

<u>Year Ending</u>	<u>Amount</u>
1993	\$30,333
1994	24,307
1995	18,827
1996	12,104
1997	9,001
Thereafter	<u>382</u>
Total	\$94,954

Capital Leases

The state has 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.

Governmental Funds - In the governmental funds, equipment purchased through capital lease agreements is included with the general fixed assets. The liability for these capital leases is included in general long-term obligations (see Note 6).

8. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue Bonds

The agencies listed below (all are enterprise funds) have the authority to issue, and have issued, bonds which are not general obligations of the state but are payable solely from rentals, revenues and other income, charges and monies as 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 Housing Finance Agency (HFA) is authorized by Minnesota Statutes Section 462A.08-.14 to issue its bonds and notes for the purpose of providing funds for rehabilitation loans, construction loans and mortgage loans to sponsors of residential housing for families of low and moderate income, or refunding bonds. The amount of such bonds outstanding at any time shall not exceed \$2,400,000,000. During fiscal year 1992, the HFA called \$231 million in bonds prior to their scheduled maturities, resulting in an extraordinary loss of \$3,692,000. Payments were made from excess revenues.

The Higher Education Facilities Authority (HEFA) is authorized by Minnesota Statutes Sections 136A.32-.34 to issue revenue bonds to finance the acquisition, construction and remodeling of college buildings and structures to be used for private nonsectarian educational purposes, and to refinance facilities of this type. The amount of such bonds outstanding at any time may not exceed \$350,000,000. Each issue is payable solely from and secured by a first lien on the revenues of the project financed, reserve funds and the guarantee of the institution for which the project is financed.

The State University Board (SUB) is authorized by Minnesota Statutes Section 136.41 to issue revenue bonds in the principal amount of \$104,800,000 to finance the acquisition, construction and remodeling of college buildings for residence hall, student union and food service purposes.

The Higher Education Coordinating Board (HECB) 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 of such bonds outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, may not exceed \$550,000,000.

The Public Facilities Authority (PFA) is authorized by Minnesota Statutes Sections 446A.08 and 446A.12 to issue revenue bonds for the purpose of making loans to municipalities for wastewater treatment facilities. The amount of such bonds outstanding at any time shall not exceed \$345,000,000.

The Minnesota Community College System (MCCS), which is included in the College and Universities Enterprise Activities, financed the construction of a dormitory through the Higher Education Facilities Authority (HEFA). The debt is repaid from housing fees paid by the students and is not a general obligation of the state. Accordingly, the debt has been removed from the HEFA statements and is reported by the MCCS in the College and University Enterprise Activities.

General Obligation Bonds

General obligation bonds have been issued for the State University Board (SUB) Revenue Fund (an enterprise fund). The liability for these bonds is reported in that fund. The earnings of the fund are pledged for repayment of the general obligation bonds and any revenue bonds sold for

the same purpose. At June 30, 1992, the total of general obligation bonds outstanding in the State University Board Revenue Fund was \$4,225,000.

Master Lease Debt

On June 30, 1992, there was \$25,570,000 of master lease debt payable from various internal service funds (ISF). Under the master lease program, certificates of participation and loan proceeds are used to purchase equipment resulting in lower financing costs. This debt is not a general or moral obligation of the state but is payable from lease payments.

To avoid overstating the liability for the master lease program, the debt is reported in the fund purchasing the equipment; any remaining liability is reported in the Master Lease Fund, an internal service fund. Liabilities for equipment purchased by the internal service funds are included in revenue bonds payable and loans payable.

On June 30, 1992, the master lease liability is as follows (in thousands):

Master Lease Fund	\$ 840
Other Internal Service Funds	24,730
Total	\$25,570

Bond Defeasances

For proprietary fund debt that was defeased in prior years through in-substance defeasances, the outstanding defeased amount as of June 30, 1992, is as follows (in thousands):

HFA	\$21,392
HEFA	\$ 1,190
SUB	\$20,765

These agencies remain contingently liable to pay this defeased debt.

Installment Purchases

The liability for installment purchases was \$852,000 at June 30, 1992. Computer equipment purchases by the Computer Services Fund (an internal service fund) accounts for the majority of this amount. The remaining present value of payments for Computer Services is \$773,000, which will be paid in fiscal year 1993.

Long Term Debt Repayment Schedule
Proprietary Funds - June 30, 1992
(in thousands)

Fiscal Year(s)	Revenue Bonds						General Obligation Bonds	Master Lease Debt
	HFA	HEFA	SUB	HECB	PFA	MCCS	SUB	ISF
1993	\$ 182,583	\$ 17,487	\$ 1,707	\$ 5,050	\$ 33,922	\$ 142	\$ 410	\$ 12,221
1994	191,398	19,271	1,710	5,949	38,626	144	4,128	9,107
1995	190,205	18,585	1,705	6,815	22,029	140	-	5,914
1996	172,554	17,214	1,704	6,647	21,832	141	-	1,087
1997	168,195	18,616	8,526	7,479	22,706	142	-	113
Thereafter	3,397,793	228,565	30,764	51,209	343,043	1,481	-	-
	\$4,302,728	\$319,738	\$46,116	\$83,149	\$482,158	\$2,190	\$4,538	\$28,442
Unamortized (Discount)/Premium	-	(1,907)	-	(154)	(153)	-	-	-
Interest	(2,330,310)	(143,943)	(27,016)	(24,449)	(187,898)	(1,000)	(313)	(2,872)
Accretion	-	-	-	-	(19,940)	-	-	-
Bond Principal	\$1,972,418	\$173,888	\$19,100	\$58,546	\$274,167	\$1,190	\$4,225	\$25,570

9. 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, 1992, were as follows (in thousands):

Special Revenue Funds:	
Trunk Highway Fund	\$328,815
Iron Range Resources and Rehabilitation Fund	1,948
Capital Projects Funds:	
General Project Fund	1,951
Reinvest in Minnesota Fund	2,499
Transportation Fund	3,268
Building Fund	<u>132,598</u>
Total	\$471,079

10. CONTINGENT LIABILITIES - LITIGATION

Payment of tort claims against the State is made from funds appropriated by the Minnesota Legislature to agencies for their general operations to the extent such funds are available without unduly hindering the operation of the agency, from appropriations of dedicated receipts if practicable or from funds appropriated for the payment of tort claims for that purpose. The tort claims appropriations for the fiscal year ending June 30, 1990 were \$919,000 and payments were \$1,214,312.63; for the fiscal year ending June 30, 1991 appropriations were \$919,000 and payments were \$1,081,816.54; for the fiscal year ending June 30, 1992, appropriations were \$903,000, and payments were \$882,883.42. The maximum limits of liability for tort claims are \$200,000 for any individual claim and \$600,000 for any number of claims arising out of a single occurrence.

Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases in which the State, its officers or employees, are defendants have been noted because an adverse decision could result in expenditures of State moneys in excess of current levels.

a. At any one time, there are hundreds of long-term care rate appeals pending with the Department of Human Services. In the aggregate, it is possible that the adverse impact of the appeals exceeds \$5 million. Any liability comes from a combination of the federal and general funds and a lesser amount from local governmental units.

b. 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 \$5 million. Liability arising out of decisions unfavorable to the State may impact the State's trunk highway fund.

c. 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 State University System, and other 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 \$5 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.

d. Alternative Minimum Tax (AMT) actions. Agrigenetics Corporation v. James and other actions. Ramsey County District Court. Plaintiffs challenge the constitutionality of the corporation alternative minimum tax enacted in 1987. Taxes collected under the challenged tax amounted to approximately \$160 million for the 1987-1989 tax years. The contested tax was repealed by the 1990 Legislature. All 46 actions filed in Ramsey County District Court have been consolidated for trial, scheduled for June 9, 1993. Any liability would impact the State's general fund.

e. Association of Resources for the Retarded in Minnesota, Inc., et al. v. Wynia and Steffen, United States, District of Minnesota, District Court. Plaintiff, a trade association which represents providers of residential services for persons with mental retardation, has challenged the State's administration of the medical assistance reimbursement system, from which plaintiffs' members derive nearly all of their revenue. The State and all but one of the plaintiffs have entered into a settlement which will cost the State approximately \$2.5 million through the end of the fiscal year 1995. The portion of the litigation dealing with the constitutionality of the medical assistance reimbursement system relating to wages has not been settled, and is still ongoing. The potential loss to the State as a result of this one remaining issue exceeds \$5 million, and may impact the State's general fund.

f. Constitutional Defense Fund, Inc. v. Richard E. Munson, et al., United States District Court, Eastern District of Pennsylvania. Plaintiff is a non-profit legal defense fund that provides financial assistance in support of litigation to advance the political causes of Lyndon H. LaRouche, Jr. It initially claimed that the Minnesota Attorney General and two of its staff members violated its constitutional and other rights by causing its Philadelphia bank accounts to be frozen and copies of its Provident National Bank records to be made available to the Attorney General's Office. Plaintiff sought \$8 million in compensatory damages, and \$80 million in punitive damages. The action was initially filed in the Court of Common Pleas of Philadelphia County, Pennsylvania, and then removed to the United States District Court. Plaintiff's motion to remand the action back to state court was denied. The action was initially dismissed after plaintiff failed to respond to defendants' summary judgment motion. However, the dismissal order was later vacated after plaintiff argued that it should not be penalized for the failure of its attorney to respond. Attorney General Humphrey is no longer a party to the action. Defendants' summary judgment is now scheduled to be argued in the United States District Court on November 6, 1992. A decision on the motion is anticipated by June, 1993. If the motion is denied, a decision on the action is anticipated by May, 1996. Any liability resulting from a final decision may adversely affect the State's general fund.

g. General Motors Corporation v. McClung and General Motors Acceptance Corporation v. McClung, Ramsey County District Court. These companion cases seek substantial tax refunds, potentially exceeding \$10 million, as well as injunctive and declaratory relief, for various tax periods from 1974 through 1981. Plaintiffs allege among other things that: (1) dividend income from certain domestic and foreign subsidiaries was not apportionable income; (2) interest income on U.S. Government obligations was exempt and not apportionable; (3) certain long term and short term capital gains were not apportionable; (4) all of plaintiffs' gross receipts were includable in the sales factor of the apportionment formula; (5) plaintiffs were not subject to income tax in relation to some assessments; and (6) penalties were improperly assessed. If sustained, plaintiffs' refund claims would impact the State's general fund.

h. Houston Monarch, Inc. v. First Reserve Secured Energy Assets Limited Partnership, et al., United States District Court, Eastern District of Louisiana. The Minnesota State Board of Investment is one of many limited partners in several oil and gas resource Funds in which First Reserve, Inc. is a general partner. The State's net contribution to the limited partnership Funds is \$41.1 million. Plaintiffs have filed a breach of contract and deceptive trade practices action arising out of the acquisition of Baker/McMurry Oil Tools for one of the Funds seeking damages in excess of \$314,400,000 from certain of the Funds. A trial is scheduled for Spring of 1993. In a separate action filed in Texas against First Reserve, Inc. and other named defendants, a jury awarded Houston Monarch, Inc. in excess of \$150 million. Judgment has not yet been entered. Post-trial motions and an appeal are likely in the Texas action. Adverse decisions may have a negative impact on the value of the limited partnerships of which First Reserve is a general partner which are held in the State's basic retirement fund.

i. Kennedy v. Carlson, Hennepin County District Court. This litigation was initiated by the Chief Hennepin County Public Defender wherein he is seeking a declaratory judgment and injunctive relief on the grounds that his office is inadequately funded, which results in the violation of the rights of client to the effective assistance of counsel. Plaintiff seeks an order requiring "the appropriate governmental entity" to procure and provide "appropriate" additional funding for his office. The State is proceeding with a motion to dismiss the suit. The amount of relief requested is not indicated in the complaint. However, based on plaintiff's most recent budget request to the State Board of Public Defense, the additional funding requested could exceed \$5 million per year. Any liability may adversely affect the State's general fund.

j. C.S. McCrossan v. Rehder-Wenzel, et al., Hennepin County District Court. This litigation involves the April, 1990 collapse of the Lake Street Bridge connecting Saint Paul and Minneapolis. The State has been brought into this litigation as a third-party defendant. Damage

claims exceed \$8 million, and the State is exposed to a potential loss of over \$5 million. This litigation is expected to go to trial in the fall of 1992. Any judgment rendered against the State may adversely affect the State's general fund.

k. Tax refund actions based on Memphis Bank v. Garner, 103 S. Ct. 692 (1983) have been filed by most Minnesota Banks in district courts throughout the state. In Memphis Bank, the Court held unconstitutional a Tennessee tax law which included interest on federal obligations in the computation of net income, which is the measure of the tax, but exempted interest on all obligations of state and political subdivisions. These plaintiff taxpayers contend that the Minnesota bank excise tax is likewise unconstitutional because Minnesota excludes interest on certain obligations of the state and its political subdivisions from the computation of the tax while including interest on federal obligations. The taxes and interest in suit are estimated to be in excess of \$188 million for the tax years at issue, 1979-1983. In July, 1990, the Minnesota Supreme Court reversed in part and affirmed in part ruling by the Ramsey District Court that the bank tax was an income tax; that, if a franchise tax, it was discriminatory; and ordering refunds. Affirmed was the district court's finding that the tax was discriminatory. Reversed was the district court's finding that the tax was an income tax and its finding that the plaintiffs were entitled to refunds. In October, 1990, the plaintiffs filed a petition for certiorari in the U.S. Supreme Court requesting review of the Minnesota Supreme Court's holding that no refunds should be paid. The State opposed the petition. On June 28, 1991, the U.S. Supreme Court vacated the decision for the Minnesota Supreme Court in Cambridge State Bank v. Roemer (the refund test case) and remanded the case for further consideration in light of the decision in James B. Beam Distilling Co. v. Georgia, 11 S. Ct. 2439 (1991). The Minnesota Supreme Court issued its decision on February 4, 1992, reaffirming its earlier decision that plaintiffs were not entitled to refunds. A petition for further review by the United States Supreme Court has been filed. Any liability resulting from a final decision against the State may impact the State's general fund.

l. Robert E. Meunier, et al. v. Minnesota Department of Revenue, et al., Hennepin County District Court. On May 17, 1992, a decision of the Hennepin County District Court was issued holding that plaintiffs, who are retired federal employees, are entitled to refunds of that portion of income tax paid on income traceable to interest on United States obligations. The State appealed the decision on August 25, 1992. The Supreme Court has agreed to hear the appeal directly, bypassing the Court of Appeals. A Supreme Court decision will likely be issued in early 1993, or later. If the appeal is not successful, the expected revenue loss to the State's general fund is now anticipated to be \$8 million per tax year.

m. Minneapolis Teachers Retirement Fund Ass'n v. State, Hennepin County District Court. Plaintiff requested a declaratory judgment that the statutory mechanism for funding the Minneapolis Teacher Retirement Fund violates the contract clauses of the United States and Minnesota Constitutions. Summary judgment was granted for the State. The Minnesota Court of Appeals affirmed the District Court's granting of summary judgment for the State. Plaintiffs have petitioned the Minnesota Supreme Court for review. Plaintiffs have not specifically requested monetary relief. However, it is possible that if the plaintiff prevails in its lawsuit, the legislature might, as a practical matter, appropriate additional expenditures of state funds to reduce or eliminate the alleged deficiency of approximately \$16 million which plaintiff claims renders the fund actuarially unsound.

n. Minnesota Multiple Sclerosis Society and Epilepsy Foundation of Minnesota, Inc. v. Commissioner of Revenue, Hennepin County District Court. Plaintiffs are charitable organizations which conduct lawful gambling activities and pay taxes on gambling receipts pursuant to Minnesota Statutes, Chapter 349. Plaintiffs seek a declaratory judgment that the tax is an unconstitutional "graduated gross receipts tax" in violation of the Equal Protection Clause of the U.S. Constitution and the Uniformity Clause of the Minnesota Constitution. On May 28, 1992, Hennepin County District Court transferred this case to Minnesota Tax Court. On October 20, 1992, the tax court issued a decision dismissing plaintiff's appeal and holding that the lawful gambling combined receipts tax is constitutional. An appeal to the Minnesota Supreme Court is anticipated. Liability for refund claims by plaintiffs and other affected charities could impact the State's general fund in an amount exceeding \$26 million per tax year.

o. Northwestern Bell Telephone Co. v. James, Ramsey County District Court. Plaintiff seeks refunds of approximately \$6.4 million in telephone gross earnings taxes. Plaintiff contends that customer access charges are gross earnings from businesses originating or terminating outside of Minnesota which should be excluded from gross earnings in computing its tax. A legislative change in 1989 may have made the case moot. Any liability may adversely impact the State's general fund.

p. Portland Residence, Inc. et al. v. Steffan, United States, District of Minnesota, District Court. Plaintiffs, the corporate owner of an ICF/MR facility, the corporation's sole shareholder, and a resident of the facility, seek declaratory judgment that the commissioner of Human Services is violating federal law (the "Boren Amendment") and the Fifth and Fourteenth Amendments of the United States Constitution by paying inadequate medical assistance reimbursement. Plaintiffs have filed an amended complaint and moved for temporary injunctive relief. Any liability resulting from a decision against the State on the Boren Amendment issue may adversely affect the State's general fund.

q. Skeen, et al. v. State of Minnesota, et al., Wright County District Court. Plaintiffs, several parents and a number of local school districts, are requesting a declaratory judgment that the system of financing public education in Minnesota is unconstitutional because it discriminates unlawfully based upon property wealth. Plaintiffs have not specifically requested any relief that would require the legislature to appropriate any additional money. However, it is possible that if the plaintiffs prevail in the lawsuit, the legislature might, as a practical matter, appropriate additional expenditures of State funds to equalize property wealth distinctions amongst the various school districts. In December, 1991, a Minnesota district court held unconstitutional several components of the school finance system, but did not order any relief specifically requiring additional expenditures of funds. The State appealed the case in April, 1992. The Supreme Court has agreed to hear the appeal directly, bypassing the Court of Appeals. A Supreme Court decision will likely be issued in early 1993, or later.

r. State of Minnesota by Nina Archabal, Director of the Minnesota Historical Society v. County of Hennepin, Hennepin County District Court. This litigation involves the sale of the Minneapolis armory. The Minnesota Department of Military Affairs sold the Minneapolis armory to Hennepin County for \$4.7 million. The County purchased the armory with the intent to destroy it and construct a county jail on the site. Before the purchase occurred, the Minnesota Historical Society notified Hennepin County that the armory was protected as an historical resource under the Minnesota Environmental Rights Act ("MERA"), and that the Society would oppose its destruction. Hennepin County consummated the sale. The Historical Society sued Hennepin County to enjoin any proposed destruction. Hennepin County moved to file a third-party complaint against the State, asserting that if it is not allowed to destroy the armory, then the State should be required to pay to it the fair market value of the armory. The district court denied Hennepin County's motion. Following a trial, the court held that demolition of the armory would not violate MERA. The State, city of Minneapolis and two private parties have appealed to the Minnesota Supreme Court. A decision is expected in early 1993. If the State prevails on appeal, it is possible that Hennepin County will seek to revive its damages claim against the State. The amount involved could exceed \$5 million and may adversely affect the State's general fund.

s. Joseph and Alice Strupp v. State of Minnesota, Ramsey County District Court. Plaintiffs claim a regulatory taking of their real property located in Winona County because the Commissioner of Natural Resources denied a permit to the plaintiffs to fill portions of their property for future development. The amount sought is \$8 million. The case is not yet scheduled for trial. Any liability arising from a decision against the State may adversely impact the State's general fund.

11. CONTINGENT LIABILITIES - OTHER

Municipal Debt Service

Under Minnesota Statutes Section 475A.03, Municipal Debt Service Aid Law, the state is contingently liable as guarantor for outstanding bond principal and scheduled interest payments, which on June 30, 1992, totaled \$4,851,000. Statutes provide for defaults to be covered first by guarantee fees accumulated in the Miscellaneous Agency Fund (a fiduciary fund) until depleted, then funded from the General Fund, with subsequent reimbursement from the sale of state general obligation bonds.

Family Farm Security Loans

Under Minnesota Statutes Sections 41.52 and 41.56 concerning the Family Farm Security Loan Program, the state is contingently liable for 90 percent of the balance of the outstanding loans and 100 percent of certain restructured loans. As of June 30, 1992, the amount of outstanding loans was \$18,063,000. The amount of the state's guarantee was approximately 90 percent of the sum of the outstanding loans. All loans are secured by mortgages on real property. In the event of default, proceeds from the sale of foreclosed property are applied to debt service prior to reducing any outstanding loan balances of the Miscellaneous Special Revenue Fund. General obligation

bonds totaling \$20 million provided additional resources for financing guarantee payments of this program. On June 30, 1992, the state owned 845 acres of repossessed farmland, held for resale, which is reported as inventory in the Miscellaneous Special Revenue Fund.

Pension Trust Funds

In addition to the pension trust funds included in the reporting entity (see Note 15), there are other public employee pension funds for whose unfunded liability the state may be contingently liable. These are pension trust funds where the state is funding a portion of the unfunded liability. The pension trust funds involved, the year end for which the most current data is available and the unfunded liabilities are provided below (in thousands):

Minneapolis Employee Retirement Fund	June 30, 1991	\$295,919
Local Police and Fire Funds	December 31, 1991	\$303,547

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 Police and Fire Consolidation Funds. The unfunded liabilities and net assets available at June 30 for funding of these pension funds are provided in Note 15.

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.

12. NORTHWEST AIRLINES MAINTENANCE FACILITIES

The 1991 Minnesota Legislature authorized the Commissioner of Finance to issue up to \$350 million of State revenue bonds, including up to \$250 million for the construction of an aircraft maintenance facility and up to \$100 million for the construction of an engine repair facility. The Commissioner may loan the proceeds of the revenue bonds, make other loans, or enter into lease or other financing agreements for these projects. In case of a default, the Commissioner is authorized to pledge to issue up to \$175 million of State general obligation bonds to provide security for the revenue bonds.

In March 1992 the State, the Metropolitan Airports Commission, Northwest Airlines and several local government units signed documents which commit the State and/or its political subdivisions to build and finance the facilities. Northwest Airlines is committed to leasing both of these facilities for 30 years.

A taxpayer couple initiated a lawsuit to prevent the issuance of the revenue and general obligation bonds, on various grounds, including that the issuance of the bonds would violate provisions of the Minnesota Constitution and that there had been a failure to comply with certain enabling legislation. The lawsuit was dismissed by the District Court on the grounds that the plaintiffs had failed to supply a statutorily required surety bond. The plaintiffs appealed the decision to the Court of Appeals and later to the State's Supreme Court. On November 13, 1992, the Supreme Court upheld the District Court's decision, resolving the lawsuit.

Because of the lawsuit, no state revenue bonds have been sold for the aircraft maintenance facility or the engine repair facility. A schedule has not been established yet for the issuance of these bonds.

13. EQUITY

Contributed Capital

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

Source	Enterprise Funds	Internal Service Funds	Total
Contributed Capital, July 1, 1991, as Restated	\$104,208	\$6,041	\$110,249
Additions:			
General Fund Contributions	416	5	421
Federal Grants	35,712	-	35,712
Other Sources	44	-	44
Reductions:			
Depreciation on Fixed Assets			
Acquired with Contributed Capital	(367)	-	(367)
Contributed Capital, June 30, 1992	\$140,013	\$6,046	\$146,059

Retained Earnings

Reserved Retained Earnings - Retained Earnings Reserved per Law of the enterprise funds consists of the following:

- \$41,105,000 in the Minnesota Housing Finance Agency Funds', an enterprise fund, retained earnings is the unused portions of state appropriations provided for specific programs. These programs are primarily for interest rate reduction on housing mortgages and home improvement loans.
- \$30,768,000 in the College and University Enterprise Activities Fund's retained earnings is the cumulative federal subsidy for the federal student loan program.

Deficit Retained Earnings - Historically, the Chemical Dependency Treatment Fund, an enterprise fund, has had deficit retained earnings because rates charged for services were insufficient to cover costs. These deficits were covered by General Fund advances. In 1991, the legislature forgave some of these advances; this was reported as a subsidy on the fiscal year 1991 statements. This year's statements are being corrected through a prior period adjustment so the forgiveness is reflected as contributed capital. This adjustment gives rise to the deficit retained earnings of \$4,236,000, which is not expected to be eliminated in the near future.

The \$1,406,000 deficit of the Telecommunications Fund, an internal services fund, is due to the absorption of planning and development costs for a systems enhancement which will become operational in fiscal year 1993. User charges should reduce deficits substantially in fiscal years 1994 and thereafter.

Fund Balances

Reserved Fund Balances - 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 is an amount appropriated by the legislature for use only when it appears that probable receipts will be less than anticipated and that 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.

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.

Reserved for Other totaling \$14,661,000 in the Special Revenue funds consists primarily of petroleum overcharge fines (\$5,848,000 in the Federal Fund and \$8,597,000 in the Miscellaneous Special Revenue Fund) allocated by the federal courts to be used for energy conservation programs.

Unreserved Fund Balances - 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 Funds (special revenue) may be appropriated only for specific programs.

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

Special Revenue Funds

Education	\$ 13,713
Economic Development	66,173
Health and Social Services	16,641
Transportation	5,776
Resource Management	7,256
Miscellaneous	15,033

Expendable Trust Funds

Economic Development	\$ 298,137
Resource Management	10,803
Miscellaneous	8,784

Deficit Fund Balances

- The Special Workers Compensation Fund (a special revenue fund) provides supplementary workers compensation benefits to workers whose injury or disability meets certain requirements. For the most part, payments from this fund are reimbursements to insurance companies for payments to eligible injured workers. Funding for these reimbursements comes from an assessment on insurers and self-insurers. The fund deficit, \$23,511,000 at June 30, 1992, will be reduced through increases in the assessment rate.
- The Highway Users Tax Distribution Fund (a special revenue fund) deficit of \$2,398,000 at June 30, 1992, was the result of accounting basis differences. Various interfund liabilities are accrued for reporting purposes, but actual transfers are made on the basis of cash available.

14. PRIOR PERIOD ADJUSTMENTS AND REPORTING CHANGES

Prior Period Adjustments

The adjustment of \$74,241,000 in the General Fund is a liability and grant expenditure for reimbursing local governments for various social service programs' costs incurred in the second half of fiscal year 1991. New laws that replaced entitlement funding with reimbursement funding were overlooked during the preparation of last year's statements. Under GAAP, the reimbursement grants should have been accrued to the period the costs were incurred.

The July 1, 1991 contributed capital of the Chemical Dependency Treatment Fund, an enterprise fund, was increased by \$5,462,000 to recognize forgiveness of advances from other funds occurring in 1991 (see Note 13).

Memorandum totals of the prior year's statements have been restated to reflect these adjustments to provide a better comparison to the current year.

Changes in Reporting Entity

Change in reporting entity of \$5,533,000 of the pension trust funds represents the start-up fund equity of two new funds, Community Colleges Supplemental Retirement and State Universities Supplemental Retirement Funds (defined contribution pension funds), of \$47,374,000 and \$87,851,000, respectively, less eliminations for the investments also reported in the state's investment trust funds. The total of these amounts are the June 30, 1991 fund equity of the

College Supplemental Retirement Fund (a defined contribution pension fund) which was entirely transferred to the new funds and \$5,477,000 of accumulated increase in asset value held by outside investment managers which had not been previously reported.

In the internal services funds, an activity having a June 30, 1991, retained earnings deficit of \$1,248,000 was transferred from the Computer Services Fund to the Telecommunications Fund.

15. PENSION TRUST FUNDS

The state of Minnesota performs a fiduciary role for several pension trust funds. For some of these the state contributes, as an employer, and for others performs only a fiduciary role. These pension funds are categorized as either Defined Benefit, Defined Contribution, or Investment Trust Funds. All of the pension trust funds are reported on the accrual basis of accounting which means that employer and employee contribution revenues are recognized in the period in which the employee services are provided. Investments for the Defined Contribution and Investment Trust Funds are reported at market value. For the Defined Benefit Funds, short-term and equity investments are reported at cost with fixed income securities at amortized cost.

The contribution rates for all pension plans are set by statute. Actuarial valuations are performed annually for all of the defined benefit plans. The results of these valuations are not used to determine the annual contribution, but rather to determine if adjustments are needed in the defined benefit statutory rates to assure full funding by the target date.

Defined Benefit Pension Funds

Plan Descriptions

The defined benefit pension funds presented in the financial statements include various statewide public employee groups. The employee groups covered, eligibility and benefit provisions for each fund, as of July 1, 1992, are described below. Vesting occurs after three years for all but the Legislators and Elective State Officers Plans. Salary base used for calculating annuities in all cases is the average of the employee's salary for the high five successive years of service.

Multiple employer, cost sharing plans:

The Public Employees Retirement Fund (PERF) covers employees of various governmental subdivisions including counties, cities, school districts and related organizations. 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 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental subdivisions who, prior to 1981, were not covered by a local relief association and all those hired since 1980. At age 55, with at least three years service, the employee is eligible for an unreduced annuity. The annuity is 2.5 percent for each year of service. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

The Teachers Retirement Fund (TRF) covers teachers, and other related professionals, employed by the school districts or by the state. 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 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

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. 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 percent and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

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. Annuity is based on 2.5 percent for each year of service.

Defined Benefit Pension Plans
Membership and Payroll

Membership as of July 1, 1992	Single Employer					Multiple Employers				
	CERF	SPRF	JRF	ESOF	LRF	State is an Employer		State is not an Employer		
						SERF	TRF*	PERF	P&FF	PFCF
Statutory Authority Minnesota, Chapter	352	352B	490	352C	3A	352	354	353	353	353A
Retirees and beneficiaries currently receiving benefits	394	498	186	8	179	14,594	18,086	32,559	1,663	683
Terminated employees: Vested - not yet receiving benefits	181	19	4	6	119	2,768	3,134	4,502	187	14
Nonvested - entitled to refund	44	3	-	-	2	4,256	15,173	8,711	120	-
Active employees Vested	1,085	694	193	3	112	37,741	48,050	84,899	5,600	366
Nonvested	488	101	77	3	88	11,466	17,043	25,201	921	36
Current year covered payroll	\$46,512	\$2,630	\$21,297	\$375	\$6,286	\$1,381,115	\$1,977,156	\$2,306,000	\$239,692	\$16,699

* TRF membership information is as of July 1, 1991. Payroll information is current.

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 2.5 percent for each year of service not to exceed 75 percent of average salary.

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 2.5 percent for each year of service (3 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. Annuities are 2.5 percent for each year of service.

The Legislative Retirement Fund (LRF) covers members of the state's House of Representatives and Senate. Six years are required for vesting; normal retirement age is 62. Annuity is 2.5 percent for each year of service.

Multiple employer, agent plan:

The Police and Fire Consolidation Fund (PFCF) covers police officers and firefighters belonging to a local relief association that elected to merge with the Public Employee Retirement Association (PERA). Local relief associations continue to merge with the PERA, continually increasing membership in the PFCF. Minimum age and other benefit provisions vary from one relief association to another. Participants have the option to elect benefit coverage of the P&FF (see above) or retain benefit coverage provided in under their relief association plan. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

Membership and payroll for the various plans are provided in the table above (dollars in thousands). The total payroll for the state for the year ended June 30, 1992, was \$1,211,218,000. State payroll for employees covered by the SERF was \$935,766,000 and for those covered by the TRF was \$168,352,000.

Funding Status

The amounts shown (dollars in thousands) in the table below as the "pension benefit obligation" (PBO) are a standardized disclosure measure of the present value of pension benefits, adjusted for

the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the retirement plans on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers and retirement funds. This measure is independent of the actuarial funding method used to determine contributions to the retirement funds.

The single employer retirement plans the state participates in had a combined PBO of \$445,773,000 and net assets available for benefits, at cost, of \$392,149,000 (\$405,587,000 market value).

At the end of each fiscal year, actuarial valuations are prepared by an independent actuary hired by the legislature to calculate the pension benefit obligation and to determine whether adjustments in the statutory contribution rates are necessary. The pension benefit obligation information in the schedule below is based on the actuarial valuations for the most current year available, July 1, 1991 or 1992, as indicated.

Actuarial Valuation Date	Defined Benefit Pension Plans' Funding Status									
	Single Employer					Multiple Employers				
						State is an Employer	State is not an Employer			
	CERF 7/1/92	SPRF 7/1/92	JRF 7/1/92	ESOF 7/1/92	LRF 7/1/92	SERF 7/1/92	TRF 7/1/91	PERF 7/1/92	P&FF 7/1/92	PFCF 7/1/92
Pension Benefit Obligation: Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$43,501	\$110,937	\$43,132	\$1,457	\$19,785	\$1,043,184	\$2,516,106	\$2,354,095	\$279,421	\$139,439
Current Employees: Accumulated employee contributions including allocated investment income	15,305	24,127	5,586	227	3,605	406,921	1,664,304	680,511	144,479	13,528
Employer-financed vested	45,062	87,957	30,009	516	7,439	1,278,883	2,344,186	1,815,266	394,384	65,111
Employer-financed nonvested	1,735	1,457	2,426	67	1,443	15,935	12,377	18,252	3,320	4,906
Total Pension Benefit Obligation	\$105,603	\$224,478	\$81,153	\$2,267	\$32,272	\$2,744,923	\$6,536,973	\$4,868,124	\$821,604	\$222,984
Net assets available for benefits, at cost	119,122	219,764	37,769	334	15,160	2,576,920	5,513,281	3,933,123	963,567	178,716
Unfunded (Assets in excess of) pension benefit obligation	(\$13,519)	\$4,714	\$43,384	\$1,933	\$17,112	\$168,003	\$1,023,692	\$935,001	(\$141,963)	\$44,268
Net assets available for benefits, at market value	\$124,910	\$227,414	\$37,769	\$334	\$15,160	\$2,686,577	\$5,818,210	\$4,383,427	\$1,047,416	\$188,677

Actuarial assumptions used in preparing actuarial information provided in the defined benefit tables were:

- Projected salary increases of 6.5 percent which includes increases for inflation and merit, but not separately distinguished.
- Pre-retirement investment return of 8.5 percent.
- Post-retirement investment return of 5 percent.

Changes in plan provisions

For fiscal year 1992, the employer's funding basis for JRF changed from terminally funded to an employer contribution of 22 percent of payroll.

Contributions - Required and Made

Contributions made are based on rates set in statute. Except for the Elective State Officers Retirement and the Legislative Retirement Funds, all of the defined benefit pension funds are funded using level contribution rates which are intended to be sufficient to fully fund the accrued actuarial liabilities by the year 2020 (2010 for PFCF).

The Legislative Retirement Fund is terminally funded. At the time of retirement, members' contributions are supplemented by employer contributions from the General Fund, in an amount sufficient to provide the necessary resources for future annuity payments. The Elective State Officers Fund operates on a pay-as-you-go basis. If the fund's resources are fully depleted, employer contributions, in an amount sufficient to pay current obligations, will be made from the General Fund. The actuarially determined contribution requirements, necessary to pay pension

benefits when due were computed using the entry age normal cost (entry age actuarial cost) method. Actuarial assumptions used to calculate the required contribution are the same as those used to calculate the pension benefit obligation above.

The actuarially determined contribution requirements and contributions actually made, along with the funding surplus or deficit, are provided in the table below for all funds (dollars in thousands). The state's actuarially determined contribution requirement was 67.8 percent and 8.5 percent of the total required contributions for the State Employees Retirement and the Teachers Retirement Funds respectively.

Defined Benefit Pension Plans' Funding Status

	Single Employer					Multiple Employers				
	CERF	SPRF	JRF	ESOF	LRF	State is an Employer		State is not an Employer		
	7/1/92	7/1/92	7/1/92	7/1/92	7/1/92	SERF	TRF	PERF	P&FF	PFCF
Contributions Made:										
By Employee	\$2,332	\$2,795	\$988	\$34	\$590	\$58,478	\$91,506	\$101,655	\$19,217	\$1,330
% of covered payroll	4.90%	8.50%	4.34%	9.00%	9.00%	4.15%	4.56%	4.41%	8.00%	8.00%
By Employer*	\$2,955	\$4,893	\$4,722	\$105	\$601	\$59,244	\$162,370	\$109,203	\$28,766	\$8,726
% of covered payroll	6.27%	14.88%	22.00%	N/A	N/A	4.29%	8.20%	4.76%	12.00%	12.00%
Total contributions made	\$5,287	\$7,688	\$5,710	\$139	\$1,191	\$117,722	\$253,876	\$210,858	\$47,983	\$10,056
Actuarial determined contribution requirements	\$5,033	\$7,368	\$5,267	\$125	\$1,739	\$108,556	\$257,821	\$217,686	\$42,042	\$10,056
% of covered payroll	10.82%	22.58%	24.73%	33.28%	27.67%	7.86%	13.04%	9.44%	17.54%	N/A
Funding surplus (Deficit)**	\$254	\$320	\$443	\$14	(\$548)	\$9,166	(\$3,945)	(\$6,828)	\$5,941	\$ -

* Contributions include \$105,000, \$601,000 and \$5,833,000 for employer lump sum paid contributions for ESOF, LRF and PFCF respectively.

** Funding deficit for which the state is liable (LRF and 8.5% of the TRF deficit) has been included in the General Long-Term Obligation Account Group.

Trend Information

Trend information provides an indication of the progress made toward accumulating sufficient assets to pay benefits when due. Three year trend information is provided below for those retirement funds for which the state is the sole employer.

Employer contribution rates are authorized by state statutes. Ten year trend information, providing information about progress made in accumulating sufficient assets to pay benefits when due, is available for each retirement fund in the separately issued Comprehensive Annual Financial Reports for the Minnesota State Retirement System, Public Employees Retirement Association and the State Teachers Retirement Association.

Three Year Historical Trend
Information (Unaudited)

	CERF	SPRF	JRF	ESOF	LRF
Net assets available for benefits expressed as a percent of the pension benefit obligation:					
1992	113%	98%	47%	15%	47%
1991	109%	92%	45%	14%	49%
1990	109%	92%	41%	17%	43%
Unfunded (assets in excess of) pension benefit obligation expressed as a percent of annual covered payroll:					
1992	(29%)	14%	204%	515%	272%
1991	(21%)	53%	198%	435%	223%
1990	(19%)	51%	211%	435%	289%
Employer contributions expressed as a percent of annual covered payroll:					
1992	6%	15%	22%	28%	10%
1991	6%	15%	29%	11%	28%
1990	9%	19%	29%	29%	9%

Defined Contribution Funds

The Defined Contribution Funds presented in the financial statements include various statewide public employee retirement funds for 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

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 four percent for employee and six percent for employer. Vesting occurs immediately and normal retirement age is 58. Annuity is based on age and value of participant's account. Participation and funding for the fiscal year ended June 30, 1992, were as follows (dollars in thousands):

Total employees covered	2,382
Annual payroll of covered employee	\$67,721
Total employee contributions	\$2,957
Contributions as percent of annual covered payroll	4%
Total employer contributions	\$4,204
Contributions as percent of annual covered payroll	6%

The Community College and State University Supplemental Retirement Funds, authorized by Minnesota Statutes, Chapter 136.80 and Chapter 354B, covers unclassified teachers, librarians, administrators, and certain other community college and state university staff members who have been employed full-time for a minimum of two academic years. Participation is mandatory for qualified employees. These funds consist of an Individual Retirement Account Plan and a Supplemental Retirement Plan. For the Individual Retirement Account Plan, both the employer and employee statutory contribution rate is 4.5 percent. For the Supplemental Retirement Plan, the statutory contribution rate is five percent of salary between \$6,000 and \$33,000. Vesting occurs immediately and normal retirement is age 55. Participation and contributions were as follows (dollars in thousands):

	<u>Community College</u>	<u>State University</u>
Total employees covered	2,391	3,308
Total employee contributions	\$2,134	\$4,138
Total employer contributions	\$2,134	\$4,138
Total annual payroll for covered employees	\$27,853	\$34,176
Contributions as percent of annual covered payroll	8%	12%

Investment Trust Funds

The Investment Trust Funds are administered by the State Board of Investment and serve only as an investment medium for various state, as well as locally administered, retirement funds and the Deferred Compensation Fund, an agency fund.

16. 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 1992, the employees involved were primarily conservation officers, guards at correctional facilities, and highway patrol officers. If these employees elect retirement at age 55, the state will pay the employer share of health insurance benefits until age 65.

The 1991 Legislature also provided an early retirement incentive, for employees meeting specific requirements, including retiring between July 1 and October 1, 1991, that will pay the employer share of health insurance benefits until age 65.

The cost of these benefits, which is recognized as paid, was \$1,515,817 during fiscal year 1992. The number of employees currently eligible for this benefit is 691.

17. ENTERPRISE FUNDS - SEGMENT INFORMATION

State of Minnesota agencies provide major services to the public, financed by user charges. These agencies are:

Housing Finance Agency (HFA)
 Higher Education Facilities Authority (HEFA)
 State University Board (SUB)
 Higher Education Coordinating Board (HECB)
 Public Facilities Authority
 State Lottery
 College and University Enterprise Activities
 Minnesota Correctional Industries
 Chemical Dependency Treatment

In addition, services on a smaller scale are provided by other numerous functions (Enterprise Activities).

Significant enterprise fund financial data for the year ended June 30, 1992, follows.

Enterprise Funds* Segment Information
 (in thousands)

	HFA	HEFA	SUB	HECB	Public Facilities Authority	State Lottery	College & University Enterprise Activities	Minnesota Correctional Industries	Chemical Dependency Treatment	Total
Operating Revenues	\$183,305	\$8,782	\$36,801	\$12,194	\$18,677	\$297,754	\$21,377	\$11,399	\$10,603	\$600,892
Depreciation/Amortization Expense	2,942	306	3,273	314	174	971	224	324	-	8,528
Operating Income (Loss)	16,723	(2,234)	3,003	4,812	1,969	53,612	3,151	(3,553)	152	77,635
Nonoperating Revenues (Expenses):										
Investment Income	-	2,613	2,923	3,878	-	1,039	438	81	115	11,087
Grants (Revenue)	63,043	-	-	705	-	-	291	-	-	64,039
Grants (Expense)	(71,796)	-	-	-	-	-	(1,143)	-	-	(72,939)
Net Operating Transfers-In (-Out)	13,409	-	-	-	-	(54,651)	(758)	4,308	(1,151)	(38,843)
Net Income (Loss)	17,687	141	4,484	9,395	1,969	-	1,988	833	(884)	35,613
Changes in Contributed Capital	-	-	(353)	-	35,742	-	-	416	-	35,805
Fixed Assets:										
Additions	421	8	12,281	-	67	959	570	547	-	14,853
(Deletions)	855	(4)	-	-	-	-	(495)	149	-	505
Net Working Capital	371	34,104	15,534	41,971	-	(3,362)	1,103	9,343	1,354	100,418
Total Assets	2,610,538	180,168	97,217	257,783	404,419	20,652	53,444	12,599	4,756	3,641,576
Noncurrent Liabilities Payable from:										
Operating Revenues	68	14	-	90	-	398	89	64	129	852
Other Sources	2,065,495	168,176	23,633	55,576	-	-	-	75	-	2,312,955
Total Fund Equity	\$402,365	\$3,709	\$68,193	\$198,451	\$125,345	\$ -	\$50,165	\$11,348	\$1,226	\$860,802

18. 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, while on the modified accrual basis expenditures are recognized when 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 below.

A major difference between GAAP and 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 here (in thousands). Other differences in basis of accounting and perspective (fund structure) are included in the table below.

Total GAAP Basis Fund Balances -	
All Special Revenue Funds	\$558,226
Special Revenue Funds not requiring	
legal appropriation	(307,700)
Total GAAP Fund Balances -	
Appropriated Special Revenue Funds	\$250,526

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1992
(in thousands)

	Special Revenue Funds						Total Special Revenue
	General Fund	Trunk Highway	Highway User Tax Distribution	Other Transportation	Environ- mental	Natural Resources	
GAAP Basis Fund Balances	\$290,566	\$171,209	(\$2,398)	\$22,134	\$28,973	\$30,608	\$250,526
Less Reserved Fund Balances	511,538	108,845	645	10,990	4,473	8,408	133,361
Less Designated Fund Balances	<u>80,871</u>	<u>12,435</u>	-	<u>2,905</u>	-	<u>1,065</u>	<u>16,405</u>
Undesignated Fund Balances	(\$301,843)	\$49,929	(\$3,043)	\$8,239	\$24,500	\$21,135	\$100,760
Basis of Accounting Differences							
Revenue Accruals/Adjustments:							
Taxes Receivable	(21,847)	-	(618)	-	-	-	(618)
Human Services Receivable	(18,748)	-	-	-	-	-	-
Federal Aid Receivable	-	(5,758)	-	-	-	(1,169)	(6,927)
Deferred Revenue	50,296	72	-	-	-	-	72
Other Receivables	(1,781)	(3,952)	-	-	(454)	(8,169)	(12,575)
Expenditure Accruals/Adjustments:							
Family Support and Medical Assistance	198,978	-	-	-	-	-	-
Police and Fire Aid	42,393	-	-	-	-	-	-
Community Service Grants	12,843	-	-	-	-	-	-
Other Payables	620	657	-	-	-	5	662
Other Financial Sources (Uses):							
Transfers-In	(4,033)	-	-	-	-	-	-
Transfers-Out	-	-	4,756	-	-	-	4,756
Reserved Fund Balances:							
Long-Term Receivables	-	-	-	2,911	357	-	3,268
Fund Structure Differences							
Terminally Funded Pension Plan	5,470	-	-	-	-	-	-
Fund Consolidation	<u>(916)</u>	-	-	-	-	-	-
Budgetary Basis:							
Undesignated Fund Balances	(\$38,568)	\$40,948	\$1,095	\$11,150	\$24,403	\$11,802	\$89,398

19. DEFERRED COMPENSATION

The state offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all public employees in the state and is administered by the Minnesota State Retirement Association. Investments are managed by the State Board of Investment and two insurance companies. The plan is accounted for in the Deferred Compensation Fund, an agency fund, with its investments reported at market 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. All amounts deferred under the plan, all assets purchased with such deferrals, related income, property, or rights remain (until made available to the employee or beneficiary) solely the property and rights of the employer (the state or local unit of government), subject only to the general creditors of the employer.

In accordance with state statute, the state is not liable for any losses under the plan but does have the duty of due care that would be required of a prudent investor. The state believes that it is unlikely that it, or other employers under the plan, will use the assets to satisfy the claims of general creditors in the future.

Of the \$706.7 million of investments in the Fund at June 30, 1992, \$313.2 million was applicable to the state while the remainder represents the assets of the other units of government participating in the plan. At June 30, 1992, \$509.6 million of assets and funds held in trust are managed by third party administrators.

20. SUBSEQUENT EVENTS

On July 1, 1992, \$140,000,000 of general obligation various purpose bonds were sold at a true interest rate of 5.9%. The bonds were issued to finance the cost of capital improvements and are backed by the full faith and credit and taxing powers of the state of Minnesota.

On August 1, 1992, \$243,100,000 of general obligation refunding bonds were sold at a true interest rate cost of 5.33%. The bonds are backed by the full faith and credit and taxing powers

of the state of Minnesota. Proceeds from the sale were used to pay the cost of their issuance and to advance refund the following outstanding bonds:

<u>Advance Refund Amount</u>	<u>Date Issued</u>	<u>Original Issue Amount</u>	<u>Original Call Date</u>	<u>Interest Rate</u>
\$ 38,500,000	February 1, 1980	\$110,000,000	February 1, 1990	6.35%
22,550,000	July 1, 1985	52,125,000	July 1, 1995	7.96%
116,750,000	August 1, 1986	236,500,000	August 1, 1996	6.99%
32,400,000	July 1, 1987	200,000,000	July 1, 1997	6.42%
<u>20,280,000</u>	July 1, 1988	<u>200,000,000</u>	August 1, 1998	6.64%
\$230,480,000		\$798,625,000		

On September 1, 1992, \$4,875,000 of revenue bonds were redeemed by the Higher Education Facilities Authority (an enterprise fund) prior to their maturity.

On July 24, 1992, \$30,000,000 of revenue bonds were issued by the Higher Education Coordinating Board (an enterprise fund). The interest rate on the date of sale was 2.9%. During the months of July through September, 1992, \$3,000,000 of revenue bonds were redeemed prior to their maturity by the Higher Education Coordinating Board in consideration of arbitrage requirements.

As required by the constitution and statutes, transfers from the funds presented below (in thousands) were made on November 1, and December 1, 1992, to the separately invested Debt Service Fund to cover principal and interest maturing through July 1, 1993.

General	\$196,050
Game and Fish	47
Trunk Highway	9,834
Maximum Effort School Loan	3,943
From Higher Education:	
Technical Colleges	461
Community College System	1,078
State University System	649
University of Minnesota	914
Total Transfers to Debt Service	\$212,976

Combining Financial Statements

GENERAL FUND

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

STATE OF MINNESOTA

GENERAL FUND COMPARATIVE BALANCE SHEET JUNE 30, 1992 and 1991 (IN THOUSANDS)

	TOTALS	
	JUNE 30, 1992	JUNE 30, 1991
ASSETS		
Cash and Cash Equivalents.....	\$ 651,967	\$ 740,402
Accounts Receivable.....	54,594	52,942
Interfund Receivables.....	33,834	40,590
Accrued Investment/Interest Income.....	17,467	39,454
Deferred Costs.....	624	993
Loans Receivable.....	20,515	21,630
Advances to Other Funds.....	6,313	3,939
Total Assets.....	\$ 785,314	\$ 899,950
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable.....	\$ 425,645	\$ 435,750
Interfund Payables.....	11,240	33,105
Deferred Revenue.....	57,863	56,581
Total Liabilities.....	\$ 494,748	\$ 525,436
Fund Balances:		
Reserved Fund Balances:		
Reserved for Encumbrances.....	\$ 84,480	\$ 68,336
Reserved for Long-Term Receivables.....	26,434	24,495
Budgetary Reserve.....	400,000	400,000
Reserved for Other.....	624	993
Total Reserved Fund Balances.....	\$ 511,538	\$ 493,824
Unreserved Fund Balances:		
Designated for Appropriation Carryover.....	\$ 80,871	\$ 35,211
Undesignated.....	(301,843)	(154,521)
Total Unreserved Fund Balances.....	\$ (220,972)	\$ (119,310)
Total Fund Balances.....	\$ 290,566	\$ 374,514
Total Liabilities and Fund Balances.....	\$ 785,314	\$ 899,950

STATE OF MINNESOTA

GENERAL FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 and 1991 (IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1992	JUNE 30, 1991
Net Revenues:		
Individual Income Taxes.....	\$ 3,148,740	\$ 2,969,239
Corporate Income Taxes.....	428,412	462,943
Sales Taxes.....	2,192,547	1,961,716
Motor Vehicle License Taxes.....	748	762
Fuel Taxes.....	—	3
Other Taxes.....	844,950	731,225
Federal Revenues.....	9,203	11,507
License Fees.....	40,898	34,804
Care and Hospitalization Revenues.....	102,721	110,267
Tuition and Student Fees.....	158,751	148,558
Departmental Services.....	47,598	35,241
Investment/Interest Income.....	25,310	64,385
Other Revenues.....	86,359	59,091
Net Revenues.....	\$ 7,086,237	\$ 6,589,741
Expenditures:		
Current:		
Protection of Persons and Property.....	\$ 82,086	\$ 67,199
Transportation.....	660	708
Resource Management.....	95,380	94,105
Economic and Manpower Development.....	59,104	55,789
Education.....	465,236	460,914
Health and Social Services.....	450,098	432,907
General Government.....	186,327	189,277
Total Current Expenditures.....	\$ 1,338,891	\$ 1,300,899
Capital Outlay.....	15,374	16,250
Debt Service.....	10,994	11,956
Grants and Subsidies.....	5,601,524	5,476,711
Total Expenditures.....	\$ 6,966,783	\$ 6,805,816
Excess of Revenues Over (Under) Expenditures.....	\$ 119,454	\$ (216,075)
Other Financing Sources (Uses):		
Operating Transfers—In.....	\$ 69,171	\$ 43,699
Operating Transfers to Debt Service.....	(202,835)	(185,195)
Other Operating Transfers—Out.....	(75,837)	(94,926)
Capital Leases.....	3,625	4,738
Other Uses.....	(238)	(2,586)
Net Other Financing Sources (Uses).....	\$ (206,114)	\$ (234,270)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (86,660)	\$ (450,345)
Fund Balances, July 1, as Reported.....	\$ 448,755	\$ 820,226
Prior Period Adjustments.....	(74,241)	—
Fund Balances, July 1, as Restated.....	\$ 374,514	\$ 820,226
Residual Equity Transfers—In.....	4,467	4,633
Residual Equity Transfers—Out.....	(1,755)	—
Fund Balances, June 30.....	\$ 290,566	\$ 374,514

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DEBT SERVICE FUND

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, most general obligation long-term debt principal and interest.

STATE OF MINNESOTA

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1992 AND 1991
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1992	JUNE 30, 1991
ASSETS		
Cash and Cash Equivalents.....	\$ 239,474	\$ 239,069
Investments.....	31,546	26,406
Accounts Receivable.....	12	10
Interfund Receivables.....	494	986
Accrued Investment Income.....	516	341
Total Assets.....	<u>\$ 272,042</u>	<u>\$ 266,812</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable.....	\$ 2,236	\$ 990
Funds Held in Trust.....	1,568	1,608
Total Liabilities.....	<u>\$ 3,804</u>	<u>\$ 2,598</u>
Fund Balances:		
Reserved for Debt Requirements.....	<u>\$ 268,238</u>	<u>\$ 264,214</u>
Total Fund Balances.....	<u>\$ 268,238</u>	<u>\$ 264,214</u>
Total Liabilities and Fund Balances.....	<u>\$ 272,042</u>	<u>\$ 266,812</u>

STATE OF MINNESOTA

DEBT SERVICE FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 AND 1991 (IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1992	JUNE 30, 1991
Net Revenues:		
Federal Revenues.....	\$ 187	\$ 218
Investment Income.....	12,526	14,631
Other Revenues.....	2,665	1,949
Net Revenues.....	\$ 15,378	\$ 16,798
Expenditures:		
Current:		
General Government.....	\$ 25	\$ 4
Total Current Expenditures.....	\$ 25	\$ 4
Debt Service.....	250,629	237,632
Total Expenditures.....	\$ 250,654	\$ 237,636
Excess of Revenues Over (Under) Expenditures.....	\$ (235,276)	\$ (220,838)
Other Financing Sources (Uses):		
Operating Transfers—In.....	\$ 238,975	\$ 221,856
Net Other Financing Sources (Uses).....	\$ 238,975	\$ 221,856
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 3,699	\$ 1,018
Fund Balances, July 1.....	264,214	262,903
Residual Equity Transfers—In.....	325	293
Fund Balances, June 30.....	\$ 268,238	\$ 264,214

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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 as described 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 *Other Transportation Funds* include two transportation related funds.

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.

Transit Assistance Fund accounts for assistance provided to support and improve mass transportation.

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 *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 Workers 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 *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, 1992
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL
ASSETS				
Cash and Cash Equivalents.....	\$ 184,197	\$ 11,664	\$ 21,224	\$ 60
Investments.....	—	—	—	—
Accounts Receivable.....	5,274	3,353	440	38,659
Interfund Receivables.....	6,456	—	—	6,432
Accrued Investment/Interest Income.....	—	—	—	—
Federal Aid Receivable.....	39,533	—	—	260,274
Inventories.....	15,424	—	—	—
Deferred Costs.....	—	—	—	31
Loans Receivable.....	—	—	3,000	—
Total Assets.....	<u>\$ 250,884</u>	<u>\$ 15,017</u>	<u>\$ 24,664</u>	<u>\$ 305,456</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 78,013	\$ 1,954	\$ 2,448	\$ 234,765
Interfund Payables.....	1,590	15,461	82	16,615
Payable to Other Governmental Units.....	—	—	—	34,180
Deferred Revenue.....	72	—	—	14,048
Advances from Other Funds.....	—	—	—	—
Total Liabilities.....	<u>\$ 79,675</u>	<u>\$ 17,415</u>	<u>\$ 2,530</u>	<u>\$ 299,608</u>
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances.....	\$ 32,132	\$ 645	\$ 8,079	\$ —
Reserved for Inventory.....	15,424	—	—	—
Reserved for Long-Term Receivables.....	—	—	2,911	—
Reserved for Long-Term Commitments.....	61,289	—	—	—
Reserved for Debt Requirements.....	—	—	—	—
Reserved for Other.....	—	—	—	5,848
Total Reserved Fund Balances.....	<u>\$ 108,845</u>	<u>\$ 645</u>	<u>\$ 10,990</u>	<u>\$ 5,848</u>
Unreserved Fund Balances:				
Designated for Appropriation Carryover.....	\$ 12,435	\$ —	\$ 2,905	\$ —
Designated for Fund Purposes.....	—	—	—	—
Undesignated.....	49,929	(3,043)	8,239	—
Total Unreserved Fund Balances.....	<u>\$ 62,364</u>	<u>\$ (3,043)</u>	<u>\$ 11,144</u>	<u>\$ —</u>
Total Fund Balances.....	<u>\$ 171,209</u>	<u>\$ (2,398)</u>	<u>\$ 22,134</u>	<u>\$ 5,848</u>
Total Liabilities and Fund Balances.....	<u>\$ 250,884</u>	<u>\$ 15,017</u>	<u>\$ 24,664</u>	<u>\$ 305,456</u>

ENVIRONMENTAL	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS	
						JUNE 30, 1992	JUNE 30, 1991
\$ 33,319	\$ 25,876	\$ 5,336	\$ 16,413	\$ 49,419	\$ 143,485	\$ 490,993	\$ 556,663
-	-	-	-	-	10,958	10,958	18,334
3,009	4,651	-	96	232	16,309	72,023	79,211
-	4,496	-	-	-	1,852	19,236	30,755
-	-	443	-	-	427	870	1,347
-	1,169	-	-	-	-	300,976	253,849
-	-	-	-	-	622	16,046	16,113
-	-	-	-	-	216	247	296
357	-	68,030	-	876	70,302	142,565	121,905
<u>\$ 36,685</u>	<u>\$ 36,192</u>	<u>\$ 73,809</u>	<u>\$ 16,509</u>	<u>\$ 50,527</u>	<u>\$ 244,171</u>	<u>\$ 1,053,914</u>	<u>\$ 1,078,473</u>
\$ 7,475	\$ 5,584	\$ -	\$ 40,020	\$ 2,194	\$ 23,921	\$ 396,374	\$ 383,145
237	-	2,036	-	-	7,388	43,409	35,072
-	-	-	-	-	-	34,180	30,883
-	-	-	-	-	6,627	20,747	20,807
-	-	-	-	-	978	978	2,108
<u>\$ 7,712</u>	<u>\$ 5,584</u>	<u>\$ 2,036</u>	<u>\$ 40,020</u>	<u>\$ 2,194</u>	<u>\$ 38,914</u>	<u>\$ 495,688</u>	<u>\$ 472,015</u>
\$ 4,116	\$ 8,408	\$ -	\$ 452	\$ 10,079	\$ 20,975	\$ 84,886	\$ 97,554
-	-	-	-	-	622	16,046	16,113
357	-	66,584	-	876	67,192	137,920	118,950
-	-	-	-	1,948	-	63,237	113,951
-	-	-	-	-	23,682	23,682	22,215
-	-	-	-	-	8,813	14,661	16,186
<u>\$ 4,473</u>	<u>\$ 8,408</u>	<u>\$ 66,584</u>	<u>\$ 452</u>	<u>\$ 12,903</u>	<u>\$ 121,284</u>	<u>\$ 340,432</u>	<u>\$ 384,969</u>
\$ -	\$ 1,065	\$ -	\$ -	\$ -	\$ -	\$ 16,405	\$ 8,677
-	-	5,189	-	35,430	83,973	124,592	103,131
24,500	21,135	-	(23,963)	-	-	76,797	109,681
<u>\$ 24,500</u>	<u>\$ 22,200</u>	<u>\$ 5,189</u>	<u>\$ (23,963)</u>	<u>\$ 35,430</u>	<u>\$ 83,973</u>	<u>\$ 217,794</u>	<u>\$ 221,489</u>
<u>\$ 28,973</u>	<u>\$ 30,608</u>	<u>\$ 71,773</u>	<u>\$ (23,511)</u>	<u>\$ 48,333</u>	<u>\$ 205,257</u>	<u>\$ 558,226</u>	<u>\$ 606,458</u>
<u>\$ 36,685</u>	<u>\$ 36,192</u>	<u>\$ 73,809</u>	<u>\$ 16,509</u>	<u>\$ 50,527</u>	<u>\$ 244,171</u>	<u>\$ 1,053,914</u>	<u>\$ 1,078,473</u>

STATE OF MINNESOTA

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL
Net Revenues:				
Motor Vehicle License Taxes.....	\$ -	\$ 348,801	\$ -	\$ -
Fuel Taxes.....	-	455,162	2,664	-
Other Taxes.....	-	-	10,694	-
Federal Revenues.....	212,109	-	-	2,229,499
License Fees.....	29,405	6	3	-
Care and Hospitalization Revenues.....	-	-	-	-
Tuition and Student Fees.....	-	-	-	-
Departmental Services.....	10,239	5,009	977	47
Investment/Interest Income.....	12,621	-	1,339	365
Penalties and Fines.....	-	-	-	-
Other Revenues.....	7,433	706	619	19,279
Net Revenues.....	\$ 271,807	\$ 809,684	\$ 16,296	\$ 2,249,190
Expenditures:				
Current:				
Protection of Persons and Property.....	\$ 58,092	\$ 11,335	\$ -	\$ 16,177
Transportation.....	308,750	465	5,202	1,467
Resource Management.....	-	-	-	19,372
Economic and Manpower Development.....	747	-	-	89,542
Education.....	32	-	-	23,809
Health and Social Services.....	891	-	-	37,723
General Government.....	1,279	1,644	-	2,564
Total Current Expenditures.....	\$ 369,791	\$ 13,444	\$ 5,202	\$ 190,654
Capital Outlay.....	452,219	46	1,801	12,660
Debt Service.....	2,536	-	-	425
Grants and Subsidies.....	1,482	-	10,808	2,043,884
Total Expenditures.....	\$ 826,028	\$ 13,490	\$ 17,811	\$ 2,247,623
Excess of Revenues Over (Under) Expenditures.....	\$ (554,221)	\$ 796,194	\$ (1,515)	\$ 1,567
Other Financing Sources (Uses):				
General Obligation Bonds.....	\$ -	\$ -	\$ -	\$ -
Revenue Bonds.....	-	-	-	-
Proceeds from Loans.....	18,669	-	-	-
Operating Transfers—In.....	475,773	-	-	413
Operating Transfers to Debt Service.....	(13,997)	-	-	-
Other Operating Transfers—Out.....	-	(798,922)	-	(1,621)
Capital Leases.....	132	-	-	-
Other Sources (Uses).....	-	-	-	-
Net Other Financing Sources (Uses).....	\$ 480,577	\$ (798,922)	\$ -	\$ (1,208)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (73,644)	\$ (2,728)	\$ (1,515)	\$ 359
Fund Balances, July 1.....	243,903	330	23,731	5,907
Residual Equity Transfers—In.....	-	-	-	-
Residual Equity Transfers—Out.....	-	-	(82)	(418)
Change in Inventory.....	950	-	-	-
Fund Balances, June 30.....	\$ 171,209	\$ (2,398)	\$ 22,134	\$ 5,848

ENVIRONMENTAL	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS FOR THE YEAR ENDED	
						JUNE 30, 1992	JUNE 30, 1991
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,801	\$ 331,021
-	-	-	-	-	-	457,826	451,992
7,110	7,286	-	132,808	21,410	16,094	195,402	181,737
-	12,412	-	-	-	45,230	2,499,250	2,201,556
37,829	42,175	-	-	-	14,173	123,591	108,772
-	-	-	-	-	61	61	-
-	-	-	-	-	6,334	6,334	6,549
-	118	-	-	1,461	37,262	55,113	44,897
1,967	1,377	3,795	1,869	2,633	10,079	36,045	49,362
4,240	-	-	-	-	5,523	5,763	1,110
1,386	2,676	-	3,574	799	41,554	78,026	77,179
<u>\$ 52,532</u>	<u>\$ 66,044</u>	<u>\$ 3,795</u>	<u>\$ 138,251</u>	<u>\$ 26,303</u>	<u>\$ 172,310</u>	<u>\$ 3,806,212</u>	<u>\$ 3,454,175</u>
\$ 41	\$ -	\$ -	\$ -	\$ -	\$ 1,660	\$ 87,305	\$ 90,329
-	-	-	-	-	84	315,968	303,778
19,145	62,199	-	-	107	19,856	120,679	102,594
38,423	136	-	11,376	6,287	16,241	162,752	144,247
-	49	7	-	-	16,864	40,761	40,184
129	193	-	-	-	50,385	89,321	86,889
202	50	-	3,428	-	9,915	19,082	23,660
<u>\$ 57,940</u>	<u>\$ 62,627</u>	<u>\$ 7</u>	<u>\$ 14,804</u>	<u>\$ 6,394</u>	<u>\$ 115,005</u>	<u>\$ 835,868</u>	<u>\$ 791,681</u>
536	3,731	-	587	647	5,367	477,594	449,382
-	294	-	554	28	12,281	16,118	27,394
3,966	8,691	-	106,323	10,503	81,545	2,267,202	2,050,572
<u>\$ 62,442</u>	<u>\$ 75,343</u>	<u>\$ 7</u>	<u>\$ 122,268</u>	<u>\$ 17,572</u>	<u>\$ 214,198</u>	<u>\$ 3,596,782</u>	<u>\$ 3,319,029</u>
<u>\$ (9,910)</u>	<u>\$ (9,299)</u>	<u>\$ 3,788</u>	<u>\$ 15,983</u>	<u>\$ 8,731</u>	<u>\$ (41,888)</u>	<u>\$ 209,430</u>	<u>\$ 135,146</u>
\$ -	\$ -	\$ 19,850	\$ -	\$ -	\$ 2,610	\$ 22,460	\$ 19,299
-	-	-	-	-	-	-	13,605
-	-	-	-	-	-	18,669	16,733
-	10,456	-	-	406	55,414	542,462	553,421
-	(35)	(7,331)	-	-	(1,877)	(23,240)	(14,080)
-	-	-	-	-	(18,255)	(818,798)	(790,561)
-	-	-	403	-	3,584	4,119	13,116
-	-	-	-	491	424	915	1,856
<u>\$ -</u>	<u>\$ 10,421</u>	<u>\$ 12,519</u>	<u>\$ 403</u>	<u>\$ 897</u>	<u>\$ 41,900</u>	<u>\$ (253,413)</u>	<u>\$ (186,611)</u>
\$ (9,910)	\$ 1,122	\$ 16,307	\$ 16,386	\$ 9,628	\$ 12	\$ (43,983)	\$ (51,465)
38,883	31,486	55,466	(39,897)	38,750	207,899	606,458	661,352
-	-	-	-	-	3	3	38
-	(2,000)	-	-	(45)	(1,640)	(4,185)	(3,114)
-	-	-	-	-	(1,017)	(67)	(353)
<u>\$ 28,973</u>	<u>\$ 30,608</u>	<u>\$ 71,773</u>	<u>\$ (23,511)</u>	<u>\$ 48,333</u>	<u>\$ 205,257</u>	<u>\$ 558,226</u>	<u>\$ 606,458</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, 1992
(IN THOUSANDS)

	TRUNK HIGHWAY			HIGHWAY USER TAX DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes.....	\$ —	\$ —	\$ —	\$ 357,956	\$ 349,878	\$ (8,078)
Fuel Taxes.....	—	—	—	449,686	455,357	5,671
Other Taxes.....	—	—	—	—	—	—
Federal Revenues.....	226,940	206,275	(20,665)	—	—	—
License Fees.....	17,911	18,361	450	—	—	—
Departmental Services.....	24,522	22,004	(2,518)	5,089	5,009	(80)
Investment/Interest Income.....	13,401	12,597	(804)	—	—	—
Other Revenues.....	10,252	8,536	(1,716)	900	706	(194)
Net Revenues.....	\$ 293,026	\$ 267,773	\$ (25,253)	\$ 813,631	\$ 810,950	\$ (2,681)
Expenditures:						
Protection of Persons and Property.....	\$ 63,958	\$ 63,269	\$ 689	\$ 11,916	\$ 11,706	\$ 210
Transportation.....	730,508	706,344	24,164	465	465	—
Resource Management.....	—	—	—	—	—	—
Economic and Manpower Development.....	729	725	4	—	—	—
Education.....	41	41	—	—	—	—
Health and Social Services.....	1,511	1,511	—	—	—	—
General Government.....	1,536	1,146	390	2,380	1,682	698
Total Expenditures.....	\$ 798,283	\$ 773,036	\$ 25,247	\$ 14,761	\$ 13,853	\$ 908
Excess of Revenues Over (Under)						
Expenditures.....	\$ (505,257)	\$ (505,263)	\$ (6)	\$ 798,870	\$ 797,097	\$ (1,773)
Other Financing Sources (Uses):						
Proceeds from Loans.....	\$ 27,384	\$ 2,915	\$ (24,469)	\$ —	\$ —	\$ —
Operating Transfers—In.....	478,091	477,427	(664)	—	—	—
Operating Transfers to Debt Service.....	(14,864)	(13,997)	867	—	—	—
Other Operating Transfers—Out.....	—	—	—	(798,544)	(798,544)	—
Net Other Financing Sources (Uses).....	\$ 490,611	\$ 466,345	\$ (24,266)	\$ (798,544)	\$ (798,544)	\$ —
Excess of Revenues and Other Sources Over						
(Under) Expenditures and Other Uses.....	\$ (14,646)	\$ (38,918)	\$ (24,272)	\$ 326	\$ (1,447)	\$ (1,773)
Fund Balances, July 1, 1991, as Reported.....	82,676	82,676	—	1,019	1,019	—
Prior Year Adjustments.....	—	9,625	9,625	—	1,523	1,523
Total Fund Balances, June 30, 1992.....	\$ 68,030	\$ 53,383	\$ (14,647)	\$ 1,345	\$ 1,095	\$ (250)
Less Appropriation Carryover.....	—	12,435	(12,435)	—	—	—
Undesignated Fund Balances, June 30, 1992.....	\$ 68,030	\$ 40,948	\$ (27,082)	\$ 1,345	\$ 1,095	\$ (250)

OTHER TRANSPORTATION			ENVIRONMENTAL			NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,600	2,665	65	-	-	-	-	-	-
9,951	10,693	742	8,213	7,187	(1,026)	7,583	7,286	(297)
-	-	-	-	-	-	12,700	12,090	(610)
4	3	(1)	27,793	37,821	10,028	43,934	41,827	(2,107)
78	977	899	-	-	-	697	844	147
1,200	1,336	136	1,961	1,964	3	1,722	1,377	(345)
920	620	(300)	3,256	6,497	3,241	1,982	2,481	499
<u>\$ 14,753</u>	<u>\$ 16,294</u>	<u>\$ 1,541</u>	<u>\$ 41,223</u>	<u>\$ 53,469</u>	<u>\$ 12,246</u>	<u>\$ 68,618</u>	<u>\$ 65,905</u>	<u>\$ (2,713)</u>
\$ -	\$ -	\$ -	\$ 41	\$ 40	\$ 1	\$ -	\$ -	\$ -
18,458	15,275	3,183	200	200	-	-	-	-
-	-	-	29,973	24,716	5,257	74,593	71,795	2,798
-	-	-	39,613	39,609	4	305	305	-
-	-	-	-	-	-	2,928	2,928	-
-	-	-	168	132	36	-	-	-
15	12	3	211	202	9	659	659	-
<u>\$ 18,473</u>	<u>\$ 15,287</u>	<u>\$ 3,186</u>	<u>\$ 70,206</u>	<u>\$ 64,899</u>	<u>\$ 5,307</u>	<u>\$ 78,485</u>	<u>\$ 75,687</u>	<u>\$ 2,798</u>
<u>\$ (3,720)</u>	<u>\$ 1,007</u>	<u>\$ 4,727</u>	<u>\$ (28,983)</u>	<u>\$ (11,430)</u>	<u>\$ 17,553</u>	<u>\$ (9,867)</u>	<u>\$ (9,782)</u>	<u>\$ 85</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	9,571	9,571	-
-	-	-	-	-	-	(35)	(35)	-
-	-	-	-	-	-	(2,000)	(2,000)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,536</u>	<u>\$ 7,536</u>	<u>\$ -</u>
\$ (3,720)	\$ 1,007	\$ 4,727	\$ (28,983)	\$ (11,430)	\$ 17,553	\$ (2,331)	\$ (2,246)	\$ 85
12,586	12,586	-	35,209	35,209	-	14,231	14,231	-
-	462	462	-	624	624	-	882	882
\$ 8,866	\$ 14,055	\$ 5,189	\$ 6,226	\$ 24,403	\$ 18,177	\$ 11,900	\$ 12,867	\$ 967
-	2,905	(2,905)	-	-	-	-	1,065	(1,065)
<u>\$ 8,866</u>	<u>\$ 11,150</u>	<u>\$ 2,284</u>	<u>\$ 6,226</u>	<u>\$ 24,403</u>	<u>\$ 18,177</u>	<u>\$ 11,900</u>	<u>\$ 11,802</u>	<u>\$ (98)</u>

COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 357,956	\$ 349,878	\$ (8,078)
452,286	458,022	5,736
25,747	25,166	(581)
239,640	218,365	(21,275)
89,642	98,012	8,370
30,386	28,834	(1,552)
18,284	17,274	(1,010)
17,310	18,840	1,530
<u>\$ 1,231,251</u>	<u>\$ 1,214,391</u>	<u>\$ (16,860)</u>
\$ 75,915	\$ 75,015	\$ 900
749,631	722,284	27,347
104,566	96,511	8,055
40,647	40,639	8
2,969	2,969	-
1,679	1,643	36
4,801	3,701	1,100
<u>\$ 980,208</u>	<u>\$ 942,762</u>	<u>\$ 37,446</u>
<u>\$ 251,043</u>	<u>\$ 271,629</u>	<u>\$ 20,586</u>
\$ 27,384	\$ 2,915	\$ (24,469)
487,662	486,998	(664)
(14,899)	(14,032)	867
(800,544)	(800,544)	-
<u>\$ (300,397)</u>	<u>\$ (324,663)</u>	<u>\$ (24,266)</u>
\$ (49,354)	\$ (53,034)	\$ (3,680)
145,721	145,721	-
-	13,116	13,116
\$ 96,367	\$ 105,803	\$ 9,436
-	16,405	(16,405)
<u>\$ 96,367</u>	<u>\$ 89,398</u>	<u>\$ (6,969)</u>

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STATE OF MINNESOTA

OTHER TRANSPORTATION FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

			TOTALS	
	STATE AIRPORTS	TRANSIT ASSISTANCE	JUNE 30, 1992	JUNE 30, 1991
ASSETS				
Cash and Cash Equivalents.....	\$ 20,640	\$ 584	\$ 21,224	\$ 22,506
Accounts Receivable.....	440	—	440	577
Interfund Receivables.....	—	—	—	3,844
Loans Receivable.....	3,000	—	3,000	2,479
Total Assets.....	\$ 24,080	\$ 584	\$ 24,664	\$ 29,406
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 1,946	\$ 502	\$ 2,448	\$ 3,489
Interfund Payables.....	—	82	82	2,186
Total Liabilities.....	\$ 1,946	\$ 584	\$ 2,530	\$ 5,675
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances.....	\$ 8,079	\$ —	\$ 8,079	\$ 11,331
Reserved for Long—Term Receivables.....	2,911	—	2,911	2,415
Total Reserved Fund Balances.....	\$ 10,990	\$ —	\$ 10,990	\$ 13,746
Unreserved Fund Balances:				
Designated for Appropriation Carryover.....	\$ 2,905	\$ —	\$ 2,905	\$ 204
Undesignated.....	8,239	—	8,239	9,781
Total Unreserved Fund Balances.....	\$ 11,144	\$ —	\$ 11,144	\$ 9,985
Total Fund Balances.....	\$ 22,134	\$ —	\$ 22,134	\$ 23,731
Total Liabilities and Fund Balances.....	\$ 24,080	\$ 584	\$ 24,664	\$ 29,406

STATE OF MINNESOTA

OTHER TRANSPORTATION FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	STATE AIRPORTS	TRANSIT ASSISTANCE	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1992	JUNE 30, 1991
Net Revenues:				
Fuel Taxes.....	\$ 2,664	\$ —	\$ 2,664	\$ 2,437
Air Carrier Taxes.....	10,694	—	10,694	9,589
License Fees.....	3	—	3	5
Departmental Services.....	977	—	977	63
Investment Income.....	1,339	—	1,339	2,143
Other Revenues.....	619	—	619	645
Net Revenues.....	\$ 16,296	\$ —	\$ 16,296	\$ 14,882
Expenditures:				
Current:				
Transportation.....	\$ 5,197	\$ 5	\$ 5,202	\$ 4,681
Capital Outlay.....	1,801	—	1,801	1,079
Grants and Subsidies.....	9,138	1,670	10,808	31,605
Total Expenditures.....	\$ 16,136	\$ 1,675	\$ 17,811	\$ 37,365
Excess of Revenues Over (Under) Expenditures.....	\$ 160	\$ (1,675)	\$ (1,515)	\$ (22,483)
Other Financing Sources (Uses):				
Operating Transfers—In.....	\$ —	\$ —	\$ —	\$ 19,533
Operating Transfers—Out.....	—	—	—	(2,186)
Net Other Financing Sources (Uses).....	\$ —	\$ —	\$ —	\$ 17,347
Excess of Revenues and Other Sources Over (Under) Expenditures and Other (Uses).....	\$ 160	\$ (1,675)	\$ (1,515)	\$ (5,136)
Fund Balances, July 1.....	21,974	1,757	23,731	28,867
Residual Equity Transfers—Out.....	—	(82)	(82)	—
Fund Balances, June 30.....	\$ 22,134	\$ —	\$ 22,134	\$ 23,731

STATE OF MINNESOTA

OTHER TRANSPORTATION FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL BUDGETARY BASIS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	STATE AIRPORTS			TRANSIT ASSISTANCE			COMBINED TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:									
Fuel Taxes.....	\$ 2,600	\$ 2,665	\$ 65	\$ —	\$ —	\$ —	\$ 2,600	\$ 2,665	\$ 65
Air Carrier Taxes.....	9,951	10,693	742	—	—	—	9,951	10,693	742
License Fees.....	4	3	(1)	—	—	—	4	3	(1)
Departmental Services.....	78	977	899	—	—	—	78	977	899
Investment Income.....	1,200	1,336	136	—	—	—	1,200	1,336	136
Other Revenues.....	920	620	(300)	—	—	—	920	620	(300)
Net Revenues.....	\$ 14,753	\$ 16,294	\$ 1,541	\$ —	\$ —	\$ —	\$ 14,753	\$ 16,294	\$ 1,541
Expenditures:									
Transportation.....	\$ 18,458	\$ 15,275	\$ 3,183	\$ —	\$ —	\$ —	\$ 18,458	\$ 15,275	\$ 3,183
General Government.....	15	12	3	—	—	—	15	12	3
Total Expenditures.....	\$ 18,473	\$ 15,287	\$ 3,186	\$ —	\$ —	\$ —	\$ 18,473	\$ 15,287	\$ 3,186
Excess of Revenues Over (Under)									
Expenditures.....	\$ (3,720)	\$ 1,007	\$ 4,727	\$ —	\$ —	\$ —	\$ (3,720)	\$ 1,007	\$ 4,727
Fund Balances, July 1, 1991.....	12,586	12,586	—	—	—	—	12,586	12,586	—
Prior Year Adjustments.....	—	462	462	—	—	—	—	462	462
Fund Balances, June 30, 1992.....	\$ 8,866	\$ 14,055	\$ 5,189	\$ —	\$ —	\$ —	\$ 8,866	\$ 14,055	\$ 5,189
Less Appropriation Carryover.....	—	2,905	(2,905)	—	—	—	—	2,905	(2,905)
Undesignated Fund Balances, June 30, 1992.....	\$ 8,866	\$ 11,150	\$ 2,284	\$ —	\$ —	\$ —	\$ 8,866	\$ 11,150	\$ 2,284

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTALS	
				JUNE 30, 1992	JUNE 30, 1991
ASSETS					
Cash and Cash Equivalents.....	\$ 2,112	\$ 12,384	\$ 11,380	\$ 25,876	\$ 28,113
Accounts Receivable.....	788	144	3,719	4,651	3,487
Interfund Receivables.....	—	4,496	—	4,496	4,418
Federal Aid Receivable.....	—	—	1,169	1,169	908
Total Assets.....	<u>\$ 2,900</u>	<u>\$ 17,024</u>	<u>\$ 16,268</u>	<u>\$ 36,192</u>	<u>\$ 36,926</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ 864	\$ 1,227	\$ 3,493	\$ 5,584	\$ 5,440
Total Liabilities.....	<u>\$ 864</u>	<u>\$ 1,227</u>	<u>\$ 3,493</u>	<u>\$ 5,584</u>	<u>\$ 5,440</u>
Fund Balances:					
Reserved Fund Balances:					
Reserved for Encumbrances.....	\$ 1,514	\$ 3,588	\$ 3,306	\$ 8,408	\$ 8,827
Total Reserved Fund Balances.....	<u>\$ 1,514</u>	<u>\$ 3,588</u>	<u>\$ 3,306</u>	<u>\$ 8,408</u>	<u>\$ 8,827</u>
Unreserved Fund Balances:					
Designated for Appropriation Carryover.....	\$ 522	\$ —	\$ 543	\$ 1,065	\$ 742
Undesignated.....	—	12,209	8,926	21,135	21,917
Total Unreserved Fund Balances.....	<u>\$ 522</u>	<u>\$ 12,209</u>	<u>\$ 9,469</u>	<u>\$ 22,200</u>	<u>\$ 22,659</u>
Total Fund Balances.....	<u>\$ 2,036</u>	<u>\$ 15,797</u>	<u>\$ 12,775</u>	<u>\$ 30,608</u>	<u>\$ 31,486</u>
Total Liabilities and Fund Balances.....	<u>\$ 2,900</u>	<u>\$ 17,024</u>	<u>\$ 16,268</u>	<u>\$ 36,192</u>	<u>\$ 36,926</u>

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1992	JUNE 30, 1991
Net Revenues:					
Tobacco Taxes.....	\$ 7,286	\$ —	\$ —	\$ 7,286	\$ 7,125
Federal Revenues.....	—	—	12,412	12,412	10,692
License Fees.....	—	5,759	36,416	42,175	38,143
Departmental Services.....	—	—	118	118	464
Investment Income.....	268	286	823	1,377	1,909
Other Revenues.....	10	1,595	1,071	2,676	1,389
Net Revenues.....	\$ 7,564	\$ 7,640	\$ 50,840	\$ 66,044	\$ 59,722
Expenditures:					
Current:					
Resource Management.....	\$ 1,835	\$ 11,827	\$ 48,537	\$ 62,199	\$ 60,715
Economic and Manpower Development.....	136	—	—	136	317
Education.....	49	—	—	49	183
Health and Social Services.....	193	—	—	193	185
General Government.....	50	—	—	50	640
Total Current Expenditures.....	\$ 2,263	\$ 11,827	\$ 48,537	\$ 62,627	\$ 62,040
Capital Outlay.....	2,250	1,001	480	3,731	1,924
Debt Service.....	—	15	279	294	302
Grants and Subsidies.....	4,449	2,846	1,396	8,691	9,127
Total Expenditures.....	\$ 8,962	\$ 15,689	\$ 50,692	\$ 75,343	\$ 73,393
Excess of Revenues Over (Under) Expenditures.....	\$ (1,398)	\$ (8,049)	\$ 148	\$ (9,299)	\$ (13,671)
Other Financing Sources (Uses):					
Operating Transfers—In.....	\$ 749	\$ 9,707	\$ —	\$ 10,456	\$ 10,260
Operating Transfers to Debt Service.....	—	—	(35)	(35)	(35)
Other Operating Transfers—Out.....	—	—	—	—	(1,000)
Net Other Financing Sources (Uses).....	\$ 749	\$ 9,707	\$ (35)	\$ 10,421	\$ 9,225
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (649)	\$ 1,658	\$ 113	\$ 1,122	\$ (4,446)
Fund Balances, July 1.....	4,685	14,139	12,662	31,486	35,928
Residual Equity Transfers—In.....	—	—	—	—	4
Residual Equity Transfers—Out.....	(2,000)	—	—	(2,000)	—
Fund Balances, June 30.....	\$ 2,036	\$ 15,797	\$ 12,775	\$ 30,608	\$ 31,486

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, 1992 (IN THOUSANDS)

	MINNESOTA RESOURCES			NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Tobacco Taxes.....	\$ 7,583	\$ 7,286	\$ (297)	\$ —	\$ —	\$ —
Federal Revenues.....	—	—	—	—	—	—
License Fees.....	—	—	—	5,973	5,787	(186)
Departmental Services.....	—	—	—	205	210	5
Investment Income.....	—	268	268	322	286	(36)
Other Revenues.....	73	397	324	1,462	1,361	(101)
Net Revenues.....	\$ 7,656	\$ 7,951	\$ 295	\$ 7,962	\$ 7,644	\$ (318)
Expenditures:						
Resource Management.....	\$ 3,738	\$ 3,738	\$ —	\$ 17,988	\$ 16,815	\$ 1,173
Economic and Manpower Development.....	305	305	—	—	—	—
Education.....	2,928	2,928	—	—	—	—
General Government.....	659	659	—	—	—	—
Total Expenditures.....	\$ 7,630	\$ 7,630	\$ —	\$ 17,988	\$ 16,815	\$ 1,173
Excess of Revenues Over (Under) Expenditures.....	\$ 26	\$ 321	\$ 295	\$ (10,026)	\$ (9,171)	\$ 855
Other Financing Sources (Uses):						
Operating Transfers—In.....	\$ 49	\$ 49	\$ —	\$ 9,522	\$ 9,522	\$ —
Operating Transfers to Debt Service.....	—	—	—	—	—	—
Other Operating Transfers—Out.....	(2,000)	(2,000)	—	—	—	—
Net Other Financing Sources (Uses).....	\$ (1,951)	\$ (1,951)	\$ —	\$ 9,522	\$ 9,522	\$ —
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (1,925)	\$ (1,630)	\$ 295	\$ (504)	\$ 351	\$ 855
Fund Balances, July 1, 1991, as Reported.....	2,070	2,070	—	6,832	6,832	—
Prior Year Adjustments.....	—	87	87	—	469	469
Fund Balances, June 30, 1992.....	\$ 145	\$ 527	\$ 382	\$ 6,328	\$ 7,652	\$ 1,324
Less Appropriation Carryover.....	—	522	(522)	—	—	—
Undesignated Fund Balances, June 30, 1992.....	\$ 145	\$ 5	\$ (140)	\$ 6,328	\$ 7,652	\$ 1,324

GAME AND FISH			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 7,583	\$ 7,286	\$ (297)
12,700	12,090	(610)	12,700	12,090	(610)
37,961	36,040	(1,921)	43,934	41,827	(2,107)
492	634	142	697	844	147
1,400	823	(577)	1,722	1,377	(345)
447	723	276	1,982	2,481	499
<u>\$ 53,000</u>	<u>\$ 50,310</u>	<u>\$ (2,690)</u>	<u>\$ 68,618</u>	<u>\$ 65,905</u>	<u>\$ (2,713)</u>
\$ 52,867	\$ 51,242	\$ 1,625	\$ 74,593	\$ 71,795	\$ 2,798
-	-	-	305	305	-
-	-	-	2,928	2,928	-
-	-	-	659	659	-
<u>\$ 52,867</u>	<u>\$ 51,242</u>	<u>\$ 1,625</u>	<u>\$ 78,485</u>	<u>\$ 75,687</u>	<u>\$ 2,798</u>
\$ 133	\$ (932)	\$ (1,065)	\$ (9,867)	\$ (9,782)	\$ 85
\$ -	\$ -	\$ -	\$ 9,571	\$ 9,571	\$ -
(35)	(35)	-	(35)	(35)	-
-	-	-	(2,000)	(2,000)	-
<u>\$ (35)</u>	<u>\$ (35)</u>	<u>\$ -</u>	<u>\$ 7,536</u>	<u>\$ 7,536</u>	<u>\$ -</u>
\$ 98	\$ (967)	\$ (1,065)	\$ (2,331)	\$ (2,246)	\$ 85
5,329	5,329	-	14,231	14,231	-
-	326	326	-	882	882
<u>\$ 5,427</u>	<u>\$ 4,688</u>	<u>\$ (739)</u>	<u>\$ 11,900</u>	<u>\$ 12,867</u>	<u>\$ 967</u>
-	543	(543)	-	1,065	(1,065)
<u>\$ 5,427</u>	<u>\$ 4,145</u>	<u>\$ (1,282)</u>	<u>\$ 11,900</u>	<u>\$ 11,802</u>	<u>\$ (98)</u>

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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 fund type follow.

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

The *Reinvest in Minnesota Fund* receives general obligation bond proceeds and donations for the acquisition and betterment of public land and conservation easements.

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, 1992 (IN THOUSANDS)

					TOTALS	
	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	JUNE 30, 1992	JUNE 30, 1991
ASSETS						
Cash and Cash Equivalents.....	\$ 20,804	\$ 2,078	\$ 3,453	\$ 32,664	\$ 58,999	\$ 67,293
Investments.....	—	—	—	3,900	3,900	2,700
Interfund Receivables.....	—	—	—	—	—	17,152
Accrued Investment/Interest Income.....	8	—	—	15	23	43
Loans Receivable.....	102	—	—	13,893	13,995	17,346
Total Assets.....	\$ 20,914	\$ 2,078	\$ 3,453	\$ 50,472	\$ 76,917	\$ 104,534
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable.....	\$ 988	\$ 322	\$ 185	\$ 29,657	\$ 31,152	\$ 30,490
Interfund Payables.....	194	—	—	2,771	2,965	28,603
Deferred Revenue.....	—	—	—	700	700	—
Total Liabilities.....	\$ 1,182	\$ 322	\$ 185	\$ 33,128	\$ 34,817	\$ 59,093
Fund Balances:						
Reserved Fund Balances:						
Reserved for Long-Term Receivables.....	\$ 98	\$ —	\$ —	\$ 13,871	\$ 13,969	\$ 17,346
Reserved for Long-Term Commitments.....	1,951	1,756	3,268	9,600	16,575	13,591
Total Reserved Fund Balances.....	\$ 2,049	\$ 1,756	\$ 3,268	\$ 23,471	\$ 30,544	\$ 30,937
Unreserved Fund Balances:						
Undesignated.....	17,683	—	—	(6,127)	11,556	14,504
Total Fund Balances.....	\$ 19,732	\$ 1,756	\$ 3,268	\$ 17,344	\$ 42,100	\$ 45,441
Total Liabilities and Fund Balances.....	\$ 20,914	\$ 2,078	\$ 3,453	\$ 50,472	\$ 76,917	\$ 104,534

STATE OF MINNESOTA

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	TOTALS FOR THE YEAR ENDED	
					JUNE 30, 1992	JUNE 30, 1991
Net Revenues:						
Federal Revenues.....	\$ -	\$ -	\$ 211	\$ -	\$ 211	\$ -
Investment/Interest Income.....	7	27	-	9,036	9,070	14,321
Other Revenues.....	-	98	-	1,365	1,463	220
Net Revenues.....	\$ 7	\$ 125	\$ 211	\$ 10,401	\$ 10,744	\$ 14,541
Expenditures:						
Current:						
Protection of Persons and Property.....	\$ 7	\$ -	\$ -	\$ 216	\$ 223	\$ 243
Resource Management.....	-	2,694	-	5,589	8,283	8,085
Economic and Manpower Development.....	-	-	-	54	54	439
Education.....	276	-	-	9,934	10,210	12,031
Health and Social Services.....	363	-	-	5,274	5,637	8,548
General Government.....	1,266	-	-	10,412	11,678	9,541
Total Current Expenditures.....	\$ 1,912	\$ 2,694	\$ -	\$ 31,479	\$ 36,085	\$ 38,887
Capital Outlay.....	49	1,136	451	44,241	45,877	62,840
Grants and Subsidies.....	1,989	-	6,588	85,851	94,428	93,775
Total Expenditures.....	\$ 3,950	\$ 3,830	\$ 7,039	\$ 161,571	\$ 176,390	\$ 195,502
Excess of Revenues Over (Under) Expenditures.....	\$ (3,943)	\$ (3,705)	\$ (6,828)	\$ (151,170)	\$ (165,646)	\$ (180,961)
Other Financing Sources (Uses):						
General Obligation Bonds.....	\$ -	\$ 1,500	\$ 2,000	\$ 169,040	\$ 172,540	\$ 180,700
Operating Transfers-In.....	1,489	-	-	-	1,489	40,785
Operating Transfers to Debt Service.....	-	-	-	(12,900)	(12,900)	(22,581)
Other Operating Transfers-Out.....	(194)	-	-	(57)	(251)	(21,559)
Net Other Financing Sources (Uses).....	\$ 1,295	\$ 1,500	\$ 2,000	\$ 156,083	\$ 160,878	\$ 177,345
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (2,648)	\$ (2,205)	\$ (4,828)	\$ 4,913	\$ (4,768)	\$ (3,616)
Fund Balances, July 1.....	20,672	3,961	8,096	12,712	45,441	60,728
Residual Equity Transfers-In.....	1,755	-	-	-	1,755	-
Residual Equity Transfers-Out.....	(47)	-	-	(281)	(328)	(11,671)
Fund Balances, June 30.....	\$ 19,732	\$ 1,756	\$ 3,268	\$ 17,344	\$ 42,100	\$ 45,441

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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. Individual enterprise funds are described below.

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

The *Higher Education Facilities Authority Fund* assists private nonprofit, nonsectarian post secondary educational institutions in financing construction of education facilities.

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

The *Higher Education Coordinating Board Student Loan Fund* makes and guarantees loans to qualified post secondary students.

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

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%), with the remainder transferred to the General Fund.

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

The *Minnesota Correctional Industries Fund* facilitates prisoner rehabilitation by providing facilities and assistance for manufacturing and marketing goods to the general public.

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

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

STATE OF MINNESOTA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1992
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
ASSETS				
Cash and Cash Equivalents.....	\$ 389,983	\$ 1,324	\$ 3,123	\$ 21,486
Investments.....	268,102	—	16,259	19,304
Accounts Receivable.....	4,892	—	980	—
Interfund Receivables.....	4	—	—	—
Accrued Investment/Interest Income.....	25,056	—	576	1,757
Inventories.....	9,548	—	—	—
Deferred Costs.....	26,444	—	447	450
Restricted Assets:				
Cash and Cash Equivalents.....	123,173	34,658	—	7,240
Investments.....	194,623	20,622	21,921	20,570
Loans/Financing Leases Receivable.....	—	123,216	—	—
Other Restricted Assets.....	—	307	—	—
Loans Receivable.....	1,567,912	—	—	186,806
Fixed Assets (Net).....	801	36	53,911	12
Other Assets.....	—	5	—	158
Total Assets.....	<u>\$ 2,610,538</u>	<u>\$ 180,168</u>	<u>\$ 97,217</u>	<u>\$ 257,783</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable.....	\$ 3,225	\$ 21	\$ —	\$ 576
Interfund Payables.....	—	—	—	—
Deferred Revenue.....	720	4	893	—
Payable from Restricted Assets:				
Accounts Payable.....	—	—	3,610	—
Revenue Bonds Payable.....	112,805	173,888	405	3,000
Revenue Bonds Interest Payable.....	92,770	2,453	—	120
General Obligation Bonds Payable.....	—	—	200	—
General Obligation Bonds Interest Payable.....	—	—	90	—
Other Payable from Restricted Assets.....	—	64	—	—
Notes Payable.....	—	—	—	—
Revenue Bonds Payable.....	1,859,613	—	18,695	55,546
General Obligation Bonds Payable.....	—	—	4,025	—
Compensated Absences Payable.....	375	29	899	90
Advances from Other Funds.....	—	—	—	—
Arbitrage Payable.....	—	—	207	—
Funds Held in Trust.....	138,665	—	—	—
Other Liabilities.....	—	—	—	—
Total Liabilities.....	<u>\$ 2,208,173</u>	<u>\$ 176,459</u>	<u>\$ 29,024</u>	<u>\$ 59,332</u>
Fund Equity:				
Contributed Capital.....	\$ —	\$ —	\$ 4,028	\$ —
Reserved Retained Earnings:				
Reserved for Debt Requirements.....	\$ 361,260	\$ 2,399	\$ 16,510	\$ 24,691
Reserved per Law.....	41,105	—	—	—
Total Reserved Retained Earnings.....	\$ 402,365	\$ 2,399	\$ 16,510	\$ 24,691
Unreserved Retained Earnings.....	—	1,310	47,655	173,760
Total Retained Earnings.....	<u>\$ 402,365</u>	<u>\$ 3,709</u>	<u>\$ 64,165</u>	<u>\$ 198,451</u>
Total Fund Equity.....	<u>\$ 402,365</u>	<u>\$ 3,709</u>	<u>\$ 68,193</u>	<u>\$ 198,451</u>
Total Liabilities and Fund Equity.....	<u>\$ 2,610,538</u>	<u>\$ 180,168</u>	<u>\$ 97,217</u>	<u>\$ 257,783</u>

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS	
						JUNE 30, 1992	JUNE 30, 1991
\$ -	\$ 3,950	\$ 8,899	\$ 1,280	\$ 2,951	\$ 1,137	\$ 434,133	\$ 333,112
-	6,859	2,298	-	-	-	312,822	263,512
-	3,722	2,475	2,122	1,805	208	16,204	11,635
-	-	-	-	-	-	4	-
-	72	14	-	-	-	27,475	32,427
-	1,675	3,745	7,039	-	437	22,444	13,023
-	-	10	-	-	5	27,356	28,825
16,500	-	374	-	-	-	181,945	190,305
153,670	614	-	-	-	-	412,020	344,944
186,590	-	-	-	-	-	309,806	238,183
47,614	-	-	-	-	-	47,921	37,659
-	-	30,947	-	-	-	1,785,665	1,796,001
45	3,760	4,682	2,143	-	552	65,942	56,278
-	-	-	15	-	-	178	207
<u>\$ 404,419</u>	<u>\$ 20,652</u>	<u>\$ 53,444</u>	<u>\$ 12,599</u>	<u>\$ 4,756</u>	<u>\$ 2,339</u>	<u>\$ 3,643,915</u>	<u>\$ 3,346,111</u>
\$ -	\$ 15,870	\$ 1,893	\$ 598	\$ 997	\$ 368	\$ 23,548	\$ 21,101
-	3,497	-	-	2,044	250	5,791	3,448
-	273	2	-	-	49	1,941	2,473
112	614	-	-	-	-	4,336	4,802
274,167	-	-	-	-	-	564,265	412,507
4,653	-	-	-	-	-	99,996	95,098
-	-	-	-	-	-	200	200
-	-	-	-	-	-	90	94
142	-	-	-	-	-	206	324
-	-	20	-	-	-	20	21
-	-	1,190	-	-	-	1,935,044	1,866,160
-	-	-	-	-	-	4,025	4,225
-	398	174	479	489	89	3,022	2,863
-	-	-	-	-	16	16	40
-	-	-	-	-	-	207	308
-	-	-	-	-	-	138,665	141,665
-	-	-	174	-	-	174	81
<u>\$ 279,074</u>	<u>\$ 20,652</u>	<u>\$ 3,279</u>	<u>\$ 1,251</u>	<u>\$ 3,530</u>	<u>\$ 772</u>	<u>\$ 2,781,546</u>	<u>\$ 2,555,410</u>
<u>\$ 124,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,344</u>	<u>\$ 5,462</u>	<u>\$ 990</u>	<u>\$ 140,013</u>	<u>\$ 104,208</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,860	\$ 388,376
-	-	30,768	-	-	-	71,873	67,596
\$ -	\$ -	\$ 30,768	\$ -	\$ -	\$ -	\$ 476,733	\$ 455,972
1,156	-	19,397	6,004	(4,236)	577	245,623	230,521
<u>\$ 1,156</u>	<u>\$ -</u>	<u>\$ 50,165</u>	<u>\$ 6,004</u>	<u>\$ (4,236)</u>	<u>\$ 577</u>	<u>\$ 722,356</u>	<u>\$ 686,493</u>
<u>\$ 125,345</u>	<u>\$ -</u>	<u>\$ 50,165</u>	<u>\$ 11,348</u>	<u>\$ 1,226</u>	<u>\$ 1,567</u>	<u>\$ 862,369</u>	<u>\$ 790,701</u>
<u>\$ 404,419</u>	<u>\$ 20,652</u>	<u>\$ 53,444</u>	<u>\$ 12,599</u>	<u>\$ 4,756</u>	<u>\$ 2,339</u>	<u>\$ 3,643,915</u>	<u>\$ 3,346,111</u>

STATE OF MINNESOTA

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
Operating Revenues:				
Net Sales.....	\$ -	\$ -	\$ -	\$ -
Interest Income.....	134,390	-	-	12,194
Investment Income.....	45,465	-	-	-
Rental and Service Fees.....	3,450	8,782	36,801	-
Other Income.....	-	-	-	-
Total Operating Revenues.....	\$ 183,305	\$ 8,782	\$ 36,801	\$ 12,194
Less Cost of Goods Sold.....	-	-	-	-
Gross Margin.....	\$ 183,305	\$ 8,782	\$ 36,801	\$ 12,194
Operating Expenses:				
Interest and Financing Costs.....	\$ 147,112	\$ 10,437	\$ -	\$ 2,369
Purchased Services.....	7,739	83	16,704	2,548
Salaries and Fringe Benefits.....	5,323	150	11,497	1,099
Depreciation.....	358	8	3,256	16
Amortization.....	2,584	298	17	298
Supplies and Materials.....	215	-	2,324	68
Indirect Costs.....	104	-	-	87
Other Expenses.....	3,147	40	-	897
Total Operating Expenses.....	\$ 166,582	\$ 11,016	\$ 33,798	\$ 7,382
Operating Income (Loss).....	\$ 16,723	\$ (2,234)	\$ 3,003	\$ 4,812
Nonoperating Revenues (Expenses):				
Investment Income.....	\$ -	\$ 2,613	\$ 2,923	\$ 3,878
Grants and Subsidies.....	63,043	-	-	705
Other Nonoperating Revenues.....	-	-	107	-
Interest and Financing Costs.....	-	-	(1,545)	-
Grants, Aids and Subsidies.....	(71,796)	-	-	-
Other Nonoperating Expenses.....	-	(238)	-	-
Gain (Loss) on Sale of Fixed Assets.....	-	-	(4)	-
Total Nonoperating Revenues (Expenses).....	\$ (8,753)	\$ 2,375	\$ 1,481	\$ 4,583
Income (Loss) Before Operating Transfers.....	\$ 7,970	\$ 141	\$ 4,484	\$ 9,395
Operating Transfers—In.....	13,584	-	-	-
Operating Transfers—Out.....	(175)	-	-	-
Net Income (Loss) before Extraordinary Item.....	\$ 21,379	\$ 141	\$ 4,484	\$ 9,395
Extraordinary Loss on Debt Extinguishment.....	(3,692)	-	-	-
Net Income (Loss).....	\$ 17,687	\$ 141	\$ 4,484	\$ 9,395
Depreciation on Fixed Assets Acquired with Contributed Capital.....	-	-	353	-
Increase (Decrease) in Retained Earnings.....	\$ 17,687	\$ 141	\$ 4,837	\$ 9,395
Retained Earnings, July 1, as Reported.....	\$ 384,678	\$ 3,568	\$ 59,328	\$ 189,056
Prior Period Adjustments.....	-	-	-	-
Retained Earnings, July 1, as Restated.....	\$ 384,678	\$ 3,568	\$ 59,328	\$ 189,056
Residual Equity Transfers—Out.....	-	-	-	-
Retained Earnings, June 30.....	\$ 402,365	\$ 3,709	\$ 64,165	\$ 198,451

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED	
						JUNE 30, 1992	JUNE 30, 1991
\$ -	\$ 297,603	\$ 19,196	\$ 11,357	\$ -	\$ 2,402	\$ 330,558	\$ 359,280
9,111	-	831	-	-	-	156,526	152,584
9,566	-	-	-	-	-	55,031	55,577
-	-	966	24	10,603	553	61,179	59,201
-	151	384	18	-	-	553	957
\$ 18,677	\$ 297,754	\$ 21,377	\$ 11,399	\$ 10,603	\$ 2,955	\$ 603,847	\$ 627,599
-	219,252	10,582	11,249	-	912	241,995	252,901
\$ 18,677	\$ 78,502	\$ 10,795	\$ 150	\$ 10,603	\$ 2,043	\$ 361,852	\$ 374,698
\$ 15,571	\$ 118	\$ -	\$ -	\$ -	\$ -	\$ 175,607	\$ 167,622
79	15,134	1,374	498	236	489	44,884	51,340
717	7,146	4,155	2,639	8,476	1,052	42,254	42,329
22	971	224	324	-	124	5,303	4,507
152	-	-	-	-	-	3,349	2,630
5	1,299	890	112	957	149	6,019	5,224
162	-	-	106	369	97	925	859
-	222	1,001	24	413	-	5,744	10,241
\$ 16,708	\$ 24,890	\$ 7,644	\$ 3,703	\$ 10,451	\$ 1,911	\$ 284,085	\$ 284,752
\$ 1,969	\$ 53,612	\$ 3,151	\$ (3,553)	\$ 152	\$ 132	\$ 77,767	\$ 89,946
\$ -	\$ 1,039	\$ 438	\$ 81	\$ 115	\$ -	\$ 11,087	\$ 14,361
-	-	291	-	-	-	64,039	64,598
-	-	132	-	-	-	239	2,409
-	-	(105)	-	-	-	(1,650)	(1,853)
-	-	(1,143)	-	-	-	(72,939)	(73,821)
-	-	(23)	-	-	-	(261)	(238)
-	-	5	(3)	-	-	(2)	(199)
\$ -	\$ 1,039	\$ (405)	\$ 78	\$ 115	\$ -	\$ 513	\$ 5,257
\$ 1,969	\$ 54,651	\$ 2,746	\$ (3,475)	\$ 267	\$ 132	\$ 78,280	\$ 95,203
-	-	17	4,308	896	-	18,805	14,754
-	(54,651)	(775)	-	(2,047)	-	(57,648)	(68,019)
\$ 1,969	\$ -	\$ 1,988	\$ 833	\$ (884)	\$ 132	\$ 39,437	\$ 41,938
-	-	-	-	-	-	(3,692)	(1,320)
\$ 1,969	\$ -	\$ 1,988	\$ 833	\$ (884)	\$ 132	\$ 35,745	\$ 40,618
-	-	-	-	-	15	368	367
\$ 1,969	\$ -	\$ 1,988	\$ 833	\$ (884)	\$ 147	\$ 36,113	\$ 40,985
\$ (813)	\$ -	\$ 48,177	\$ 5,171	\$ 2,110	\$ 680	\$ 691,955	\$ 645,508
-	-	-	-	(5,462)	-	(5,462)	-
\$ (813)	\$ -	\$ 48,177	\$ 5,171	\$ (3,352)	\$ 680	\$ 686,493	\$ 645,508
-	-	-	-	-	(250)	(250)	-
\$ 1,156	\$ -	\$ 50,165	\$ 6,004	\$ (4,236)	\$ 577	\$ 722,356	\$ 686,493

STATE OF MINNESOTA

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
Cash Flows from Operating Activities:				
Operating Income (Loss).....	\$ 16,723	\$ (2,234)	\$ 3,003	\$ 4,812
Adjustments to Reconcile Operating Income to				
Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 358	\$ 8	\$ 3,256	\$ 16
Amortization.....	2,584	298	17	298
Investment Income.....	(45,465)	—	—	—
Interest and Financing Costs.....	147,112	10,437	—	2,369
Loan Principal Repayments.....	167,564	1,480	—	23,938
Loans Issued.....	(144,226)	(27,887)	—	(43,477)
Provision for Loan Defaults.....	3,147	—	—	897
Customer Deposits.....	42,536	—	—	—
Return of Customer Deposits.....	(45,606)	—	—	—
Change in Assets and Liabilities:				
Accounts Receivable.....	(3,468)	—	(460)	—
Inventories.....	(6,134)	—	—	—
Other Assets.....	541	10	—	358
Accounts Payable.....	749	(38)	(435)	170
Deferred Revenues.....	(340)	(17)	(192)	—
Other Liabilities.....	2	—	12	3
Net Reconciling Items to be Added (Deducted)				
from Operating Income.....	\$ 119,354	\$ (15,709)	\$ 2,198	\$ (15,428)
Net Cash Flows from Operating Activities.....	\$ 136,077	\$ (17,943)	\$ 5,201	\$ (10,616)
Cash Flows from Noncapital Financing Activities:				
Grant Receipts.....	\$ 63,043	\$ —	\$ 107	\$ 705
Grant Disbursements.....	(71,796)	—	—	—
Transfers—In.....	13,584	—	—	—
Transfers—Out.....	(175)	—	—	—
Capital Contributions.....	—	—	—	—
Repayments of Advances from Other Funds.....	—	—	—	—
Proceeds from Bond Sales.....	418,196	—	—	—
Repayment of Bond Principal.....	(288,760)	—	—	(9,800)
Bond Issuance Costs.....	(3,648)	—	—	—
Interest Paid.....	(142,497)	—	—	(2,451)
Net Cash Flows from Noncapital Financing Activities.....	\$ (12,053)	\$ —	\$ 107	\$ (11,546)
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets.....	\$ (421)	\$ (8)	\$ (12,281)	\$ —
Proceeds from the Sale of Fixed Assets.....	—	—	3	—
Collection of Financing Leases Receivable.....	—	6,322	—	—
Proceeds from Bond Sales.....	—	49,136	—	—
Repayment of Bond Principal.....	—	(22,034)	(580)	—
Bond Issuance Costs.....	—	—	—	—
Interest Paid.....	—	(10,462)	(2,587)	—
Net Cash Flows from Capital and Related Financing Activities.....	\$ (421)	\$ 22,954	\$ (15,445)	\$ —
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ 400,365	\$ 35,439	\$ 67,332	\$ 140,313
Purchase of Investments.....	(467,105)	(28,279)	(63,962)	(143,444)
Investment Earnings.....	48,850	2,350	3,292	4,019
Net Cash Flows from Investing Activities.....	\$ (17,890)	\$ 9,510	\$ 6,662	\$ 888
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 105,713	\$ 14,521	\$ (3,475)	\$ (21,274)
Cash and Cash Equivalents, July 1.....	407,443	21,461	6,598	50,000
Cash and Cash Equivalents, June 30.....	\$ 513,156	\$ 35,982	\$ 3,123	\$ 28,726

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED	
						JUNE 30, 1992	JUNE 30, 1991
\$ 1,969	\$ 53,612	\$ 3,151	\$ (3,553)	\$ 152	\$ 132	\$ 77,767	\$ 89,946
\$ 22	\$ 971	\$ 224	\$ 324	\$ —	\$ 124	\$ 5,303	\$ 4,507
152	—	—	—	—	—	3,349	2,630
(9,566)	—	—	—	—	—	(55,031)	(55,577)
15,571	118	—	—	—	—	175,607	167,622
1,162	—	6,656	—	—	—	200,800	163,008
(52,702)	—	(7,442)	—	—	—	(275,734)	(359,434)
—	—	199	—	—	—	4,243	6,690
—	—	—	—	—	—	42,536	46,209
—	—	—	—	—	—	(45,606)	(51,093)
—	(1,057)	(259)	750	(129)	55	(4,568)	(2,024)
—	(1,130)	(326)	(1,836)	—	(4)	(9,430)	(966)
(1,364)	—	(14)	1	—	(3)	(471)	(2,067)
(62)	1,236	713	108	1,302	(129)	3,614	8,522
—	125	(58)	—	—	(48)	(530)	(215)
(76)	28	97	119	(138)	(1)	46	1,300
\$ (46,863)	\$ 291	\$ (210)	\$ (534)	\$ 1,035	\$ (6)	\$ 44,128	\$ (70,888)
\$ (44,894)	\$ 53,903	\$ 2,941	\$ (4,087)	\$ 1,187	\$ 126	\$ 121,895	\$ 19,058
\$ —	\$ —	\$ 413	\$ —	\$ —	\$ —	\$ 64,268	\$ 65,038
—	—	(1,166)	—	—	—	(72,922)	(73,922)
—	—	114	4,308	896	—	18,902	14,754
—	(54,108)	(872)	—	(2,047)	—	(57,202)	(68,545)
28,677	—	—	416	—	13	29,106	47,954
—	—	—	—	—	(24)	(24)	(27)
88,536	—	—	—	—	—	506,732	320,270
(15,305)	—	—	—	—	—	(313,865)	(148,288)
(1,287)	—	—	—	—	—	(4,935)	(4,601)
(13,365)	(118)	—	—	—	—	(158,431)	(149,163)
\$ 87,256	\$ (54,226)	\$ (1,511)	\$ 4,724	\$ (1,151)	\$ (11)	\$ 11,589	\$ 3,470
\$ (67)	\$ (959)	\$ (570)	\$ (547)	\$ —	\$ (104)	\$ (14,957)	\$ (12,508)
—	—	21	8	—	6	38	128
—	—	—	—	—	—	6,322	4,603
—	—	—	—	—	—	49,136	47,760
—	—	(40)	—	—	—	(22,654)	(17,711)
—	—	—	—	—	—	—	(46)
—	—	(105)	—	—	—	(13,154)	(9,303)
\$ (67)	\$ (959)	\$ (694)	\$ (539)	\$ —	\$ (98)	\$ 4,731	\$ 12,923
\$ 88,366	\$ 18,528	\$ —	\$ —	\$ —	\$ —	\$ 750,343	\$ 711,849
(142,646)	(17,293)	(2,150)	—	—	—	(864,879)	(733,446)
8,621	1,100	554	81	115	—	68,982	67,848
\$ (45,659)	\$ 2,335	\$ (1,596)	\$ 81	\$ 115	\$ —	\$ (45,554)	\$ 46,251
\$ (3,364)	\$ 1,053	\$ (860)	\$ 179	\$ 151	\$ 17	\$ 92,661	\$ 81,702
19,864	2,897	10,133	1,101	2,800	1,120	523,417	441,715
\$ 16,500	\$ 3,950	\$ 9,273	\$ 1,280	\$ 2,951	\$ 1,137	\$ 616,078	\$ 523,417

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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 *Computer Services Fund* accounts for the operation of statewide computer 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 *Telecommunications Fund* accounts for the operation of a centralized telephone system for most state agencies throughout the state.

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

The *Master Lease Fund* accounts for debt issued to finance major purchases of equipment by other internal service funds.

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, 1992
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	TELECOM- MUNICATIONS
ASSETS					
Cash and Cash Equivalents.....	\$ 12,365	\$ 155	\$ 777	\$ 622	\$ 5,181
Investments.....	-	-	-	-	-
Accounts Receivable.....	3,733	232	819	817	1,572
Interfund Receivables.....	-	-	-	-	-
Accrued Investment/Interest Income.....	-	-	-	-	-
Inventories.....	-	549	202	30	-
Deferred Costs.....	40	-	2	-	-
Financing Leases Receivable.....	-	-	-	-	168
Advances to Other Funds.....	900	-	-	-	-
Fixed Assets (Net).....	12,160	108	458	8,179	25
Total Assets.....	<u>\$ 29,198</u>	<u>\$ 1,044</u>	<u>\$ 2,258</u>	<u>\$ 9,648</u>	<u>\$ 6,946</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable.....	\$ 1,184	\$ 274	\$ 346	\$ 196	\$ 726
Interfund Payables.....	-	-	-	680	-
Accrued Interest Payable.....	107	-	1	35	1
Deferred Revenue.....	-	-	-	-	-
Loans Payable.....	16,111	-	-	6,463	190
Installment Purchases Payable.....	773	-	79	-	-
Revenue Bonds Payable.....	1,263	-	81	367	27
Compensated Absences Payable.....	1,026	36	116	31	36
Advances from Other Funds.....	-	-	28	1,125	5,030
Total Liabilities.....	<u>\$ 20,464</u>	<u>\$ 310</u>	<u>\$ 651</u>	<u>\$ 8,897</u>	<u>\$ 6,010</u>
Fund Equity:					
Contributed Capital.....	\$ 6	\$ 691	\$ 1,432	\$ 502	\$ 2,342
Retained Earnings:					
Reserved for Claims.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	8,728	43	175	249	(1,406)
Total Retained Earnings.....	<u>\$ 8,728</u>	<u>\$ 43</u>	<u>\$ 175</u>	<u>\$ 249</u>	<u>\$ (1,406)</u>
Total Fund Equity.....	<u>\$ 8,734</u>	<u>\$ 734</u>	<u>\$ 1,607</u>	<u>\$ 751</u>	<u>\$ 936</u>
Total Liabilities and Fund Equity.....	<u>\$ 29,198</u>	<u>\$ 1,044</u>	<u>\$ 2,258</u>	<u>\$ 9,648</u>	<u>\$ 6,946</u>

PLANT MANAGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS	
					JUNE 30, 1992	JUNE 30, 1991
\$ 1,805	\$ 316	\$ 71,644	\$ 3,651	\$ 308	\$ 96,824	\$ 77,897
—	823	—	—	—	823	1,272
4,305	—	7,697	60	457	19,692	17,092
—	2	—	—	—	2	—
—	3	—	—	—	3	10
198	—	—	—	29	1,008	1,038
1	—	—	283	—	326	283
—	—	—	—	—	168	256
—	—	—	—	—	900	—
1,392	—	101	8	320	22,751	31,242
<u>\$ 7,701</u>	<u>\$ 1,144</u>	<u>\$ 79,442</u>	<u>\$ 4,002</u>	<u>\$ 1,114</u>	<u>\$ 142,497</u>	<u>\$ 129,090</u>
\$ 1,187	\$ 60	\$ 5,857	\$ 3,274	\$ 235	\$ 13,339	\$ 15,782
1,504	—	—	—	11	2,195	231
1	5	—	—	1	151	182
8	—	—	190	1	199	264
62	—	—	—	109	22,935	22,187
—	—	—	—	—	852	4,090
57	840	—	—	—	2,635	5,525
510	—	61	4	139	1,959	1,889
—	—	—	—	36	6,219	1,791
<u>\$ 3,329</u>	<u>\$ 905</u>	<u>\$ 5,918</u>	<u>\$ 3,468</u>	<u>\$ 532</u>	<u>\$ 50,484</u>	<u>\$ 51,941</u>
\$ 653	\$ —	\$ —	\$ —	\$ 420	\$ 6,046	\$ 6,041
\$ —	\$ —	\$ 73,524	\$ —	\$ —	\$ 73,524	\$ 56,735
3,719	239	—	534	162	12,443	14,373
<u>\$ 3,719</u>	<u>\$ 239</u>	<u>\$ 73,524</u>	<u>\$ 534</u>	<u>\$ 162</u>	<u>\$ 85,967</u>	<u>\$ 71,108</u>
<u>\$ 4,372</u>	<u>\$ 239</u>	<u>\$ 73,524</u>	<u>\$ 534</u>	<u>\$ 582</u>	<u>\$ 92,013</u>	<u>\$ 77,149</u>
<u>\$ 7,701</u>	<u>\$ 1,144</u>	<u>\$ 79,442</u>	<u>\$ 4,002</u>	<u>\$ 1,114</u>	<u>\$ 142,497</u>	<u>\$ 129,090</u>

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	TELECOM- MUNICATIONS
Operating Revenues:					
Net Sales.....	\$ -	\$ 4,214	\$ 5,828	\$ -	\$ 9,592
Rental and Service Fees.....	35,151	-	17	5,044	-
Insurance Premiums.....	-	-	-	-	-
Other Income.....	57	-	-	116	-
Total Operating Revenues.....	\$ 35,208	\$ 4,214	\$ 5,845	\$ 5,160	\$ 9,592
Less Cost of Goods Sold.....	-	3,422	4,917	-	8,653
Gross Margin.....	\$ 35,208	\$ 792	\$ 928	\$ 5,160	\$ 939
Operating Expenses:					
Interest and Financing Costs.....	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Services.....	11,143	301	198	512	892
Salaries and Fringe Benefits.....	10,350	524	561	552	462
Claims.....	-	-	-	-	-
Depreciation.....	13,309	21	33	2,610	12
Amortization.....	135	4	2	-	-
Supplies and Materials.....	539	11	24	1,238	5
Indirect Costs.....	677	139	187	140	79
Other Expenses.....	59	-	-	10	-
Total Operating Expenses.....	\$ 36,212	\$ 1,000	\$ 1,005	\$ 5,062	\$ 1,450
Operating Income (Loss).....	\$ (1,004)	\$ (208)	\$ (77)	\$ 98	\$ (511)
Nonoperating Revenues (Expenses):					
Investment Income.....	\$ 1,157	\$ -	\$ 1	\$ 414	\$ -
Interest and Financing Costs.....	(1,558)	-	(14)	(518)	(20)
Gain (Loss) on Sale of Fixed Assets.....	(184)	-	(17)	33	-
Net Nonoperating Revenues (Expenses).....	\$ (585)	\$ -	\$ (30)	\$ (71)	\$ (20)
Income (Loss) Before Operating Transfers.....	\$ (1,589)	\$ (208)	\$ (107)	\$ 27	\$ (531)
Operating Transfers—In.....	49	-	1	36	3
Operating Transfers—Out.....	-	-	-	(40)	-
Net Income (Loss).....	\$ (1,540)	\$ (208)	\$ (106)	\$ 23	\$ (528)
Depreciation on Fixed Assets Acquired with Contributed Capital.....	-	-	-	-	-
Increase (Decrease) in Retained Earnings.....	\$ (1,540)	\$ (208)	\$ (106)	\$ 23	\$ (528)
Retained Earnings, July 1, as Reported.....	\$ 9,020	\$ 251	\$ 281	\$ 226	\$ 370
Changes in Reporting Entity.....	1,248	-	-	-	(1,248)
Retained Earnings, July 1, as Restated.....	\$ 10,268	\$ 251	\$ 281	\$ 226	\$ (878)
Retained Earnings, June 30.....	\$ 8,728	\$ 43	\$ 175	\$ 249	\$ (1,406)

PLANT MANGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED	
					JUNE 30, 1992	JUNE 30, 1991
\$ 762	\$ —	\$ —	\$ —	\$ 1,581	\$ 21,977	\$ 21,494
19,511	—	—	—	1,748	61,471	57,687
—	—	187,642	2,147	—	189,789	182,959
356	—	46	—	—	575	473
\$ 20,629	\$ —	\$ 187,688	\$ 2,147	\$ 3,329	\$ 273,812	\$ 262,613
—	—	—	—	66	17,058	16,373
\$ 20,629	\$ —	\$ 187,688	\$ 2,147	\$ 3,263	\$ 256,754	\$ 246,240
\$ —	\$ 80	\$ —	\$ —	\$ —	\$ 80	\$ 132
6,427	6	76,035	911	818	97,243	84,926
6,169	—	1,114	46	1,812	21,590	21,007
—	—	99,809	2,220	—	102,029	90,783
111	—	80	3	187	16,366	13,241
44	—	—	—	—	185	282
640	—	10	1	474	2,942	3,088
347	—	161	7	67	1,804	2,093
1	—	423	—	23	516	659
\$ 13,739	\$ 86	\$ 177,632	\$ 3,188	\$ 3,381	\$ 242,755	\$ 216,211
\$ 6,890	\$ (86)	\$ 10,056	\$ (1,041)	\$ (118)	\$ 13,999	\$ 30,029
\$ 3	\$ 92	\$ 4,928	\$ 267	\$ 5	\$ 6,867	\$ 6,554
(11)	—	(45)	—	(7)	(2,173)	(2,133)
3	—	—	—	21	(144)	(323)
\$ (5)	\$ 92	\$ 4,883	\$ 267	\$ 19	\$ 4,550	\$ 4,098
\$ 6,885	\$ 6	\$ 14,939	\$ (774)	\$ (99)	\$ 18,549	\$ 34,127
1	—	1,850	—	—	1,940	1,486
(5,502)	(90)	—	—	—	(5,632)	(2,214)
\$ 1,384	\$ (84)	\$ 16,789	\$ (774)	\$ (99)	\$ 14,857	\$ 33,399
1	—	—	—	1	2	2
\$ 1,385	\$ (84)	\$ 16,789	\$ (774)	\$ (98)	\$ 14,859	\$ 33,401
\$ 2,334	\$ 323	\$ 56,735	\$ 1,308	\$ 260	\$ 71,108	37,707
—	—	—	—	—	—	—
\$ 2,334	\$ 323	\$ 56,735	\$ 1,308	\$ 260	\$ 71,108	\$ 37,707
\$ 3,719	\$ 239	\$ 73,524	\$ 534	\$ 162	\$ 85,967	\$ 71,108

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	TELECOM- MUNICATIONS
Cash Flows from Operating Activities:					
Operating Income (Loss).....	\$ (1,004)	\$ (208)	\$ (77)	\$ 98	\$ (511)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation.....	\$ 13,309	\$ 21	\$ 165	\$ 2,610	\$ 12
Amortization.....	135	4	2	-	-
Interest and Financing Costs.....	-	-	-	-	-
Customer Deposits.....	-	-	-	-	-
Change in Assets and Liabilities:					
Accounts Receivable.....	1,724	91	(59)	(119)	(224)
Inventories.....	-	54	(6)	(3)	-
Other Assets.....	-	-	-	-	-
Accounts Payable.....	(1,232)	6	63	23	(49)
Compensated Absences Payable.....	-	2	10	(2)	-
Deferred Revenues.....	-	-	-	-	-
Other Liabilities.....	-	-	(13)	-	-
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ 13,936	\$ 178	\$ 162	\$ 2,509	\$ (261)
Net Cash Flows from Operating Activities.....	\$ 12,932	\$ (30)	\$ 85	\$ 2,607	\$ (772)
Cash Flows from Noncapital Financing Activities:					
Transfers - In.....	\$ 49	\$ -	\$ 1	\$ 36	\$ 3
Transfers - Out.....	-	-	-	(40)	-
Capital Contributions.....	-	-	-	-	-
Advances from Other Funds.....	-	-	-	-	4,384
Repayments of Advances from Other Funds.....	-	-	-	-	(320)
Advances to Other Funds.....	(484)	-	-	-	-
Interest Paid.....	-	-	-	-	-
Net Cash Flows from Noncapital Financing Activities.....	\$ (435)	\$ -	\$ 1	\$ (4)	\$ 4,067
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets.....	\$ (6,212)	\$ (16)	\$ (71)	\$ (2,416)	\$ (2)
Proceeds from the Sale of Fixed Assets.....	346	-	9	534	-
Advances from Other Funds.....	-	-	-	3,200	-
Repayments of Advances from Other Funds.....	-	-	(9)	(2,737)	-
Proceeds from Loans.....	4,977	-	-	2,425	-
Repayment of Loan Principal.....	(4,289)	-	-	(2,541)	(55)
Collection of Financing Leases Receivable.....	-	-	-	-	87
Financing Leases Issued.....	-	-	-	-	-
Repayment of Installment Contracts.....	(3,183)	-	(20)	-	-
Repayment of Bond Principal.....	(1,228)	-	(75)	(954)	(62)
Bond Issuance Costs.....	-	-	-	-	-
Interest Paid.....	(1,579)	-	(14)	(525)	(21)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (11,168)	\$ (16)	\$ (180)	\$ (3,014)	\$ (53)
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments.....	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of Investments.....	-	-	-	-	-
Investment Earnings.....	1,157	-	1	415	-
Net Cash Flows from Investing Activities.....	\$ 1,157	\$ -	\$ 1	\$ 415	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 2,486	\$ (46)	\$ (93)	\$ 4	\$ 3,242
Cash and Cash Equivalents, July 1, as Reported.....	\$ 9,892	\$ 201	\$ 870	\$ 618	\$ 1,926
Changes in Reporting Entity.....	(13)	-	-	-	13
Cash and Cash Equivalents, July 1, as Restated.....	\$ 9,879	\$ 201	\$ 870	\$ 618	\$ 1,939
Cash and Cash Equivalents, June 30.....	<u>\$ 12,365</u>	<u>\$ 155</u>	<u>\$ 777</u>	<u>\$ 622</u>	<u>\$ 5,181</u>

PLANT MANAGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED	
					JUNE 30, 1992	JUNE 30, 1991
\$ 6,890	\$ (86)	\$ 10,056	\$ (1,041)	\$ (118)	\$ 13,999	\$ 30,029
\$ 111	\$ —	\$ 80	\$ 3	\$ 187	\$ 16,498	\$ 13,394
44	—	—	—	—	185	282
—	80	—	—	—	80	132
—	—	—	—	—	—	13
(3,811)	—	(499)	203	60	(2,634)	(3,718)
(14)	—	—	—	—	31	(83)
—	—	—	(83)	—	(83)	(80)
731	27	(3,287)	1,229	67	(2,422)	(6,435)
13	—	28	—	22	73	132
(30)	—	—	(38)	1	(67)	64
—	—	—	—	—	(13)	—
\$ (2,956)	\$ 107	\$ (3,678)	\$ 1,314	\$ 337	\$ 11,648	\$ 3,701
\$ 3,934	\$ 21	\$ 6,378	\$ 273	\$ 219	\$ 25,647	\$ 33,730
\$ 1	\$ —	\$ 1,850	\$ —	\$ —	\$ 1,940	\$ 1,486
(3,999)	(92)	—	—	—	(4,131)	(2,214)
—	—	—	—	—	—	(1,600)
—	—	—	—	—	4,384	—
—	—	—	—	(45)	(365)	—
—	—	—	—	—	(484)	—
—	—	(45)	—	—	(45)	(53)
\$ (3,998)	\$ (92)	\$ 1,805	\$ —	\$ (45)	\$ 1,299	\$ (2,381)
\$ (157)	\$ —	\$ (17)	\$ (3)	\$ (142)	\$ (9,036)	\$ (13,669)
5	—	—	—	35	929	951
—	—	—	—	—	3,200	2,795
—	—	—	—	(1)	(2,747)	(3,133)
44	—	—	—	58	7,504	12,720
(6)	—	—	—	—	(6,891)	(2,186)
—	—	—	—	—	87	205
—	—	—	—	—	—	(297)
—	—	—	—	(36)	(3,239)	(3,491)
(119)	(452)	—	—	(20)	(2,910)	(5,034)
—	—	—	—	—	—	(56)
(11)	(83)	—	—	(7)	(2,240)	(2,151)
\$ (244)	\$ (535)	\$ (17)	\$ (3)	\$ (113)	\$ (15,343)	\$ (13,346)
\$ —	\$ 449	\$ —	\$ —	\$ —	\$ 449	\$ 590
—	—	—	—	—	—	(319)
3	98	4,928	268	5	6,875	6,601
\$ 3	\$ 547	\$ 4,928	\$ 268	\$ 5	\$ 7,324	\$ 6,872
\$ (305)	\$ (59)	\$ 13,094	\$ 538	\$ 66	\$ 18,927	\$ 24,875
\$ 2,110	\$ 375	\$ 58,550	\$ 3,113	\$ 242	\$ 77,897	\$ 53,022
—	—	—	—	—	—	—
\$ 2,110	\$ 375	\$ 58,550	\$ 3,113	\$ 242	\$ 77,897	\$ 53,022
\$ 1,805	\$ 316	\$ 71,644	\$ 3,651	\$ 308	\$ 96,824	\$ 77,897

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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. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

PENSION TRUST FUNDS are funds administered by independent boards for which the state performs a fiduciary role. These funds are categorized by function into three 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, length of service and others. 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 fire fighters.

The *Police and Fire Consolidation Fund* includes resources accumulated to pay present and future retirement annuities to police officers and firefighters belonging to local relief associations, that merged with the Public Employees Retirement Association.

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 inmates 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. Individual funds in this category are described below.

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 Supplemental Retirement Fund* includes the aggregate of share accounts derived from contributions received from eligible community college employees, with matching state contributions, administered by the Community College System.

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

Investment Trust Funds are investment funds which serve as investment vehicles for the participating funds. They are administered by the State Board of Investment in accordance with the applicable statutes defining the participating funds, the types of investments which may be purchased and the distribution of earnings or losses.

The *Minnesota Supplemental Investment Fund* provides an investment vehicle for the Defined Contribution Funds and for some locally administered pension plans.

The *Minnesota Post-Retirement Investment Fund* serves as an investment vehicle for the Defined Benefit Funds and as such invests their reserves to produce income for the payment of retirement benefits.

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.

The *Environment and Natural Resources Nonexpendable Trust Fund* receives 40 percent of the net lottery proceeds of the State Lottery Fund. The state constitutional amendment establishing the fund permits a portion of these proceeds, until fiscal year 1997, to be used for the purpose of managing the state's environmental and natural resources; after that only the investment earnings of the fund are available for these purposes. Available proceeds and earnings are transferred to the Environment and Natural Resources Expendable Trust Fund.

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

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

The *Northeast Minnesota Economic Protection Fund* receives distributions 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 *Unemployment Compensation Fund* receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

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

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

The *Taxes Clearing Fund* is used to distribute tax receipts as specified by statute.

The *Deferred Compensation Fund* includes the aggregate of voluntary employee payroll deductions which defer income and are repaid in accordance with income tax code restrictions.

The *Social Welfare Fund* includes funds held for patients and inmates in state institutions.

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

STATE OF MINNESOTA

FIDUCIARY FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

		NON-				TOTALS	
	PENSION	EXPENDABLE	EXPENDABLE		LESS	JUNE 30,	JUNE 30,
	TRUST	TRUST	TRUST	AGENCY	ELIMINATIONS	1992	1991
ASSETS							
Cash and Cash Equivalents.....	\$ 953,413	\$ 56,192	\$ 833,795	\$ 185,705	\$ —	\$ 2,029,105	\$ 1,719,918
Investments.....	14,692,190	362,374	2,616	509,608	—	15,566,788	13,584,830
Accounts Receivable.....	37,174	5,946	53,150	2,811	—	99,081	93,727
Interfund Receivables.....	24,667	1,398	28,432	—	—	54,497	95,565
Accrued Investment/Interest Income.....	108,790	7,081	154	—	—	116,025	115,230
Federal Aid Receivable.....	—	—	3,377	—	—	3,377	63
Inventories.....	—	—	3,573	—	—	3,573	3,573
Deferred Costs.....	12	—	3	74	—	89	165
Loans/Notes Receivable.....	—	—	9,105	—	—	9,105	10,503
Equity in Investment Trust Funds.....	—	—	—	196,962	196,962	—	—
Fixed Assets (Net).....	671	15,437	—	—	—	16,108	16,062
Other Assets.....	28	—	—	—	—	28	15
Total Assets.....	\$ 15,816,945	\$ 448,428	\$ 934,205	\$ 895,160	\$ 196,962	\$ 17,897,776	\$ 15,639,651
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable.....	\$ —	\$ —	\$ —	\$ 156,303	\$ —	\$ 156,303	\$ 118,867
Accounts Payable.....	6,395	57	29,874	2,324	—	38,650	29,859
Interfund Payables.....	19,264	22,133	1,012	58	—	42,467	84,589
Payable to Other Governmental Units.....	—	—	—	6,615	—	6,615	3,534
Deferred Revenue.....	10	—	2,299	—	—	2,309	2,230
Compensated Absences Payable.....	655	—	104	—	—	759	741
Funds Held in Trust.....	—	—	1,262	729,860	196,962	534,160	441,441
Total Liabilities.....	\$ 26,324	\$ 22,190	\$ 34,551	\$ 895,160	\$ 196,962	\$ 781,263	\$ 681,261
Fund Balances:							
Reserved Fund Balances:							
Reserved for Encumbrances.....	\$ —	\$ —	\$ 16,309	\$ —	\$ —	\$ 16,309	\$ 6,517
Reserved for Inventory.....	—	—	3,573	—	—	3,573	3,573
Reserved for Long-Term Receivables.....	—	—	44,074	—	—	44,074	43,054
Reserved for Local Governments.....	—	—	517,971	—	—	517,971	488,383
Reserved for Trust Principal.....	—	426,238	—	—	—	426,238	403,455
Reserved for Pension Benefits.....	15,790,621	—	—	—	—	15,790,621	13,609,532
Reserved for Other.....	—	—	3	—	—	3	8
Total Reserved Fund Balances.....	\$ 15,790,621	\$ 426,238	\$ 581,930	\$ —	\$ —	\$ 16,798,789	\$ 14,554,522
Unreserved Fund Balances:							
Designated for Fund Purposes.....	—	—	317,724	—	—	317,724	403,868
Total Fund Balances.....	\$ 15,790,621	\$ 426,238	\$ 899,654	\$ —	\$ —	\$ 17,116,513	\$ 14,958,390
Total Liabilities and Fund Balances.....	\$ 15,816,945	\$ 448,428	\$ 934,205	\$ 895,160	\$ 196,962	\$ 17,897,776	\$ 15,639,651

STATE OF MINNESOTA

PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1992
(IN THOUSANDS)

					TOTALS	
	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	JUNE 30, 1992	JUNE 30, 1991
ASSETS						
Cash and Cash Equivalents.....	\$ 79,451	\$ 8,440	\$ 865,522	\$ —	\$ 953,413	\$ 653,993
Investments.....	7,999,991	10,407	6,681,792	—	14,692,190	12,813,910
Accounts Receivable.....	36,930	244	—	—	37,174	34,571
Interfund Receivables.....	7,973	49	16,645	—	24,667	62,805
Accrued Investment Income.....	186	—	108,604	—	108,790	107,715
Prepaid Expenses.....	12	—	—	—	12	19
Equity in Investment Trust Funds.....	6,182,921	227,103	—	6,410,024	—	—
Fixed Assets (Net).....	671	—	—	—	671	624
Other Assets.....	28	—	—	—	28	15
Total Assets.....	<u>\$ 14,308,163</u>	<u>\$ 246,243</u>	<u>\$ 7,672,563</u>	<u>\$ 6,410,024</u>	<u>\$ 15,816,945</u>	<u>\$ 13,673,652</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable.....	\$ 5,224	\$ 868	\$ 303	\$ —	\$ 6,395	\$ 5,482
Interfund Payables.....	17,308	47	1,909	—	19,264	57,980
Deferred Revenue.....	10	—	—	—	10	15
Compensated Absences Payable.....	<u>655</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>655</u>	<u>643</u>
Total Liabilities.....	<u>\$ 23,197</u>	<u>\$ 915</u>	<u>\$ 2,212</u>	<u>\$ —</u>	<u>\$ 26,324</u>	<u>\$ 64,120</u>
Fund Balances:						
Reserved for Pension Benefits.....	<u>\$ 14,284,966</u>	<u>\$ 245,328</u>	<u>\$ 7,670,351</u>	<u>\$ 6,410,024</u>	<u>\$ 15,790,621</u>	<u>\$ 13,609,532</u>
Total Fund Balances.....	<u>\$ 14,284,966</u>	<u>\$ 245,328</u>	<u>\$ 7,670,351</u>	<u>\$ 6,410,024</u>	<u>\$ 15,790,621</u>	<u>\$ 13,609,532</u>
Total Liabilities and Fund Balances.....	<u>\$ 14,308,163</u>	<u>\$ 246,243</u>	<u>\$ 7,672,563</u>	<u>\$ 6,410,024</u>	<u>\$ 15,816,945</u>	<u>\$ 13,673,652</u>

STATE OF MINNESOTA

PENSION TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	TOTALS FOR THE YEAR ENDED	
					JUNE 30, 1992	JUNE 30, 1991
Operating Revenues:						
Contributions.....	\$ 660,510	\$ —	\$ —	\$ —	\$ 660,510	\$ 636,685
Investment Income.....	1,119,530	369	544,448	—	1,664,347	1,030,202
Rental and Service Fees.....	—	—	—	—	—	140
Distributed Investment Trust Fund Income.....	502,489	—	—	502,489	—	—
Realized/Unrealized Gain on Investment Trust Fund Equity.....	—	25,785	—	25,785	—	—
Net Realized Gains (Losses).....	—	—	33,573	—	33,573	(18,976)
Increase (Decrease) in Unrealized Appreciation.....	—	—	436,062	—	436,062	64,109
Other Income.....	5,294	—	—	—	5,294	4,579
Total Operating Revenues.....	\$ 2,287,823	\$ 26,154	\$ 1,014,083	\$ 528,274	\$ 2,799,786	\$ 1,716,739
Operating Expenses:						
Annuity Payments.....	\$ 590,936	\$ —	\$ —	\$ —	\$ 590,936	\$ 529,891
Refunded Contributions.....	26,338	—	—	—	26,338	26,678
Interest and Financing Costs.....	2,632	—	—	—	2,632	2,338
Purchased Services.....	2,396	119	—	—	2,515	2,411
Investment Management Fees.....	11,444	—	1,219	—	12,663	11,305
Salaries and Fringe Benefits.....	5,758	234	—	—	5,992	5,739
Depreciation.....	207	—	—	—	207	141
Supplies and Materials.....	122	4	—	—	126	111
Indirect Costs.....	109	—	—	—	109	205
Other Expenses.....	531	—	—	—	531	492
Total Operating Expenses.....	\$ 640,473	\$ 357	\$ 1,219	\$ —	\$ 642,049	\$ 579,311
Operating Income (Loss).....	\$ 1,647,350	\$ 25,797	\$ 1,012,864	\$ 528,274	\$ 2,157,737	\$ 1,137,428
Nonoperating Revenues (Expenses):						
Participant Contributions.....	\$ —	\$ 19,705	\$ 1,284,536	\$ 1,266,911	\$ 37,330	\$ 26,180
Local Association Mergers.....	17,129	—	—	—	17,129	43,645
Participant Withdrawals.....	—	(16,874)	(1,178,209)	(1,160,596)	(34,487)	(17,405)
Net Nonoperating Revenues (Expenses).....	\$ 17,129	\$ 2,831	\$ 106,327	\$ 106,315	\$ 19,972	\$ 52,420
Income (Loss) Before Operating Transfers.....	\$ 1,664,479	\$ 28,628	\$ 1,119,191	\$ 634,589	\$ 2,177,709	\$ 1,189,848
Operating Transfers—In.....	1,605	—	—	—	1,605	673
Operating Transfers—Out.....	(2,096)	(1,606)	—	—	(3,702)	(2,157)
Net Income (Loss).....	\$ 1,663,988	\$ 27,022	\$ 1,119,191	\$ 634,589	\$ 2,175,612	\$ 1,188,364
Fund Balances, July 1, as Reported.....	\$ 12,620,978	\$ 83,081	\$ 6,551,160	\$ 5,645,743	\$ 13,609,476	\$ 12,421,168
Changes in Reporting Entity.....	—	135,225	—	129,692	5,533	—
Fund Balances, July 1, as Restated.....	\$ 12,620,978	\$ 218,306	\$ 6,551,160	\$ 5,775,435	\$ 13,615,009	\$ 12,421,168
Fund Balances, June 30.....	\$ 14,284,966	\$ 245,328	\$ 7,670,351	\$ 6,410,024	\$ 15,790,621	\$ 13,609,532

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
ASSETS				
Cash and Cash Equivalents.....	\$ 27,509	\$ 12,920	\$ 1,374	\$ 5,752
Investments.....	1,792,623	719,544	96,260	3,622,161
Accounts Receivable.....	428	95	1,279	30,259
Interfund Receivables.....	300	—	1,922	—
Accrued Investment Income.....	—	—	—	124
Prepaid Expenses.....	—	—	—	12
Equity in Investment Trust Funds.....	2,123,548	233,026	78,131	2,587,979
Fixed Assets (Net).....	204	—	—	256
Other Assets.....	28	—	—	—
Total Assets.....	\$ 3,944,640	\$ 965,585	\$ 178,966	\$ 6,246,543
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 1,334	\$ 275	\$ 203	\$ 2,708
Interfund Payables.....	9,946	1,743	47	3,107
Deferred Revenue.....	—	—	—	—
Compensated Absences Payable.....	237	—	—	237
Total Liabilities.....	\$ 11,517	\$ 2,018	\$ 250	\$ 6,052
Fund Balances:				
Reserved for Pension Benefits.....	\$ 3,933,123	\$ 963,567	\$ 178,716	\$ 6,240,491
Total Fund Balances.....	\$ 3,933,123	\$ 963,567	\$ 178,716	\$ 6,240,491
Total Liabilities and Fund Balances.....	\$ 3,944,640	\$ 965,585	\$ 178,966	\$ 6,246,543

MINNESOTA STATE RETIREMENT SYSTEM						TOTALS	
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	JUNE 30, 1992	JUNE 30, 1991
\$ 25,872	\$ 2,744	\$ 1,458	\$ 1,822	\$ —	\$ —	\$ 79,451	\$ 156,579
1,566,459	115,717	81,239	5,988	—	—	7,999,991	6,920,296
4,319	283	218	47	2	—	36,930	34,244
399	—	3	—	334	5,015	7,973	6,583
56	3	3	—	—	—	186	571
—	—	—	—	—	—	12	19
981,047	101,509	36,728	30,648	—	10,305	6,182,921	5,563,740
211	—	—	—	—	—	671	624
—	—	—	—	—	—	28	15
<u>\$ 2,578,363</u>	<u>\$ 220,256</u>	<u>\$ 119,649</u>	<u>\$ 38,505</u>	<u>\$ 336</u>	<u>\$ 15,320</u>	<u>\$ 14,308,163</u>	<u>\$ 12,682,671</u>
\$ 633	\$ 41	\$ 28	\$ 2	\$ —	\$ —	\$ 5,224	\$ 4,253
629	451	499	724	2	160	17,308	56,782
—	—	—	10	—	—	10	15
181	—	—	—	—	—	655	643
<u>\$ 1,443</u>	<u>\$ 492</u>	<u>\$ 527</u>	<u>\$ 736</u>	<u>\$ 2</u>	<u>\$ 160</u>	<u>\$ 23,197</u>	<u>\$ 61,693</u>
<u>\$ 2,576,920</u>	<u>\$ 219,764</u>	<u>\$ 119,122</u>	<u>\$ 37,769</u>	<u>\$ 334</u>	<u>\$ 15,160</u>	<u>\$ 14,284,966</u>	<u>\$ 12,620,978</u>
<u>\$ 2,576,920</u>	<u>\$ 219,764</u>	<u>\$ 119,122</u>	<u>\$ 37,769</u>	<u>\$ 334</u>	<u>\$ 15,160</u>	<u>\$ 14,284,966</u>	<u>\$ 12,620,978</u>
<u>\$ 2,578,363</u>	<u>\$ 220,256</u>	<u>\$ 119,649</u>	<u>\$ 38,505</u>	<u>\$ 336</u>	<u>\$ 15,320</u>	<u>\$ 14,308,163</u>	<u>\$ 12,682,671</u>

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
Operating Revenues:				
Employer Contributions.....	\$ 109,203	\$ 28,766	\$ 8,726	\$ 162,370
Employee Contributions.....	101,655	19,217	1,330	91,506
Investment Income.....	255,225	97,543	12,454	509,636
Distributed Investment Trust Fund Income.....	177,509	18,985	6,067	203,329
Other Income.....	1,347	1,933	51	1,943
Total Operating Revenues.....	\$ 644,939	\$ 166,444	\$ 28,628	\$ 968,784
Operating Expenses:				
Annuity Payments.....	\$ 216,953	\$ 22,164	\$ 10,157	\$ 227,067
Refunded Contributions.....	11,881	636	33	5,495
Interest and Financing Costs.....	435	46	197	776
Purchased Services.....	977	67	9	762
Investment Management Fees.....	2,609	1,026	125	5,341
Salaries and Fringe Benefits.....	2,367	165	22	2,001
Depreciation.....	88	—	—	78
Supplies and Materials.....	57	4	1	25
Indirect Costs.....	41	3	—	29
Other Expenses.....	479	41	4	—
Total Operating Expenses.....	\$ 235,887	\$ 24,152	\$ 10,548	\$ 241,574
Operating Income (Loss).....	\$ 409,052	\$ 142,292	\$ 18,080	\$ 727,210
Nonoperating Revenues:				
Local Association Mergers.....	\$ —	\$ —	\$ 17,129	\$ —
Total Nonoperating Revenues.....	\$ —	\$ —	\$ 17,129	\$ —
Income (Loss) Before Operating Transfers.....	\$ 409,052	\$ 142,292	\$ 35,209	\$ 727,210
Operating Transfers—In.....	—	—	—	—
Operating Transfers—Out.....	—	(1,850)	—	—
Net Income (Loss).....	\$ 409,052	\$ 140,442	\$ 35,209	\$ 727,210
Fund Balances, July 1.....	3,524,071	823,125	143,507	5,513,281
Fund Balances, June 30.....	\$ 3,933,123	\$ 963,567	\$ 178,716	\$ 6,240,491

MINNESOTA STATE RETIREMENT SYSTEM						TOTALS FOR THE YEAR ENDED	
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	JUNE 30, 1992	JUNE 30, 1991
\$ 59,244	\$ 4,893	\$ 2,955	\$ 4,722	\$ 105	\$ 601	\$ 381,585	\$ 371,010
58,478	2,795	2,332	988	34	590	278,925	265,675
216,817	15,921	11,033	901	—	—	1,119,530	521,809
81,437	8,675	3,107	2,508	—	872	502,489	485,384
8	—	—	11	1	—	5,294	4,579
<u>\$ 415,984</u>	<u>\$ 32,284</u>	<u>\$ 19,427</u>	<u>\$ 9,130</u>	<u>\$ 140</u>	<u>\$ 2,063</u>	<u>\$ 2,287,823</u>	<u>\$ 1,648,457</u>
\$ 95,010	\$ 9,603	\$ 3,773	\$ 4,592	\$ 117	\$ 1,500	\$ 590,936	\$ 529,891
7,886	104	255	—	—	48	26,338	26,678
1,058	51	49	12	—	8	2,632	2,338
453	37	51	27	1	12	2,396	2,309
2,074	154	107	8	—	—	11,444	10,083
1,022	45	76	32	1	27	5,758	5,481
41	—	—	—	—	—	207	141
30	1	2	1	—	1	122	106
36	—	—	—	—	—	109	202
7	—	—	—	—	—	531	492
<u>\$ 107,617</u>	<u>\$ 9,995</u>	<u>\$ 4,313</u>	<u>\$ 4,672</u>	<u>\$ 119</u>	<u>\$ 1,596</u>	<u>\$ 640,473</u>	<u>\$ 577,721</u>
\$ 308,367	\$ 22,289	\$ 15,114	\$ 4,458	\$ 21	\$ 467	\$ 1,647,350	\$ 1,070,736
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,129	\$ 43,645
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,129	\$ 43,645
\$ 308,367	\$ 22,289	\$ 15,114	\$ 4,458	\$ 21	\$ 467	\$ 1,664,479	\$ 1,114,381
1,560	—	45	—	—	—	1,605	673
—	—	—	(246)	—	—	(2,096)	(1,486)
<u>\$ 309,927</u>	<u>\$ 22,289</u>	<u>\$ 15,159</u>	<u>\$ 4,212</u>	<u>\$ 21</u>	<u>\$ 467</u>	<u>\$ 1,663,988</u>	<u>\$ 1,113,568</u>
2,266,993	197,475	103,963	33,557	313	14,693	12,620,978	11,507,410
<u>\$ 2,576,920</u>	<u>\$ 219,764</u>	<u>\$ 119,122</u>	<u>\$ 37,769</u>	<u>\$ 334</u>	<u>\$ 15,160</u>	<u>\$ 14,284,966</u>	<u>\$ 12,620,978</u>

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE SUPPLEMENTAL RETIREMENT	STATE UNIVERSITY SUPPLEMENTAL RETIREMENT	TOTALS	
				JUNE 30, 1992	JUNE 30, 1991
ASSETS					
Cash and Cash Equivalents.....	\$ 721	\$ 47	\$ 7,672	\$ 8,440	\$ 969
Investments.....	—	3,067	7,340	10,407	—
Accounts Receivable.....	231	13	—	244	220
Interfund Receivables.....	49	—	—	49	—
Equity in Investment Trust Funds.....	91,646	49,139	86,318	227,103	211,695
Total Assets.....	<u>\$ 92,647</u>	<u>\$ 52,266</u>	<u>\$ 101,330</u>	<u>\$ 246,243</u>	<u>\$ 212,884</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ —	\$ 780	\$ 88	\$ 868	\$ 39
Interfund Payables.....	47	—	—	47	16
Total Liabilities.....	<u>\$ 47</u>	<u>\$ 780</u>	<u>\$ 88</u>	<u>\$ 915</u>	<u>\$ 55</u>
Fund Balances:					
Reserved for Pension Benefits.....	\$ 92,600	\$ 51,486	\$ 101,242	\$ 245,328	\$ 212,829
Total Reserved Fund Balances.....	<u>\$ 92,600</u>	<u>\$ 51,486</u>	<u>\$ 101,242</u>	<u>\$ 245,328</u>	<u>\$ 212,829</u>
Total Liabilities and Fund Balances.....	<u>\$ 92,647</u>	<u>\$ 52,266</u>	<u>\$ 101,330</u>	<u>\$ 246,243</u>	<u>\$ 212,884</u>

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE SUPPLEMENTAL RETIREMENT	STATE UNIVERSITY SUPPLEMENTAL RETIREMENT	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1992	JUNE 30, 1991
Operating Revenues:					
Investment Income.....	\$ 60	\$ 73	\$ 236	\$ 369	\$ 113
Rental and Service Fees.....	—	—	—	—	140
Realized/Unrealized Gain on Investments in Investment Trust Fund.....	9,322	5,779	10,684	25,785	13,949
Total Operating Revenues.....	\$ 9,382	\$ 5,852	\$ 10,920	\$ 26,154	\$ 14,202
Operating Expenses:					
Purchased Services.....	\$ 60	\$ 54	\$ 5	\$ 119	\$ 102
Salaries and Fringe Benefits.....	146	—	88	234	258
Supplies and Materials.....	4	—	—	4	5
Indirect Costs.....	—	—	—	—	3
Total Operating Expenses.....	\$ 210	\$ 54	\$ 93	\$ 357	\$ 368
Operating Income (Loss).....	\$ 9,172	\$ 5,798	\$ 10,827	\$ 25,797	\$ 13,834
Nonoperating Revenues (Expenses):					
Employer Contributions.....	\$ 4,204	\$ 2,134	\$ 4,138	\$ 10,476	\$ 7,481
Employee Contributions.....	2,957	2,134	4,138	9,229	6,234
Refunds.....	(5,208)	(5,954)	(5,712)	(16,874)	(6,200)
Net Nonoperating Revenues (Expenses).....	\$ 1,953	\$ (1,686)	\$ 2,564	\$ 2,831	\$ 7,515
Income (Loss) Before Operating Transfers.....	\$ 11,125	\$ 4,112	\$ 13,391	\$ 28,628	\$ 21,349
Operating Transfers—Out.....	(1,606)	—	—	(1,606)	(671)
Net Income (Loss).....	\$ 9,519	\$ 4,112	\$ 13,391	\$ 27,022	\$ 20,678
Fund Balances, July 1, as Reported.....	\$ 83,081	\$ —	\$ —	\$ 83,081	\$ 192,151
Changes in Reporting Entity.....	—	47,374	87,851	135,225	—
Fund Balances, July 1, as Restated.....	\$ 83,081	\$ 47,374	\$ 87,851	\$ 218,306	\$ 192,151
Fund Balances, June 30.....	\$ 92,600	\$ 51,486	\$ 101,242	\$ 245,328	\$ 212,829

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STATE OF MINNESOTA

INVESTMENT TRUST FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS	
			JUNE 30, 1992	JUNE 30, 1991
ASSETS				
Cash and Cash Equivalents.....	\$ 105,249	\$ 760,273	\$ 865,522	\$ 496,445
Investments.....	462,063	6,219,729	6,681,792	5,893,614
Security Sales Receivable.....	—	—	—	107
Interfund Receivables.....	—	16,645	16,645	56,222
Accrued Investment Income.....	2,048	106,556	108,604	107,144
Total Assets.....	\$ 569,360	\$ 7,103,203	\$ 7,672,563	\$ 6,553,532
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 95	\$ 208	\$ 303	\$ 391
Security Purchases Payable.....	—	—	—	799
Interfund Payables.....	—	1,909	1,909	1,182
Total Liabilities.....	\$ 95	\$ 2,117	\$ 2,212	\$ 2,372
Fund Balances:				
Reserved for Pension Benefits.....	\$ 569,265	\$ 7,101,086	\$ 7,670,351	\$ 6,551,160
Total Fund Balances.....	\$ 569,265	\$ 7,101,086	\$ 7,670,351	\$ 6,551,160
Total Liabilities and Fund Balances.....	\$ 569,360	\$ 7,103,203	\$ 7,672,563	\$ 6,553,532

STATE OF MINNESOTA

INVESTMENT TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1992	JUNE 30, 1991
Operating Revenues:				
Investment Income.....	\$ 36,146	\$ 508,302	\$ 544,448	\$ 508,280
Realized Gains (Losses) on Investments:				
Proceeds from Security Sales.....	\$ 54,897	\$ 380,510	\$ 435,407	\$ 486,311
Cost of Securities Sold.....	53,380	348,454	401,834	505,287
Total Realized Gains (Losses).....	\$ 1,517	\$ 32,056	\$ 33,573	\$ (18,976)
Unrealized Gains (Losses):				
Beginning of Period.....	\$ 38,394	\$ 250,628	\$ 289,022	\$ 224,913
End of Period.....	60,426	664,658	725,084	289,022
Increase (Decrease) in Unrealized Appreciation.....	\$ 22,032	\$ 414,030	\$ 436,062	\$ 64,109
Total Operating Revenues.....	\$ 59,695	\$ 954,388	\$ 1,014,083	\$ 553,413
Operating Expenses:				
Investment Management Fees.....	\$ 373	\$ 846	\$ 1,219	\$ 1,222
Operating Income (Loss).....	\$ 59,322	\$ 953,542	\$ 1,012,864	\$ 552,191
Nonoperating Revenues (Expenses):				
Participant Contributions.....	\$ 27,626	\$ 1,256,910	\$ 1,284,536	\$ 665,846
Participant Withdrawals.....	(37,990)	(1,140,219)	(1,178,209)	(508,176)
Net Nonoperating Revenues (Expenses).....	\$ (10,364)	\$ 116,691	\$ 106,327	\$ 157,670
Net Income (Loss).....	\$ 48,958	\$ 1,070,233	\$ 1,119,191	\$ 709,861
Fund Balances, July 1.....	520,307	6,030,853	6,551,160	5,841,299
Fund Balances, June 30.....	\$ 569,265	\$ 7,101,086	\$ 7,670,351	\$ 6,551,160

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS	
			JUNE 30, 1992	JUNE 30, 1991
ASSETS				
Cash and Cash Equivalents.....	\$ 16,534	\$ 39,658	\$ 56,192	\$ 45,137
Investments.....	362,374	—	362,374	358,052
Accounts Receivable.....	5,946	—	5,946	5,533
Interfund Receivables.....	—	1,398	1,398	2,943
Accrued Investment Income.....	7,081	—	7,081	7,254
Fixed Assets (Net).....	15,437	—	15,437	15,438
Total Assets.....	<u>\$ 407,372</u>	<u>\$ 41,056</u>	<u>\$ 448,428</u>	<u>\$ 434,357</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 57	\$ —	\$ 57	\$ 11
Interfund Payables.....	21,368	765	22,133	22,051
Total Liabilities.....	<u>\$ 21,425</u>	<u>\$ 765</u>	<u>\$ 22,190</u>	<u>\$ 22,062</u>
Fund Balances:				
Reserved for Trust Principal.....	\$ 385,947	\$ 40,291	\$ 426,238	\$ 403,455
Designated for Fund Purposes.....	—	—	—	8,840
Total Fund Balances.....	<u>\$ 385,947</u>	<u>\$ 40,291</u>	<u>\$ 426,238</u>	<u>\$ 412,295</u>
Total Liabilities and Fund Balances.....	<u>\$ 407,372</u>	<u>\$ 41,056</u>	<u>\$ 448,428</u>	<u>\$ 434,357</u>

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1992	JUNE 30, 1991
Operating Revenues:				
Net Sales.....	\$ 6,194	\$ —	\$ 6,194	\$ 5,376
Investment Income.....	34,931	2,060	36,991	35,381
Rental and Service Fees.....	152	—	152	297
Other Income.....	352	4	356	1
Total Operating Revenues.....	\$ 41,629	\$ 2,064	\$ 43,693	\$ 41,055
Operating Expenses:				
Purchased Services.....	\$ 471	\$ —	\$ 471	\$ 506
Investment Management Fees.....	42	4	46	2
Salaries and Fringe Benefits.....	73	—	73	—
Depreciation.....	1	—	1	1
Supplies and Materials.....	3	—	3	2
Total Operating Expenses.....	\$ 590	\$ 4	\$ 594	\$ 511
Operating Income.....	\$ 41,039	\$ 2,060	\$ 43,099	\$ 40,544
Nonoperating Revenues:				
Grants and Subsidies.....	\$ —	\$ —	\$ —	\$ 4,180
Gain on Sale of Fixed Assets.....	1,296	—	1,296	3,687
Total Nonoperating Revenues.....	\$ 1,296	\$ —	\$ 1,296	\$ 7,867
Income Before Operating Transfers.....	\$ 42,335	\$ 2,060	\$ 44,395	\$ 48,411
Operating Transfers—In.....	—	21,860	21,860	26,752
Operating Transfers—Out.....	(37,043)	(6,429)	(43,472)	(36,297)
Net Income.....	\$ 5,292	\$ 17,491	\$ 22,783	\$ 38,866
Fund Balances, July 1.....	380,655	31,640	412,295	373,429
Residual Equity Transfers—Out.....	—	(8,840)	(8,840)	—
Fund Balances, June 30.....	\$ 385,947	\$ 40,291	\$ 426,238	\$ 412,295

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1992	JUNE 30, 1991
Cash Flows from Operating Activities:				
Operating Income.....	\$ 41,039	\$ 2,060	\$ 43,099	\$ 40,544
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 1	\$ —	\$ 1	\$ 1
Investment Income.....	(34,931)	(2,060)	(36,991)	(35,381)
Change in Assets and Liabilities:				
Accounts Receivable.....	(191)	—	(191)	108
Accounts Payable.....	46	—	46	(43)
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ (35,075)	\$ (2,060)	\$ (37,135)	\$ (35,315)
Net Cash Flows from Operating Activities.....	\$ 5,964	\$ —	\$ 5,964	\$ 5,229
Cash Flows from Noncapital Financing Activities:				
Grant Receipts.....	\$ —	\$ —	\$ —	\$ 4,180
Operating Transfers—In.....	—	23,405	23,405	27,455
Operating Transfers—Out.....	(37,726)	(5,664)	(43,390)	(34,284)
Residual Equity Transfers—Out.....	—	(8,840)	(8,840)	—
Net Cash Flows from Noncapital Financing Activities.....	\$ (37,726)	\$ 8,901	\$ (28,825)	\$ (2,649)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the Sale of Fixed Assets.....	\$ 1,051	\$ —	\$ 1,051	\$ 1,536
Net Cash Flows from Capital and Related Financing Activities.....	\$ 1,051	\$ —	\$ 1,051	\$ 1,536
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ 25,977	\$ —	\$ 25,977	\$ 15,843
Purchase of Investments.....	(29,957)	—	(29,957)	(27,581)
Investment Earnings.....	34,785	2,060	36,845	34,530
Net Cash Flows from Investing Activities.....	\$ 30,805	\$ 2,060	\$ 32,865	\$ 22,792
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 94	\$ 10,961	\$ 11,055	\$ 26,908
Cash and Cash Equivalents, July 1.....	16,440	28,697	45,137	18,229
Cash and Cash Equivalents, June 30.....	\$ 16,534	\$ 39,658	\$ 56,192	\$ 45,137

STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET JUNE 30, 1992 (IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
ASSETS			
Cash and Cash Equivalents.....	\$ 198,062	\$ 307,193	\$ -
Investments.....	-	-	-
Accounts Receivable.....	974	644	-
Interfund Receivables.....	2,358	7,892	17,417
Accrued Investment/Interest Income.....	-	-	-
Federal Aid Receivable.....	-	-	-
Inventories.....	-	-	-
Deferred Costs.....	-	-	-
Loans/Notes Receivable.....	-	-	-
Total Assets.....	<u>\$ 201,394</u>	<u>\$ 315,729</u>	<u>\$ 17,417</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable.....	\$ 288	\$ 13,222	\$ -
Interfund Payables.....	-	967	-
Deferred Revenue.....	-	-	-
Compensated Absences Payable.....	-	-	-
Funds Held in Trust.....	-	-	-
Total Liabilities.....	<u>\$ 288</u>	<u>\$ 14,189</u>	<u>\$ -</u>
Fund Balances:			
Reserved Retained Earnings:			
Reserved for Encumbrances.....	\$ 529	\$ 1,563	\$ -
Reserved for Inventory.....	-	-	-
Reserved for Long-Term Receivables.....	-	-	-
Reserved for Local Governments.....	200,577	299,977	17,417
Reserved for Other.....	-	-	-
Total Reserved Fund Balances.....	<u>\$ 201,106</u>	<u>\$ 301,540</u>	<u>\$ 17,417</u>
Unreserved Fund Balances:			
Designated for Fund Purposes.....	-	-	-
Total Fund Balances.....	<u>\$ 201,106</u>	<u>\$ 301,540</u>	<u>\$ 17,417</u>
Total Liabilities and Fund Balances.....	<u>\$ 201,394</u>	<u>\$ 315,729</u>	<u>\$ 17,417</u>

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	TOTALS	
				JUNE 30, 1992	JUNE 30, 1991
\$ 9,200	\$ 10,643	\$ 75,527	\$ 233,170	\$ 833,795	\$ 868,983
2,616	—	—	—	2,616	2,446
234	—	61	51,237	53,150	51,579
—	765	—	—	28,432	29,751
65	—	89	—	154	261
—	—	—	3,377	3,377	63
—	—	3,573	—	3,573	3,573
3	—	—	—	3	8
1	—	9,104	—	9,105	10,503
<u>\$ 12,119</u>	<u>\$ 11,408</u>	<u>\$ 88,354</u>	<u>\$ 287,784</u>	<u>\$ 934,205</u>	<u>\$ 967,167</u>
\$ 749	\$ 605	\$ 688	\$ 14,322	\$ 29,874	\$ 22,403
45	—	—	—	1,012	—
—	—	—	2,299	2,299	2,215
48	—	56	—	104	98
<u>1,262</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,262</u>	<u>5,888</u>
<u>\$ 2,104</u>	<u>\$ 605</u>	<u>\$ 744</u>	<u>\$ 16,621</u>	<u>\$ 34,551</u>	<u>\$ 30,604</u>
\$ 1,228	\$ —	\$ 12,989	\$ —	\$ 16,309	\$ 6,517
—	—	3,573	—	3,573	3,573
—	—	7,026	37,048	44,074	43,054
—	—	—	—	517,971	488,383
<u>3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3</u>	<u>8</u>
\$ 1,231	\$ —	\$ 23,588	\$ 37,048	\$ 581,930	\$ 541,535
<u>8,784</u>	<u>10,803</u>	<u>64,022</u>	<u>234,115</u>	<u>317,724</u>	<u>395,028</u>
<u>\$ 10,015</u>	<u>\$ 10,803</u>	<u>\$ 87,610</u>	<u>\$ 271,163</u>	<u>\$ 899,654</u>	<u>\$ 936,563</u>
<u>\$ 12,119</u>	<u>\$ 11,408</u>	<u>\$ 88,354</u>	<u>\$ 287,784</u>	<u>\$ 934,205</u>	<u>\$ 967,167</u>

STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
Net Revenues:			
Unemployment Taxes.....	\$ -	\$ -	\$ -
Mining Taxes.....	-	-	-
Federal Revenues.....	-	-	-
Departmental Services.....	-	-	-
Investment/Interest Income.....	12,863	18,715	-
Gifts and Donations.....	-	-	-
Penalties and Fines.....	-	-	-
Other Revenues.....	-	-	-
Net Revenues.....	\$ 12,863	\$ 18,715	\$ -
Expenditures:			
Current:			
Protection of Persons and Property.....	\$ -	\$ -	\$ -
Transportation.....	1,222	3,832	-
Resource Management.....	-	-	-
Economic and Manpower Development.....	-	-	-
Education.....	-	-	-
Health and Social Services.....	-	-	-
General Government.....	-	-	-
Total Current Expenditures.....	\$ 1,222	\$ 3,832	\$ -
Debt Service.....	-	-	-
Grants and Subsidies.....	72,761	237,193	34,382
Total Expenditures.....	\$ 73,983	\$ 241,025	\$ 34,382
Excess of Revenues Over (Under) Expenditures.....	\$ (61,120)	\$ (222,310)	\$ (34,382)
Other Financing Sources (Uses):			
Operating Transfers—In.....	\$ 70,603	\$ 242,575	\$ 33,094
Operating Transfers—Out.....	-	-	-
Other Uses.....	-	-	-
Net Other Financing Sources (Uses).....	\$ 70,603	\$ 242,575	\$ 33,094
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 9,483	\$ 20,265	\$ (1,288)
Fund Balances, July 1.....	191,623	281,275	18,705
Residual Equity Transfers—In.....	-	-	-
Residual Equity Transfers—Out.....	-	-	-
Fund Balances, June 30.....	\$ 201,106	\$ 301,540	\$ 17,417

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1992	JUNE 30, 1991
\$ —	\$ —	\$ —	\$ 318,367	\$ 318,367	\$ 356,802
—	—	6,693	—	6,693	5,653
1,124	—	—	93,687	94,811	6,045
19	—	—	—	19	2
877	555	5,161	2,633	40,804	44,055
10,217	—	—	—	10,217	8,425
—	—	—	21,182	21,182	31,843
4,519	—	288	—	4,807	10,616
<u>\$ 16,756</u>	<u>\$ 555</u>	<u>\$ 12,142</u>	<u>\$ 435,869</u>	<u>\$ 496,900</u>	<u>\$ 463,441</u>
\$ 5	\$ —	\$ —	\$ —	\$ 5	\$ —
2	—	—	—	5,056	2,314
520	1,632	—	—	2,152	480
257	285	1,328	—	1,870	1,718
4,180	302	—	—	4,482	4,276
1,110	—	—	—	1,110	1,066
431	290	—	—	721	234
<u>\$ 6,505</u>	<u>\$ 2,509</u>	<u>\$ 1,328</u>	<u>\$ —</u>	<u>\$ 15,396</u>	<u>\$ 10,088</u>
—	—	18	—	18	—
6,241	1,812	1,636	520,286	874,311	774,806
<u>\$ 12,746</u>	<u>\$ 4,321</u>	<u>\$ 2,982</u>	<u>\$ 520,286</u>	<u>\$ 889,725</u>	<u>\$ 784,894</u>
\$ 4,010	\$ (3,766)	\$ 9,160	\$ (84,417)	\$ (392,825)	\$ (321,453)
\$ 30	\$ 6,429	\$ —	\$ —	\$ 352,731	\$ 336,488
(4,023)	(700)	—	—	(4,723)	(2,325)
—	—	(887)	—	(887)	(76)
<u>\$ (3,993)</u>	<u>\$ 5,729</u>	<u>\$ (887)</u>	<u>\$ —</u>	<u>\$ 347,121</u>	<u>\$ 334,087</u>
\$ 17	\$ 1,963	\$ 8,273	\$ (84,417)	\$ (45,704)	\$ 12,634
10,043	—	79,337	355,580	936,563	923,929
—	8,840	—	—	8,840	—
(45)	—	—	—	(45)	—
<u>\$ 10,015</u>	<u>\$ 10,803</u>	<u>\$ 87,610</u>	<u>\$ 271,163</u>	<u>\$ 899,654</u>	<u>\$ 936,563</u>

STATE OF MINNESOTA

AGENCY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	BALANCE JULY 1, 1991	INCREASES	DECREASES	BALANCE JUNE 30, 1992
<u>SOCIAL WELFARE</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 6,242	\$ 12,413	\$ 12,436	\$ 6,219
Total Assets.....	<u>\$ 6,242</u>	<u>\$ 12,413</u>	<u>\$ 12,436</u>	<u>\$ 6,219</u>
LIABILITIES				
Accounts Payable.....	\$ 189	\$ 287	\$ 189	\$ 287
Interfund Payables.....	2	—	2	—
Funds Held in Trust.....	6,051	12,383	12,502	5,932
Total Liabilities.....	<u>\$ 6,242</u>	<u>\$ 12,670</u>	<u>\$ 12,693</u>	<u>\$ 6,219</u>
 <u>DEFERRED COMPENSATION</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 1,473	\$ 69,301	\$ 69,066	\$ 1,708
Investments.....	410,422	137,734	38,548	509,608
Accounts Receivable.....	1,585	2,137	1,585	2,137
Accrued Investment Income.....	—	1	1	—
Equity in Investment Trust Funds.....	174,297	115,195	92,530	196,962
Total Assets.....	<u>\$ 587,777</u>	<u>\$ 324,368</u>	<u>\$ 201,730</u>	<u>\$ 710,415</u>
LIABILITIES				
Accounts Payable.....	\$ 11	\$ 13	\$ 11	\$ 13
Interfund Payables.....	15	54	15	54
Funds Held in Trust.....	587,751	162,009	39,412	710,348
Total Liabilities.....	<u>\$ 587,777</u>	<u>\$ 162,076</u>	<u>\$ 39,438</u>	<u>\$ 710,415</u>
 <u>TAXES CLEARING</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 9,643	\$ 40,460	\$ 42,333	\$ 7,770
Total Assets.....	<u>\$ 9,643</u>	<u>\$ 40,460</u>	<u>\$ 42,333</u>	<u>\$ 7,770</u>
LIABILITIES				
Accounts Payable.....	\$ 412	\$ 283	\$ 412	\$ 283
Payable to Other Governmental Units.....	3,237	3,390	3,237	3,390
Funds Held in Trust.....	5,994	40,589	42,486	4,097
Total Liabilities.....	<u>\$ 9,643</u>	<u>\$ 44,262</u>	<u>\$ 46,135</u>	<u>\$ 7,770</u>

STATE OF MINNESOTA

AGENCY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued) YEAR ENDED JUNE 30, 1992 (IN THOUSANDS)

	BALANCE JULY 1, 1991	INCREASES	DECREASES	BALANCE JUNE 30, 1992
DISBURSEMENT CLEARING				
ASSETS				
Cash and Cash Equivalents.....	\$ 118,867	\$ 11,004,912	\$ 10,967,476	\$ 156,303
Total Assets.....	\$ 118,867	\$ 11,004,912	\$ 10,967,476	\$ 156,303
LIABILITIES				
Warrants Payable.....	\$ 118,867	\$ 11,004,912	\$ 10,967,476	\$ 156,303
Total Liabilities.....	\$ 118,867	\$ 11,004,912	\$ 10,967,476	\$ 156,303
MISCELLANEOUS AGENCY				
ASSETS				
Cash and Cash Equivalents.....	\$ 15,580	\$ 121,045	\$ 122,920	\$ 13,705
Accounts Receivable.....	459	666	451	674
Interfund Receivables.....	66	250	316	—
Deferred Costs.....	138	74	138	74
Total Assets.....	\$ 16,243	\$ 122,035	\$ 123,825	\$ 14,453
LIABILITIES				
Accounts Payable.....	\$ 1,351	\$ 1,741	\$ 1,351	\$ 1,741
Interfund Payables.....	4,541	4	4,541	4
Payable to Other Governmental Units.....	297	3,225	297	3,225
Funds Held in Trust.....	10,054	117,818	118,389	9,483
Total Liabilities.....	\$ 16,243	\$ 122,788	\$ 124,578	\$ 14,453
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents.....	\$ 151,805	\$ 11,248,131	\$ 11,214,231	\$ 185,705
Investments.....	410,422	137,734	38,548	509,608
Accounts Receivable.....	2,044	2,803	2,036	2,811
Interfund Receivables.....	66	250	316	—
Accrued Investment Income.....	—	1	1	—
Deferred Costs.....	138	74	138	74
Equity in Investment Trust Funds.....	174,297	115,195	92,530	196,962
Total Assets.....	\$ 738,772	\$ 11,504,188	\$ 11,347,800	\$ 895,160
LIABILITIES				
Warrants Payable.....	\$ 118,867	\$ 11,004,912	\$ 10,967,476	\$ 156,303
Accounts Payable.....	1,963	2,324	1,963	2,324
Interfund Payables.....	4,558	58	4,558	58
Payable to Other Governmental Units.....	3,534	6,615	3,534	6,615
Funds Held in Trust.....	609,850	332,799	212,789	729,860
Total Liabilities.....	\$ 738,772	\$ 11,346,708	\$ 11,190,320	\$ 895,160

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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

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES

JUNE 30, 1992 and 1991
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1992	JUNE 30, 1991
GENERAL FIXED ASSETS:		
Land.....	\$ 228,964	\$ 218,298
Buildings.....	1,019,185	955,586
Equipment.....	271,261	251,884
Construction in Progress.....	141,000	148,728
Total General Fixed Assets.....	<u>\$ 1,660,410</u>	<u>\$ 1,574,496</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
Investment in Assets Acquired Prior to July 1, 1984 – Source Unidentified.....	\$ 835,143	\$ 841,918
Expenditures from:		
General Fund.....	95,119	84,247
Special Revenue Funds:		
Trunk Highway Fund.....	199,117	184,654
Highway User Tax Distribution Fund.....	607	863
Other Transportation Funds.....	3,029	1,228
Federal Fund.....	64,018	50,727
Environmental Fund.....	429	207
Natural Resources Funds.....	19,068	15,608
Special Workers Compensation Fund.....	3,052	2,465
Iron Range Resources and Rehabilitation Fund.....	20,245	21,865
Miscellaneous Special Revenue Fund.....	30,229	25,903
Capital Projects Funds:		
General Project Fund.....	5,804	5,755
Reinvest in Minnesota Fund.....	10,453	9,316
Building Fund.....	354,975	311,883
Donations.....	19,122	17,857
Total Investment in General Fixed Assets.....	<u>\$ 1,660,410</u>	<u>\$ 1,574,496</u>

STATE OF MINNESOTA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY JUNE 30, 1992 (IN THOUSANDS)

Function and Activity	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs.....	\$ 3,769	\$ 57,880	\$ 213	\$ 25,279	\$ 87,141
Public Safety.....	—	—	18,461	—	18,461
Others.....	—	—	345	—	345
Total Protection of Persons and Property.....	\$ 3,769	\$ 57,880	\$ 19,019	\$ 25,279	\$ 105,947
Transportation:					
Transportation.....	\$ 4,419	\$ 99,237	\$ 124,434	\$ 17,901	\$ 245,991
Total Transportation.....	\$ 4,419	\$ 99,237	\$ 124,434	\$ 17,901	\$ 245,991
Resource Management:					
Natural Resources.....	\$ 173,012	\$ 33,706	\$ 32,657	\$ 30	\$ 239,405
Pollution Control.....	—	—	2,767	—	2,767
Total Resource Management.....	\$ 173,012	\$ 33,706	\$ 35,424	\$ 30	\$ 242,172
Economic and Manpower Development:					
Agriculture.....	\$ —	\$ —	\$ 1,390	\$ —	\$ 1,390
Commerce.....	—	—	155	—	155
Jobs and Training.....	1,976	5,821	8,491	1,502	17,790
Trade and Economic Development.....	—	—	571	—	571
Labor and Industry.....	—	—	4,256	—	4,256
Iron Range Resources and Rehabilitation.....	736	26,346	2,496	560	30,138
Public Service.....	—	—	949	—	949
Amateur Sports Commission.....	1,002	14,294	—	—	15,296
Others.....	—	—	158	—	158
Total Economic and Manpower Development.....	\$ 3,714	\$ 46,461	\$ 18,466	\$ 2,062	\$ 70,703
Education:					
Center for Arts Education.....	\$ 1,955	\$ 2,295	\$ 128	\$ 557	\$ 4,935
State University System.....	14,712	220,781	33,257	5,438	274,188
Community College System.....	10,076	145,874	5,384	30,512	191,846
Technical College System.....	—	—	2,459	—	2,459
Education (K-12).....	30	10,516	333	—	10,879
Higher Education Coordinating Board.....	—	—	839	—	839
Zoological Garden.....	1,175	35,651	919	2,946	40,691
Total Education.....	\$ 27,948	\$ 415,117	\$ 43,319	\$ 39,453	\$ 525,837
Health and Social Services:					
Health.....	\$ —	\$ —	\$ 3,744	\$ —	\$ 3,744
Human Services.....	524	140,670	5,538	6,668	153,400
Veterans Affairs.....	133	24,645	543	3,893	29,214
Corrections.....	108	104,889	3,949	5,245	114,191
Others.....	30	—	486	—	516
Total Health and Human Services.....	\$ 795	\$ 270,204	\$ 14,260	\$ 15,806	\$ 301,065
General Government:					
Administration (1).....	\$ 15,307	\$ 96,580	\$ 418	\$ 40,469	\$ 152,774
Attorney General.....	—	—	774	—	774
Employee Relations.....	—	—	1,712	—	1,712
Office of Strategic and Long Range Planning.....	—	—	80	—	80
Governor.....	—	—	63	—	63
Legislature.....	—	—	21	—	21
Secretary of State.....	—	—	5,002	—	5,002
Supreme Court.....	—	—	4,696	—	4,696
Revenue.....	—	—	2,372	—	2,372
Others.....	—	—	1,201	—	1,201
Total General Government.....	\$ 15,307	\$ 96,580	\$ 16,339	\$ 40,469	\$ 168,695
Total General Fixed Assets.....	\$ 228,964	\$ 1,019,185	\$ 271,261	\$ 141,000	\$ 1,660,410

(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, 1992 (IN THOUSANDS)

Function and Activity	GENERAL FIXED ASSETS JULY 1, 1991	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS JUNE 30, 1992
Protection of Persons and Property:					
Military Affairs.....	\$ 80,245	\$ 7,494	\$ 583	\$ (15)	\$ 87,141
Public Safety.....	20,090	2,665	4,315	21	18,461
Others.....	315	30	—	—	345
Total Protection of Persons and Property.....	\$ 100,650	\$ 10,189	\$ 4,898	\$ 6	\$ 105,947
Transportation:					
Transportation.....	\$ 228,714	\$ 24,517	\$ 7,097	\$ (143)	\$ 245,991
Total Transportation.....	\$ 228,714	\$ 24,517	\$ 7,097	\$ (143)	\$ 245,991
Resource Management:					
Natural Resources.....	\$ 225,664	\$ 14,840	\$ 872	\$ (227)	\$ 239,405
Pollution Control.....	2,474	393	127	27	2,767
Total Resource Management.....	\$ 228,138	\$ 15,233	\$ 999	\$ (200)	\$ 242,172
Economic and Manpower Development:					
Agriculture.....	\$ 1,339	\$ 90	\$ 39	\$ —	\$ 1,390
Commerce.....	114	41	—	—	155
Jobs and Training.....	14,878	3,006	104	11	17,791
Trade and Economic Development.....	15,839	22	—	(15,289)	572
Labor and Industry.....	3,632	572	—	51	4,255
Iron Range Resources and Rehabilitation.....	31,758	647	393	(1,875)	30,137
Public Service.....	1,017	171	239	—	949
Amateur Sports Commission.....	—	—	—	15,296	15,296
Others.....	134	—	13	37	158
Total Economic and Manpower Development.....	\$ 68,711	\$ 4,549	\$ 788	\$ (1,769)	\$ 70,703
Education:					
Center for Arts Education.....	\$ 4,929	\$ 6	\$ —	\$ —	\$ 4,935
State University System.....	254,058	21,439	1,745	436	274,188
Community College System.....	176,329	16,243	30	(696)	191,846
Technical College System.....	1,420	975	(64)	—	2,459
Education (K-12).....	11,109	14	244	—	10,879
Higher Education Coordinating Board.....	750	89	—	—	839
Zoological Garden.....	38,275	2,299	—	117	40,691
Others.....	15	—	—	(15)	—
Total Education.....	\$ 486,885	\$ 41,065	\$ 1,955	\$ (158)	\$ 525,837
Health and Social Services:					
Health.....	\$ 3,361	\$ 352	\$ —	\$ 31	\$ 3,744
Human Services.....	157,068	4,477	1,437	(6,708)	153,400
Veterans Affairs.....	26,111	3,103	—	—	29,214
Corrections.....	106,857	6,239	1,042	2,137	114,191
Others.....	441	75	—	—	516
Total Health and Human Services.....	\$ 293,838	\$ 14,246	\$ 2,479	\$ (4,540)	\$ 301,065
General Government:					
Administration (1).....	\$ 152,345	\$ 483	\$ 25	\$ (29)	\$ 152,774
Attorney General.....	652	41	—	81	774
Employee Relations.....	1,555	150	—	7	1,712
Office of Strategic and Long Range Planning.....	739	—	659	—	80
Governor.....	48	—	—	15	63
Legislature.....	21	—	—	—	21
Secretary of State.....	5,155	22	175	—	5,002
Supreme Court.....	4,134	643	81	—	4,696
Revenue.....	1,998	426	73	21	2,372
Others.....	913	324	82	46	1,201
Total General Government.....	\$ 167,560	\$ 2,089	\$ 1,095	\$ 141	\$ 168,695
Total General Fixed Assets.....	\$ 1,574,496	\$ 111,888	\$ 19,311	\$ (6,663)	\$ 1,660,410

(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, 1992 (IN THOUSANDS)

	BALANCE JULY 1, 1991	INCREASE	DECREASE	BALANCE JUNE 30, 1992
Amount Available and to be Provided for Payment of General Long-Term Obligations:				
Amount Available in Debt Service Fund.....	\$ 141,615	\$ 146,231	\$ 143,871	\$ 143,975
Amount to be Provided:				
General Fund.....	\$ 1,856,015	\$ 596,765	\$ 499,813	\$ 1,952,967
Trunk Highway Fund.....	176,537	19,539	12,969	183,107
Highway User Tax Distribution Fund.....	653	4	—	657
Other Transportation Funds.....	276	15	—	291
Federal Fund.....	11,627	1,134	291	12,470
Environmental Fund.....	488	267	—	755
Natural Resources Funds.....	4,833	470	—	5,303
Maximum Effort School Loan Fund.....	40,058	19,850	2,916	56,992
Special Workers Compensation Fund.....	96,020	451	36,573	59,898
Iron Range Resources and Rehabilitation Fund.....	299	—	5	294
Miscellaneous Special Revenue Fund.....	67,748	4,018	7,190	64,576
Total Amount to be Provided.....	\$ 2,254,554	\$ 642,513	\$ 559,757	\$ 2,337,310
Total Amount Available and to be Provided.....	\$ 2,396,169	\$ 788,744	\$ 703,628	\$ 2,481,285
General Long-Term Obligations Payable:				
General Obligation Bonds Payable.....	\$ 1,573,630	\$ 195,000	\$ 138,525	\$ 1,630,105
Loans Payable.....	57,806	18,669	5,345	71,130
Revenue Bonds Payable.....	50,015	—	3,225	46,790
Grants Payable.....	351,728	395,453	351,728	395,453
Claims Payable.....	93,000	—	36,036	56,964
Compensated Absences Payable.....	135,123	9,573	—	144,696
Workers Compensation Liability.....	98,291	15,394	13,824	99,861
Capital Leases Payable.....	29,094	7,745	8,481	28,358
Pension Liabilities.....	343	605	65	883
Arbitrage Payable.....	7,139	—	94	7,045
Total General Long-Term Obligations Payable.....	\$ 2,396,169	\$ 642,439	\$ 557,323	\$ 2,481,285

**GENERAL OBLIGATION
DEBT SCHEDULES**

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT							
		OUTSTANDING 6-30-92	1993	1994	1995	1996	1997	1998	1999
GENERAL FUND									
STATE BUILDING (VOC-TECH)	75-436	\$3,275	\$775	\$775	\$775	\$775	\$175	\$--	\$--
			163	119	76	34	9	--	--
STATE BUILDING,CAPITAL IMPROVEMENT	71-963	6,923	2,268	2,268	1,268	685	435	--	--
			314	190	95	43	12	--	--
	73-778	9,517	2,329	2,329	1,829	1,566	1,358	53	53
			459	337	229	141	65	6	3
	74-541	614	205	205	205	--	--	--	--
			29	16	5	--	--	--	--
	75-436	4,183	847	847	847	847	795	--	--
			205	162	117	72	29	--	--
	76-348	13,652	2,693	2,693	2,693	2,693	2,693	93	93
			679	544	409	271	132	11	5
	77-421	3,000	375	375	375	375	375	375	375
			192	169	145	122	98	73	49
	77-451	11,653	1,743	1,743	1,743	1,743	1,743	1,743	1,193
			628	537	445	352	258	164	69
	78-792	24,942	3,325	3,325	3,325	3,325	3,325	3,325	3,325
			1,500	1,307	1,112	916	716	515	312
	79-301	16,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
			1,023	899	774	648	520	390	260
	79-338	643	322	322	--	--	--	--	--
			41	14	--	--	--	--	--
	'81-304	897	449	449	--	--	--	--	--
			57	19	--	--	--	--	--
	'81-334	3,984	582	576	361	305	305	305	305
			253	212	179	158	139	119	99
	'81-361	296	140	140	15	--	--	--	--
			19	7	1	--	--	--	--
	'81-362	3,181	1,219	1,219	743	--	--	--	--
			229	122	34	--	--	--	--
	'81-4	779	325	325	129	--	--	--	--
			54	26	6	--	--	--	--
	'82-639	92	46	46	--	--	--	--	--
			6	2	--	--	--	--	--
	'83-344	12,049	4,598	4,557	2,894	--	--	--	--
			864	468	134	--	--	--	--
	'84-597	56,743	14,112	13,892	11,179	5,410	945	1,125	2,080
			3,503	2,497	1,585	1,012	814	746	639
	X'85-15	92,168	17,196	16,896	13,691	10,800	7,025	6,805	2,750
			5,710	4,511	3,435	2,623	2,052	1,599	1,282
	'87-400	196,930	12,985	12,980	12,920	12,775	12,735	12,740	12,850
			12,704	11,848	10,995	10,147	9,302	8,454	7,602
	X'87-3	375	20	20	20	20	20	25	25
			25	24	22	21	20	18	17
	'88-718	5,460	295	295	295	290	295	295	300
			364	344	323	303	283	262	242
	'89-290	9,545	515	515	515	515	520	520	525
			624	589	554	520	485	450	415
	'89-300	68,645	3,670	3,670	3,670	3,670	3,675	3,675	3,675
			4,402	4,162	3,922	3,682	3,442	3,202	2,962
	'89-41	3,365	190	190	190	190	190	190	190
			217	204	192	179	167	154	142
	'90-365	1,859	95	95	95	95	100	100	100
			125	118	112	105	98	91	84
	'90-610	45,756	2,354	2,344	2,333	2,322	2,545	2,532	2,519
			3,021	2,861	2,703	2,545	2,379	2,207	2,036
STATE BUILDING, TAXABLE BONDS	'87-400	4,630	290	290	290	290	290	290	290
			428	401	373	346	318	291	263

(\$ in Thousands)

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT							
		OUTSTANDING 6-30-92	1993	1994	1995	1996	1997	1998	1999
STATE SCHOOL ENERGY BUILDING BONDS	'83-323	7,330	1,860	1,860	1,860	1,365	65	65	65
			350	240	168	79	23	18	14
REFUNDING BONDS	'85-16A.66	414,085	1,585	16,115	27,375	41,615	35,844	38,565	43,434
			28,724	28,177	26,737	24,321	21,559	18,954	16,150
REINVESTMENT IN MINNESOTA (RIM)	'86-383	9,600	1,600	1,600	1,600	1,600	1,600	1,600	--
			547	451	355	258	157	53	--
	'89-300	4,280	245	245	245	245	245	245	245
			282	265	249	232	215	198	182
	'91-354	7,000	350	350	350	350	350	350	350
			444	422	399	377	355	332	310
RURAL FINANCE AUTHORITY (RFA)	'86-398	10,985	0	750	0	0	2,815	3,000	2,980
			743	709	675	675	585	395	195
STATE BUILDING (NATURAL RESOURCES)	'75-415	5,000	1,000	1,000	1,000	1,000	1,000	--	--
			244	191	138	83	28	--	--
POLLUTION CONTROL	X'71-20	3,200	1,738	488	488	488	--	--	--
			98	68	40	13	--	--	--
	'73-771	4,800	1,013	1,013	1,013	1,013	750	--	--
			239	186	134	82	38	--	--
	'75-354	10,850	1,450	1,450	1,450	1,450	1,450	1,450	1,450
			651	567	482	397	310	222	134
	'77-418	400	50	50	50	50	50	50	50
			26	22	19	16	13	10	7
	'79-285	600	300	300	--	--	--	--	--
			38	13	--	--	--	--	--
	'83-116.17	5,301	2,326	2,247	729	--	--	--	--
			349	164	35	--	--	--	--
	'84-597	11,765	2,165	2,135	1,925	1,550	260	235	700
			683	554	432	326	270	254	222
	'87-400	47,205	2,455	2,455	2,455	2,455	2,620	2,625	2,625
			3,082	2,918	2,754	2,590	2,419	2,243	2,068
	'89-300	18,745	950	950	950	950	1,075	1,070	1,060
			1,243	1,178	1,113	1,048	979	905	833
STATE BUILDING (PARKS & RECREATION)	'77-421	16,200	2,700	2,700	2,700	2,700	2,700	2,700	--
			794	664	535	402	270	135	--
STATE TRANSPORTATION	'76-339	6,250	1,250	1,250	1,250	1,250	1,250	--	--
			310	249	188	125	63	--	--
	'77-277	15,600	2,500	2,500	2,500	2,500	2,500	2,500	600
			793	669	545	419	292	164	35
	'79-280	11,022	2,776	2,725	1,571	845	675	690	740
			710	503	338	252	203	159	112
	'80-610	710	285	285	140	--	--	--	--
			50	25	6	--	--	--	--
	'84-597	1,800	600	600	600	--	--	--	--
			136	83	28	--	--	--	--
	X'85-15	1,520	95	95	95	95	95	95	95
			101	95	88	82	76	70	64
	'87-400	290	10	10	10	10	15	15	15
			20	19	18	18	17	16	15
	'89-300	5,595	305	305	305	305	310	310	310
			371	350	329	308	287	266	245
	'90-610	2,765	135	135	135	135	140	140	140
			179	170	161	152	143	134	125
VIETNAM VETERANS' BONUS	'73-204	6,000	3,000	3,000	--	--	--	--	--
			221	74	--	--	--	--	--
WASTE MANAGEMENT	'80-564	4,245	928	910	668	485	80	80	220
			251	191	139	103	85	80	70
	X'85-15	7,905	964	957	709	555	370	370	440
			512	445	387	346	316	292	265
	'87-400	3,230	160	160	160	165	165	165	165
			208	197	187	176	165	155	144
	'90-610	3,250	160	160	160	160	160	160	160

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
65	65	60	--	--	--	--	--	--	--	--	--	--
10	6	2	--	--	--	--	--	--	--	--	--	--
46,515	37,600	30,360	32,692	25,461	16,990	8,091	8,091	3,751	--	--	--	--
13,068	10,165	7,801	5,590	3,535	2,029	1,134	556	133	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
245	245	215	220	220	220	220	220	220	220	220	50	50
165	149	134	119	105	90	75	60	45	29	14	5	2
350	350	350	350	350	350	350	350	350	350	350	350	350
287	265	243	220	198	175	152	128	105	82	59	35	12
1,440	--	--	--	--	--	--	--	--	--	--	--	--
47	--	--	--	--	--	--	--	--	--	--	--	--
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--	--	--	--	--	--	--	--	--	--	--	--	--
700	--	--	--	--	--	--	--	--	--	--	--	--
46	--	--	--	--	--	--	--	--	--	--	--	--
50	--	--	--	--	--	--	--	--	--	--	--	--
3	--	--	--	--	--	--	--	--	--	--	--	--
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--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
700	690	690	715	--	--	--	--	--	--	--	--	--
174	125	76	26	--	--	--	--	--	--	--	--	--
2,625	2,670	2,650	2,650	2,630	2,620	2,615	2,605	2,595	2,590	2,585	340	340
1,895	1,721	1,544	1,367	1,191	1,015	839	662	485	309	133	34	11
1,050	1,175	1,080	1,070	1,080	1,085	1,040	1,040	1,040	1,040	1,040	--	--
763	689	613	540	468	395	322	251	179	108	36	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
740	90	90	80	--	--	--	--	--	--	--	--	--
64	15	9	3	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
95	95	95	95	95	95	95	95	95	--	--	--	--
57	51	44	38	31	24	17	10	3	--	--	--	--
15	15	15	15	15	15	20	20	25	25	25	--	--
14	13	12	11	10	9	7	6	4	3	1	--	--
310	310	310	310	310	310	315	315	315	320	320	--	--
224	204	183	162	141	120	98	77	55	33	11	--	--
140	140	140	145	145	145	150	150	150	150	150	100	100
116	106	97	88	79	69	59	49	39	29	19	10	3
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
220	220	220	215	--	--	--	--	--	--	--	--	--
54	39	23	8	--	--	--	--	--	--	--	--	--
440	445	445	445	350	350	350	350	350	5	10	--	--
235	205	174	143	115	90	64	39	14	1	--	--	--
165	165	165	165	170	170	170	170	170	170	170	120	120
133	123	112	101	90	79	68	56	45	33	22	12	4
160	160	160	165	165	165	165	165	165	165	165	165	165

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT							
		OUTSTANDING 6-30-92	1993	1994	1995	1996	1997	1998	1999
EXCHANGE BONDS	'85-16A.66	6,289	206	196	186	176	165	155	145
			3	3	3	3	3	3	3
ZOOLOGICAL GARDENS	73-207	5,000	1,800	1,875	1,175	75	75	--	--
			225	121	39	8	4	--	--
TOTAL GENERAL FUND		1,259,976	112,715	126,783	118,080	114,102	98,205	92,673	88,493
			80,670	72,889	64,885	57,304	50,376	43,967	37,816
GAME AND FISH FUND									
STATE BUILDING, CAPITAL IMPROVEMENT	79-338	5	3	3	--	--	--	--	--
			--	--	--	--	--	--	--
REFUNDING BONDS	'85-16A.66	511	--	20	40	55	46	45	51
			35	34	32	29	25	22	19
TOTAL GAME AND FISH FUND		516	3	23	40	55	46	45	51
			35	34	32	29	25	22	19
TRUNK HIGHWAY FUND									
REFUNDING BONDS	'85-16A.66	42,480	215	2,195	2,125	3,245	8,705	4,510	4,440
			2,872	2,798	2,662	2,487	2,092	1,651	1,346
TRUNK HIGHWAY	77-277	11,200	2,500	2,500	1,550	1,550	1,550	1,550	--
			577	422	307	231	155	78	--
	'83-17	7,505	2,585	2,585	2,335	--	--	--	--
			562	332	108	--	--	--	--
TOTAL TRUNK HIGHWAY FUND		61,185	5,300	7,280	6,010	4,795	10,255	6,060	4,440
			4,011	3,551	3,077	2,718	2,247	1,729	1,346
INFRASTRUCTURE DEVELOPMENT FUND									
STATE BUILDING, CAPITAL IMPROVEMENT	'90-610	134,755	6,801	6,811	6,827	6,838	6,850	6,863	6,876
			8,732	8,281	7,830	7,377	6,924	6,470	6,018
TOTAL INFRASTRUCTURE DEVELOPMENT FUND		134,755	6,801	6,811	6,827	6,838	6,850	6,863	6,876
			8732	8281	7830	7377	6924	6470	6018
MAXIMUM EFFORT SCHOOL LOAN									
REFUNDING BONDS	'85-16A.66	14,060	25	245	235	360	355	1,280	1,625
			959	950	935	916	892	837	741
SCHOOL LOANS	'69-1056	2,505	435	435	435	435	435	135	135
			134	111	87	64	40	20	12
	'80-545	4,703	416	411	306	255	255	255	255
			308	278	252	233	217	200	183
	'88-718	20,790	1,140	1,140	1,140	1,135	1,140	1,140	1,140
			1,382	1,304	1,225	1,146	1,068	989	912
	'90-610	18,000	900	900	900	900	900	900	900
			1,142	1,085	1,027	969	912	854	797
TOTAL MAXIMUM EFFORT SCHOOL LOAN FUND		60,058	2,916	3,131	3,016	3,085	3,085	3,710	4,055
			3,924	3,727	3,527	3,328	3,128	2,901	2,644
CIGARETTE TAX BONDS									
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	89,200	11,545	11,550	11,550	11,550	11,555	11,555	10,555
			5,459	4,725	3,991	3,253	2,509	1,754	1,018
TOTAL CIGARETTE TAX BONDS		89,200	11,545	11,550	11,550	11,550	11,555	11,555	10,555
			5,459	4,725	3,991	3,253	2,509	1,754	1,018
SPORTS AND HEALTH CLUB TAX BONDS									
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	24,415	1,605	1,610	1,610	1,615	1,615	1,615	1,615
			1,602	1,499	1,396	1,292	1,187	1,082	974
TOTAL SPORTS AND HEALTH CLUB TAX BONDS		24,415	1,605	1,610	1,610	1,615	1,615	1,615	1,615
			1602	1499	1396	1292	1187	1082	974

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
135	124	114	104	93	82	71	60	50	39	28	17	6
--	3,145	3,145	--	--	--	--	--	--	--	--	--	--
3	2	1	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
82,759	70,469	63,168	62,137	48,882	40,386	31,466	31,433	27,064	21,978	21,951	4,001	3,970
31,921	26,640	22,268	18,048	14,208	11,123	8,641	6,467	4,449	2,773	1,280	400	133
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
55	50	40	38	29	20	9	9	4	--	--	--	--
15	12	9	6	4	2	1	1	--	--	--	--	--
55	50	40	38	29	20	9	9	4	--	--	--	--
15	12	9	6	4	2	1	1	--	--	--	--	--
4,380	3,180	2,610	2,570	2,535	590	590	590	--	--	--	--	--
1,043	783	581	399	217	106	64	21	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
4,380	3,180	2,610	2,570	2,535	590	590	590	--	--	--	--	--
1,043	783	581	399	217	106	64	21	--	--	--	--	--
6,891	6,906	7,003	7,020	7,039	7,059	7,080	7,127	7,156	7,182	7,209	4,594	4,625
5,569	5,123	4,667	4,206	3,743	3,274	2,799	2,319	1,836	1,351	863	464	155
6,891	6,906	7,003	7,020	7,039	7,059	7,080	7,127	7,156	7,182	7,209	4,594	4,625
5569	5123	4667	4206	3743	3274	2799	2319	1836	1351	863	464	155
1,850	1,700	1,595	1,750	1,275	900	310	310	245	--	--	--	--
626	506	393	276	170	94	51	28	9	--	--	--	--
60	--	--	--	--	--	--	--	--	--	--	--	--
4	--	--	--	--	--	--	--	--	--	--	--	--
255	255	255	260	260	260	255	255	255	120	120	--	--
166	149	132	114	97	79	61	43	25	12	4	--	--
1,140	1,140	1,140	1,145	1,145	1,145	1,150	1,155	1,155	1,155	1,155	95	95
836	761	684	606	529	451	372	293	213	133	53	10	3
900	900	900	900	900	900	900	900	900	900	900	900	900
739	681	624	566	508	449	390	330	270	211	151	90	30
4,205	3,995	3,890	4,055	3,580	3,205	2,615	2,620	2,555	2,175	2,175	995	995
2,370	2,097	1,832	1,563	1,303	1,072	873	694	517	356	208	100	33
2,335	2,335	2,335	2,335	--	--	--	--	--	--	--	--	--
581	417	251	84	--	--	--	--	--	--	--	--	--
2,335	2,335	2,335	2,335	--	--	--	--	--	--	--	--	--
581	417	251	84	--	--	--	--	--	--	--	--	--
1,615	1,610	1,610	1,610	1,275	1,275	1,275	1,275	1,275	155	155	--	--
866	756	645	533	432	341	250	158	67	16	5	--	--
1,615	1,610	1,610	1,610	1,275	1,275	1,275	1,275	1,275	155	155	--	--
866	756	645	533	432	341	250	158	67	16	5	--	--

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT							
		OUTSTANDING 6-30-92	1993	1994	1995	1996	1997	1998	1999
STATE UNIVERSITY BOARD									
STATE UNIVERSITIES	73-759	4,225	200	4,025	--	--	--	--	--
			210	103	--	--	--	--	--
TOTAL STATE UNIVERSITY BOARD		4,225	200	4,025	--	--	--	--	--
			210	103	--	--	--	--	--
TOTAL PRINCIPAL - ALL FUNDS (1)		1,634,330	141,085	160,485	147,120	142,040	131,610	122,520	116,085
TOTAL INTEREST - ALL FUNDS			104,643	94,810	84,736	75,302	66,397	57,924	49,835
TOTAL DEBT SERVICE - ALL FUNDS (2)		1,634,330	245,728	255,295	231,856	217,342	198,007	180,444	165,920

(1) Does not include this issue.

(2) The Total Debt Service - All Funds does not include: \$44,500,000 of bonds dated August 1, 1983; \$73,000,000 of bonds dated March 1, 1984; \$48,300,000 of bonds dated July 2, 1984; and \$116,500,000 of bonds dated June 1, 1985 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 1993 - 2012

PRINCIPAL PAYMENTS - BOLD

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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102,240	88,545	80,655	79,765	63,340	52,535	43,035	43,055	38,055	31,490	31,490	9,590	9,590
42,366	35,827	30,255	24,839	19,908	15,919	12,627	9,661	6,869	4,495	2,356	964	321
144,606	124,372	110,910	104,604	83,248	68,454	55,662	52,716	44,924	35,985	33,846	10,554	9,911

Note: Columns may not add due to rounding.

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1992
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1971-856 (1)	Municipal Aid	\$ 4,330	Municipal Aid	\$ 4,330	\$ -	\$ 4,330
1980-564	Waste Management	15,000	Waste Processing Facility Assistance	8,800		
			Acquisition of Real Property for Hazardous Waste Facility Sites	6,200	12,500	2,500
1983-323	Building	30,000	School Energy	30,000	23,630	6,370
1984-597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	9,000	7,000
x1985-15	Transportation	2,035	Interstate Substitution	2,035	1,800	235
1986-398	Rural Finance Authority	50,000	Farm Loan Restructuring	50,000	11,175	38,825
1987-400	Building	370,972.2	Supreme Court	32,500		
			Administration	19,656.8		
			Capital Area Architectural Planning Board	300		
			Natural Resources	16,770		
			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	33,198.1		
			Community College	34,960		
			State Universities	52,491.2		
			University of Minnesota	47,779.7		
			Corrections	2,274.4		
			Human Services	7,875		
			Minnesota Center for the Arts	4,000		
			Other	452	360,565.5	10,406.7
1987-400	Transportation	8,800	County Municipal Township Bridges	8,800	5,500	3,300
1987-400	Waste Management	4,000	Waste Processing Facility Assistance	4,000	3,275	725
1987-400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	60,380	6,367
1987-400	Reinvest in Minnesota	19,000	Agriculture	9,000		
			Natural Resources	10,000	17,200	1,800
1988-718 (2)	Building	6,000	Cooperative Secondary Facilities Grant Program	6,000	5,715	285
1989-41	Building	3,799	Administration	3,799	3,745	54
1989-290	Building	10,755	Administration	10,755	10,300	455
1989-300	Building	142,585	Vocational Technical Education	5,485		
			Community Colleges	5,805		
			State Universities	27,680		
			University of Minnesota	14,415		
			Education	2,703		
			Human Services	11,751		
			Corrections	2,600		
			Health	390		
			Veterans Home Board	165		
			Jobs and Training	1,000		
			Historical Society	301		
			Administration	36,359		
			Capital Area Architectural and Planning Board	450		
			Natural Resources	3,357		
			Pollution Control Agency	10,125		
			Public Facilities Authority	12,700		
			Trade and Economic Development	6,780		
			Military Affairs	400		
			Other	119	93,540	49,045
1989-300	Transportation	8,000	County Municipal Township Bridges	8,000	6,000	2,000
1989-300	Reinvest in Minnesota	5,000	Board of Water and Soil Resources	1,500		
			Natural Resources	3,500	4,500	500
1990-610	Building	340,795	Technical Colleges	25,362		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1992
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Community Colleges	50,500		
			State Universities	42,945		
			University of Minnesota	71,480		
			Education	4,793		
			Human Services	22,675		
			Corrections	13,121		
			Health	1,376		
			Veterans Home Board	1,750		
			Jobs and Training	750		
			Historical Society	3,475		
			Administration	13,950		
			Capital Area Architectural and Planning Board	300		
			Natural Resources	14,950		
			Pollution Control Agency	27,225		
			Public Facilities Authority	30,954		
			Trade and Economic Development	7,500		
			Military Affairs	200		
			Public Safety	545		
			Indian Affairs Council	50		
			Amateur Sports Commission	5,000		
			Housing Finance Agency	1,500		
			Other	394	182,036	158,759
1990-610	Transportation	11,200	County Municipal Township Bridges	11,200	2,800	8,400
1990-610	Reinvest in Minnesota	5,395	Board of Water and Soil Resources	2,395		
			Natural Resources	3,000	2,500	2,895
1990-610	School Loan	23,000	Acquisition and Betterment of Public School Land and Buildings	23,000	18,000	5,000
1990-610	Waste Management	7,000	Waste Processing Facility Assistance	7,000	3,250	3,750
1991-265	School Loan	45,065	Acquisition and Betterment of Public School Land and Buildings	45,065	-	45,065
1991-350	Airport Facilities	175,000	Airport Facilities	175,000	-	175,000
1991-354	Wetlands/Reinvest in Minnesota	28,000	Board of Water and Soil Resources	13,900		
			Natural Resources	7,545		
			Trade and Economic Development	6,525	7,000	21,000
1992-558	Building	229,695	Technical Colleges	12,607		
			Community Colleges	14,630		
			State Universities	12,870		
			University of Minnesota	61,900		
			Education	13,606		
			Human Services	24,105		
			Corrections	15,382		
			Jobs and Training	2,000		
			Housing Finance Agency	3,000		
			Administration	24,343		
			Military Affairs	2,400		
			Trade and Economic Development	4,550		
			Public Facilities Authority	7,500		
			Natural Resources	11,682		
			Board of Water and Soil Resources	1,250		
			Agriculture	365		
			Pollution Control Agency	13,050		
			Minnesota Zoological Garden	1,820		
			Historical Society	2,375		
			Other	260	-	229,695
1992-558	School Loan	12,130	Acquisition and Betterment of Public School Land and Buildings	12,130	-	12,130
1992-558	Transportation	17,500	County Municipal Township Bridges	17,500	-	17,500
1992-558	Waste Management	2,000	Waste Processing Facility Assistance	2,000	-	2,000
Total Authorized, Unissued						\$ 815,391.7

(1) Laws 1984, Chapter 597 reduced the Municipal Aid Bonds authorization in Laws 1971, Chapter 856 by \$15,670,000.

(2) Laws 1989, Chapter 300 reduced the Building Bonds authorized in Laws 1988, Chapter 718 by \$2,000,000. Laws 1989, Chapter 300 also increased the School Loan authorization in Laws 1988, Chapter 718 by \$2,000,000.

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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 1983-1992
(In Thousands)

	1983	1984	1985	1986
Individual Income Taxes.....	\$ 2,304,202	\$ 2,642,957	\$ 2,638,570	\$ 2,488,268
Corporate Income Taxes.....	287,296	340,027	420,235	403,121
Sales Taxes.....	1,013,837	1,264,135	1,357,131	1,374,652
Gross Earnings Taxes.....	176,160	147,128	133,041	160,611
Motor Vehicle Excise Tax.....	123,897	179,188	197,213	207,774
Motor Vehicle Licenses.....	178,016	198,685	228,017	239,409
Gasoline and Special Fuel Taxes.....	282,485	348,081	360,517	342,349
Other Taxes.....	360,061	355,369	409,425	353,868
Federal Revenues.....	1,237,041	1,395,774	1,462,835	1,724,286
Other Revenues.....	405,644	465,383	640,057	537,426
Gross Revenues.....	\$ 6,368,639	\$ 7,336,727	\$ 7,847,041	\$ 7,831,764
Less Revenue Refunds (2).....	463,509	451,801	558,406	683,744
Net Revenues.....	<u>\$ 5,905,130</u>	<u>\$ 6,884,926</u>	<u>\$ 7,288,635</u>	<u>\$ 7,148,020</u>

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1982-1992
(In Thousands)

	1983	1984	1985	1986
Current Expenditures:				
Protection of Persons/Property.....	\$ 80,146	\$ 87,285	\$ 94,708	\$ 103,018
Transportation.....	185,370	205,123	219,422	223,550
Resource Management.....	90,298	99,045	109,707	115,351
Economic/Manpower Development.....	112,327	131,407	139,395	150,968
Education.....	238,945	299,428	293,380	305,576
Health and Social Services.....	269,724	306,188	324,254	348,992
General Government.....	114,661	117,542	136,136	142,766
Capital Outlay.....	158,543	236,173	348,670	384,850
Debt Service.....	222,010	164,178	289,324	165,934
Grants and Subsidies.....	3,668,006	4,625,102	4,953,819	5,138,516
Total Expenditures.....	\$ 5,140,030	\$ 6,271,471	\$ 6,908,815	\$ 7,079,521
Net Operating Transfers-Out (3).....	148,699	179,230	197,735	207,311
Total Expenditures and Net Transfers-Out.....	<u>\$ 5,288,729</u>	<u>\$ 6,450,701</u>	<u>\$ 7,106,550</u>	<u>\$ 7,286,832</u>

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

(2) Revenue for fiscal years 1983-1987 is shown at gross with revenue refunds shown separately. Fiscal years 1988 through 1992 revenue is shown net of revenue refunds.

(3) Net operating transfers-out are reduced by bond proceeds of the Special Revenue Funds for the following years:

1984	\$40,000,000	1987	\$ 8,000,000	1990	\$20,370,000
1985	35,000,000	1988	10,500,000	1991	32,904,000
1986	1,250,000	1989	7,750,000	1992	22,460,000

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1983-1992
(In Thousands)

1987	1988	1989	1990	1991	1992
\$ 2,757,164	\$ 2,626,343	\$ 2,491,602	\$ 2,881,050	\$ 2,969,239	\$ 3,148,740
501,091	416,646	500,177	481,311	462,943	428,412
1,478,303	1,681,263	1,779,569	1,869,592	1,961,716	2,192,547
223,995	224,490	220,007	164,139	159,745	146,487
225,617	235,907	249,507	256,589	236,236	270,151
259,112	254,061	272,476	297,351	331,783	349,549
361,386	386,971	449,621	456,723	451,995	457,826
336,660	382,140	427,094	441,290	516,981	623,714
1,765,052	1,821,810	1,959,518	2,151,582	2,213,281	2,508,640
522,133	601,652	679,575	751,114	756,795	781,761
\$ 8,430,513	\$ 8,631,283	\$ 9,029,146	\$ 9,750,741	\$ 10,060,714	\$ 10,907,827
574,815	-	-	-	-	-
\$ 7,855,698	\$ 8,631,283	\$ 9,029,146	\$ 9,750,741	\$ 10,060,714	\$ 10,907,827

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1983-1992
(In Thousands)

1987	1988	1989	1990	1991	1992
\$ 105,574	\$ 118,376	\$ 129,357	\$ 142,613	\$ 157,528	\$ 169,391
241,552	253,540	263,339	283,256	304,486	316,628
123,411	145,498	158,710	177,919	196,699	216,059
159,967	157,734	176,742	192,726	200,036	221,856
324,758	365,818	408,984	461,412	501,098	505,997
367,186	399,713	417,716	467,149	545,547	539,419
146,419	166,060	178,581	200,603	187,190	205,434
408,734	446,849	443,365	508,723	465,632	492,968
181,697	175,702	181,330	245,278	276,982	277,741
5,480,781	5,812,261	6,136,187	6,750,608	7,453,042	7,868,726
\$ 7,540,079	\$ 8,041,551	\$ 8,494,311	\$ 9,430,287	\$ 10,288,240	\$ 10,814,219
238,639	245,917	301,420	293,079	232,882	247,642
\$ 7,778,718	\$ 8,287,468	\$ 8,795,731	\$ 9,723,366	\$ 10,521,122	\$ 11,061,861

STATE OF MINNESOTA
ASSESSED VALUE OF TAXABLE PROPERTY
1983-1992

Year of Assessment	Real Property	Personal Property	Total Assessed Value/ Tax Capacity (1)	Percentage Increase Per Year
1983	\$ 27,603,262,506	\$ 769,544,956	\$ 28,372,807,462	2.88 %
1984	28,146,965,204	797,750,660	28,944,715,864	2.02
1985	28,412,803,371	828,890,699	29,241,694,070	1.03
1986	28,589,100,164	857,267,746	29,446,367,910	0.70
1987	29,019,276,963	875,697,037	29,894,974,000	1.52
1988 (1)	3,789,536,570	108,915,980	3,898,452,550	N/A
1989	3,023,231,788	131,014,287	3,154,246,075	N/A
1990	3,146,653,676	134,539,984	3,281,193,660	4.02
1991	3,095,922,721	132,766,806	3,228,689,527	(1.60)
1992	N/A	N/A	N/A	N/A

(1) Laws of 1988 changed the basis for calculating taxes from the assessed value and mill rate to the gross tax capacity rate for 1988 taxes payable in 1989, and to the net tax capacity rate for 1989 and subsequent years. Therefore, values for 1988 and 1989 are not comparable with each other nor with values for earlier years.

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
MARKET VALUE OF TAXABLE PROPERTY
1983-1992

Year of Assessment	Real Property	Personal Property	Total Market Value	Percentage Increase Per Year
1983	\$ 118,297,105,953	\$ 1,822,351,991	\$ 120,119,457,944	4.50 %
1984	120,668,207,126	1,892,326,701	122,560,533,827	2.03
1985	121,217,292,475	1,967,183,838	123,184,476,313	0.51
1986	119,726,713,732	2,033,815,060	121,760,528,792	(1.16)
1987	121,569,192,136	2,077,487,365	123,646,679,501	1.55
1988	128,658,534,060	2,111,366,270	130,769,900,330	5.76
1989	135,675,706,727	2,649,874,844	138,325,581,571	5.78
1990	143,606,454,726	2,783,575,907	146,390,030,633	5.83
1991	149,155,402,000	2,833,115,000	151,988,517,000	3.82
1992 (est)	153,159,000,000	2,861,000,000	156,020,000,000	2.65

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
OF TAXABLE PROPERTY AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
FISCAL YEARS 1983-1992

<u>Year</u>	<u>General Obligation Bonded Debt (In Thousands)</u>	<u>Percent Debt to Assessed Value (1)</u>	<u>Bonded Debt Per Capita</u>
1983	\$ 921,800	3.34 %	\$ 222.4
1984	1,057,945	3.76	254.2
1985	1,130,155	3.98	269.7
1986	1,202,536	4.31	285.4
1987	1,137,560	4.07	267.9
1988	1,277,783	4.12	296.7
1989	1,404,145	N/A (2)	322.6
1990	1,507,645	N/A	344.6
1991	1,573,630	N/A	357.9
1992	1,630,105	N/A	364.7

(1) Includes real property only.

(2) Comparable information no longer available. See note on statistical table for assessed value of taxable property.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION
BONDED DEBT TO GENERAL EXPENDITURES
FISCAL YEARS 1983-1992
(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>
1983	\$ 78,819	\$ 59,042	\$ 137,861	\$ 5,140,030	2.68 %
1984	77,855	61,486	139,341	6,271,471	2.22
1985	84,890	71,578	156,468	6,908,815	2.26
1986	85,860	74,943	160,803	7,079,521	2.27
1987	92,665	82,515	175,180	7,540,079	2.32
1988	87,195	88,507	175,702	8,041,551	2.18
1989	83,865	87,528	171,393	8,494,311	2.02
1990	121,475	96,276	217,751	9,430,287	2.31
1991	133,990	103,642	237,632	10,288,240	2.31
1992	138,525	112,104	250,629	10,814,219	2.32

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

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HOUSING FINANCE AGENCY
PROGRAMS FUND
FISCAL YEARS 1983-1992
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage (3)
					Principal	Interest	Total	
1983	\$ 34,569	\$ 112,973	\$ 5,275	\$ 142,267	\$ 92,907	\$ 92,612	\$ 185,519	0.77
1984	46,648	127,350	3,416	170,582	37,675	104,467	142,142	1.20
1985	40,750	148,800	3,448	186,102	52,695	120,173	172,868	1.08
1986	69,833	156,115	4,820	221,128	54,934	132,598	187,532	1.18
1987	111,348	150,986	6,584	255,750	172,229	124,709	296,938	0.86
1988	92,256	156,071	5,276	243,051	115,595	125,746	241,341	1.01
1989	73,693	167,259	5,801	235,151	76,964	134,118	211,082	1.11
1990	89,099	173,082	6,238	255,943	87,114	138,088	225,202	1.14
1991	101,060	176,361	6,247	271,174	123,968	142,814	266,782	1.02
1992	152,630	172,723	6,539	318,814	288,760	147,112	435,872	0.73

(1) Gains (Losses) on revenue bond refundings are included.

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

(3) Other resources not reflected above for revenue bond coverage are: federal grants and subsidies, state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION FACILITIES AUTHORITY
FISCAL YEARS 1983-1992
(Dollars in Thousands)

Year	Loan/Financing Leases Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1983	\$ 2,783	\$ 6,509	\$ 130	\$ 9,162	\$ 2,460	\$ 5,988	\$ 8,448	1.08
1984	2,181	7,929	144	9,966	9,535	7,606	17,141	0.58
1985	1,978	8,067	158	9,887	10,285	7,602	17,887	0.55
1986	1,936	7,788	145	9,579	2,305	7,049	9,354	1.02
1987	2,598	7,999	195	10,402	5,825	7,254	13,079	0.80
1988	1,224	7,663	286	8,601	14,675	6,884	21,559	0.40
1989	3,022	8,595	245	11,372	13,095	7,888	20,983	0.54
1990	8,024	9,071	247	16,848	7,730	8,242	15,972	1.05
1991	6,735	9,783	274	16,244	13,001	8,944	21,945	0.74
1992	7,402	11,395	511	18,286	22,034	10,437	32,471	0.56

(1) Investment income from nonoperating revenues is included.

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

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
PUBLIC FACILITIES AUTHORITY
FISCAL YEARS 1990-1992
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1990(1)	\$ 181	\$ 9,428	\$ 584	\$ 9,025	\$ 12,390	\$ 8,618	\$ 21,008	0.43
1991	4,829	13,627	671	17,785	14,555	12,688	27,243	0.65
1992	1,163	18,677	963	18,877	15,305	15,571	30,876	0.61

(1) First year revenue bonds were issued.

(2) Investment income from nonoperating revenues is included.

(3) Other nonoperating expenses are included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION COORDINATING BOARD
STUDENT LOAN FUND
FISCAL YEARS 1983-1992
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1983	\$ 25,908	\$ 43,434	\$ 4,678	\$ 64,664	\$ 9,000	\$ 27,580	\$ 36,580	1.77
1984	55,103	50,696	5,486	100,313	66,600	30,026	96,626	1.04
1985	103,416	52,408	5,092	150,732	108,500	29,060	137,560	1.10
1986	47,014	51,049	5,232	92,831	20,720	22,524	43,244	2.15
1987	29,449	36,295	5,359	60,385	20,585	19,806	40,391	1.50
1988	37,077	37,417	6,152	68,342	22,000	18,431	40,431	1.69
1989	37,012	20,117	4,324	52,805	114,427	4,263	118,690	0.44
1990	27,502	21,106	4,564	44,044	2,300	3,629	5,929	7.43
1991	24,779	21,671	4,944	41,506	9,200	3,307	12,507	3.32
1992	23,938	16,777	4,699	36,016	9,800	2,451	12,251	2.94

(1) Proceeds from nonstate grants and subsidies are included. Also included are gains (losses) on revenue bond refunds and investment income from nonoperating revenues.

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

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD
MISCELLANEOUS SPECIAL REVENUE FUND
FISCAL YEARS 1985-1992
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1985(1)	\$ -	\$ 654	\$ 165	\$ 489	\$ -	\$ 372	\$ 372	1.31
1986	166	5,574	3,083	2,657	120	4,696	4,816	0.55
1987	589	9,703	79	10,213	575	8,564	9,139	1.12
1988	1,721	10,501	96	12,126	2,485	8,829	11,314	1.07
1989	1,228	10,533	53	11,708	10,730	8,805	19,535	0.60
1990	1,401	4,448	12	5,837	1,300	3,028	4,328	1.35
1991	5,436	5,577	19	10,994	1,590	3,846	5,436	2.02
1992	4,763	3,893	11	8,645	3,225	4,172	7,397	1.17

(1) First year revenue bonds were issued.

(2) Investment income from nonoperating revenues is included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1983-1992
(Dollars in Thousands)

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1983	\$ 26,113	\$ 19,951	\$ 6,162	\$ 1,552	\$ 2,286	\$ 3,838	1.61
1984	26,487	20,877	5,610	1,500	2,217	3,717	1.51
1985	29,642	21,546	8,096	1,565	2,136	3,701	2.19
1986	29,891	22,247	7,644	1,605	2,061	3,666	2.09
1987	31,695	22,637	9,058	1,655	1,983	3,638	2.49
1988	33,675	24,683	8,992	1,700	1,903	3,603	2.50
1989	36,813	26,053	10,760	1,510	1,649	3,159	3.41
1990	39,415	27,610	11,805	3,215	1,828	5,043	2.34
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

(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
VERMILION COMMUNITY COLLEGE DORMITORY
COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES
FISCAL YEARS 1989-1992
(Dollars in Thousands)

Year	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1989(1)	\$ 268	\$ 55	\$ 213	\$ -	\$ 130	\$ 130	1.64
1990	243	84	159	35	111	146	1.09
1991	269	98	171	35	107	142	1.20
1992	255	114	141	40	105	145	0.97

(1) First year revenue bonds were issued.

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

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

MINNESOTA BANK DEPOSITS AND GROSS RETAIL SALES

1983-1992

(In Millions)

<u>Year</u>	<u>Bank Deposits</u>	<u>Retail Sales</u>
1983	\$ 33,946	\$ 23,150
1984	37,263	25,948
1985	39,236	26,734
1986	41,601	29,450
1987	42,400	30,994
1988	41,176	33,302
1989	40,799	37,019
1990	45,384	39,638
1991	45,300	N/A
1992	N/A	N/A

Sources: Federal Deposit Insurance Corporation.

Minnesota Department of Revenue, Unpublished.

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME AND UNEMPLOYMENT RATE

1983-1992

<u>Year</u>	<u>Population (In Thousands)</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>
1983	4,146	\$ 12,069	8.2 %
1984	4,164	13,410	6.3
1985	4,191	14,144	6.0
1986	4,214	14,900	5.3
1987	4,246	15,788	5.4
1988	4,307	16,653	4.0
1989	4,353	17,747	4.4
1990	4,390	18,729	4.8
1991	4,432	19,108	5.1
1992 (est)	4,470	20,307	4.6

Source: Data Resources Incorporated.

STATE OF MINNESOTA NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES

1983-1992

(In Thousands)

<u>Year</u>	<u>Valuation</u>	<u>Year</u>	<u>Valuation</u>
1983	\$ 1,321,444	1988	\$ 2,071,921
1984	1,456,444	1989	1,946,611
1985	1,650,678	1990	1,867,065
1986	2,141,579	1991	1,882,328
1987	2,421,528	1992	N/A

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

EMPLOYMENT MIX IN MINNESOTA

1983-1992
(In Thousands)

Category	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 (est)
Manufacturing Durable	204.3	225.1	225.1	217.5	221.1	234.5	235.0	231.5	225.3	223.4
Manufacturing Non-Durable	140.6	147.4	149.0	150.0	154.0	159.6	164.8	169.3	171.0	172.5
Mining	8.4	9.3	8.3	6.5	6.0	7.1	7.7	8.1	7.9	7.6
Construction	60.2	67.4	71.3	74.9	80.3	77.9	79.0	79.5	75.8	75.3
Transportation/Public Utilities	92.7	96.9	98.4	98.0	99.9	101.7	105.2	109.5	110.2	110.4
Trade	430.3	455.7	465.6	470.5	489.3	505.3	514.3	518.5	517.4	518.7
Finance/Insurance/Real Estate	101.2	106.1	110.3	115.0	119.1	119.6	121.0	125.2	127.5	128.3
Service	392.4	416.5	435.0	452.3	478.0	501.6	531.1	549.3	558.2	587.1
Government	286.7	293.8	301.2	307.9	313.8	320.8	328.7	337.8	343.3	349.3
Agriculture	<u>97.2</u>	<u>115.1</u>	<u>113.1</u>	<u>96.0</u>	<u>97.9</u>	<u>101.2</u>	<u>101.6</u>	<u>100.8</u>	<u>94.9</u>	<u>88.8</u>
Total Employed	1,814.0	1,933.3	1,977.3	1,988.6	2,059.4	2,129.3	2,188.4	2,229.5	2,231.5	2,261.4

Source: Minnesota Department of Jobs and Training.

STATE OF MINNESOTA AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary	Total All Grades
1982-83	54,130	297,255	359,585	710,970
1983-84	56,006	290,904	353,273	700,183
1984-85	58,129	292,873	344,817	695,819
1985-86	61,151	301,282	336,573	699,006
1986-87	60,893	312,687	331,496	705,076
1987-88	61,915	327,518	323,314	712,747
1988-89	61,917	340,969	315,349	718,235
1989-90	62,002	353,944	312,545	728,491
1990-91	63,886	363,978	317,730	745,594
1991-92 (est)	63,775	371,408	323,903	759,086

Source: Minnesota Department of Education.

MINNESOTA BASED CORPORATIONS INCLUDED IN THE FORTUNE 500 (Dollars in Thousands)

Rank 1991	Rank 1990	Company	Sales	Assets	Rank	Net Income	Rank
29	31	Minnesota Mining & Manufacturing	\$ 13,340,000	\$ 11,083,000	40	\$ 1,154,000	17
68	77	General Mills	7,153,200	3,901,800	118	472,700	41
83	69	Honeywell	6,220,900	4,806,700	100	331,100	57
162	167	Geo. A. Hormel	2,836,200	856,800	322	86,400	160
181	188	Land O'Lakes	2,458,100	822,900	328	N/A	-
195	207	International Multifoods	2,191,900	805,600	335	35,200	261
263	273	Deluxe Check Printers	1,490,200	1,098,400	284	182,900	89
306	310	Pentair	1,170,100	790,600	337	41,100	248
310	318	Bemis	1,141,600	714,900	360	53,000	220
328	299	Alliant Techsystems	1,047,100	506,400	417	33,200	267
331	383	Medtronic	1,130,100	1,024,100	302	133,400	116
370	389	Cray Research	862,500	1,079,000	286	113,000	130
372	399	Jostens	859,900	530,200	413	64,200	201
374	397	H. B. Fuller	855,300	508,900	416	27,700	290
423	406	Toro	711,600	415,300	451	9,700	350
454	483	Valspar	632,600	319,400	477	27,700	291

Source: Fortune Magazine, dated April 20, 1992.

STATE OF MINNESOTA
MISCELLANEOUS STATISTICS
JUNE 30, 1992

Date of Statehood	May 11, 1858 – 32nd State
Land Area – 12th Largest State	84,068 Square Miles
Higher Education:	
2 Year State Community Colleges	18
4 Year State Universities	7
University of Minnesota	6 Campuses
2 Year Technical Colleges	27
4 Year Private Colleges	32
2 Year Private Colleges	1
Private Professional Schools	8
Private Vocational Schools	71
Trade Routes:	
Miles of Highways	132,966
Miles of Main Line Railroad Track	4,786
Public Airports	140
Waterways –	
Lake Superior	
Mississippi River	
Recreation:	
Lakes	11,842
State Forests	57
Area of State Forests	3,200,000 Acres
State Parks	66
Area of State Parks	220,000 Acres
Sources:	
Community College System	
Higher Education Coordinating Board	
Department of Natural Resources	
State University System	
Department of Transportation	
Vocational Technical Education	

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FEB 17 '93	[REDACTED]
JAN 5 '94	[REDACTED]
OCT 9 '96	[REDACTED]

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