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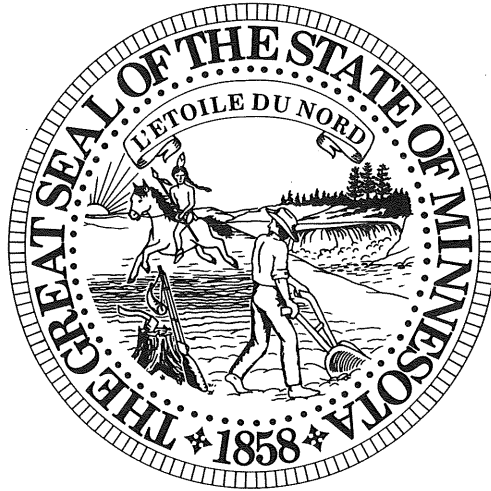
*Comprehensive Annual
Financial Report*

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1995

*For the Year Ended
June 30, 1995*

Pursuant to Minn. Stat. 15A.60; Minn.
Stat. 16A.50; Minn. Stat. 176.129
Subd. 12

STATE OF MINNESOTA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1995

PREPARED BY
DEPARTMENT OF FINANCE
LAURA KING, 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, 1995**

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INTRODUCTION

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December 12, 1995

The Honorable Arne H. 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, 1995. This report includes the financial statements for the state, and the disclosures necessary to accurately present the financial condition and results of operations for the year then ended. The report has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units 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.

Financial Reporting Entity

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

Blended component units, although legally separate entities, are part of the primary government's operations and are included as part of the primary government. The Minnesota Rural Finance Authority, Minnesota Agricultural and Economic Development Board, Export Finance Authority, and the Minnesota World Trade Center Corporation are reported as part of the state and blended into the appropriate funds.

Discretely presented component units, while also legally separate entities, are not part of the primary government's operations. The Housing Finance Agency, Minnesota Higher Education Coordinating Board, Minnesota Public Facilities Authority, Minnesota Technology, Inc., Metropolitan Council, University of Minnesota, Minnesota Workers Compensation Assigned Risk Plan, and the National Sports Center Foundation are reported discretely. The Minnesota Higher Education Coordinating Board was reported as a blended component unit last year.

Economic Condition and Outlook

Minnesota's economy continued strong during the 1995 fiscal year. Payroll employment grew by 56,000 jobs (2.5 percent), exceeding the U. S. rate as it has every year for the past decade. By June 1995 the state's unemployment rate had fallen to 3.8 percent, 2.0 percent below the national unemployment rate. Manufacturing employment in Minnesota grew almost as rapidly as total employment in 1995, registering a 2.3 percent increase during the fiscal year. Minnesota's labor markets are now extremely tight, and while healthy employment growth is forecast for 1996, the state's future economic growth may underperform the national economy until the state's work force begins to expand more rapidly.

Personal income in Minnesota grew at an annual rate of 7.7 percent in fiscal year 1995, significantly more than the 6.6 percent growth rate posted by the U. S. economy. Continued growth in the state's manufacturing, trade and service sectors was supplemented by a boom in agricultural incomes due to record harvests of corn and soybeans. Although farm production is only 3 percent of Minnesota's gross state product, the volatility in farm production can cause personal income growth rates to vary widely from year to year.

Minnesota's economy is expected to remain strong during the 1996 fiscal year. Agricultural production will be down, reflecting 1995's poor growing season, but incomes will not be severely affected due to significantly higher prices for the crop that was harvested. Personal income is forecast to grow at a 4.5 percent annual rate, and payroll employment is expected to grow by 48,000. Wages and salaries are expected to reach \$69 billion by the end of fiscal year 1996, an increase of 5.2 percent over June 1995.

Major Program Initiatives

Department of Children, Families and Learning established. After three years of effort, the 1995 legislature adopted the recommendation to streamline services and programs for children and families. The Department of Education was abolished on September 30, 1995 and its responsibilities transferred to the new Department of Children, Families and Learning. The new agency combines programs from the Department of Education with fifteen programs from the departments of Economic Security, Minnesota Planning, Human Services, Corrections and Public Safety.

The new agency is charged with the responsibility to develop outcomes related to the programs it administers, to apply for waivers from state and federal rules, to continue development of family service collaboratives, and to facilitate intergovernmental and private-public partnerships.

The enabling legislation also creates a new local consolidated funding process, at local option, to decategorize various grant programs administered by the new agency. This process will allow local governments to provide integrated services with greater focus on high priority outcomes. Collaborative funding was increased 70 percent and will provide implementation support for program development in areas of the state containing approximately 87 percent of the population from birth to age eighteen.

Welfare system reformed. A bipartisan coalition succeeded in adopting major reforms to the state's welfare system. The changes are intended to help encourage work and increase family responsibility. STRIDE program participants will now face new penalties if they don't take advantage of work and training opportunities and minor parents will be required to live at home to retain AFDC eligibility. With federal approval, 148,000 Minnesotans who receive the earned income tax credit annually will now receive a monthly payment instead. Additional funding was also provided for child care. All new costs of the program were offset by other savings, in large part due to the elimination of the Work Readiness program.

Workers' compensation. Major reforms were adopted this year in a system that has cost the state's employers approximately \$1 billion annually. Small and medium size companies will be able to form self insurance pools. The increased flexibility and improved accountability is expected to save the state's employers \$134 million a year. Worker's compensation costs for state agencies are expected to decline by \$2 million annually. In addition, the law provides for rate reductions of 33 percent for businesses insured through the state's assigned risk pool when that business has not had claims for three years. The law also provides for limited insurance firm regulation and should reduce litigation expenses through clarification of existing law.

An agenda for reform. At the request of the Governor, former state Senator John Brandl and former U.S. Representative Vin Weber, with assistance from many experts, have proposed fundamental restructuring of Minnesota government to avoid a potential \$8 billion financial crisis by year 2001. The recommendations offered major reforms for meeting government's responsibilities without raising taxes.

The proposal included an overall structure for change, plus specific approaches in each of the major government spending areas. Reforms are based on meeting needs and improving program results through competition, encouraging development of community level solutions and concentrating spending on people most in need. The general principles for reform include:

- a target should be set for state spending and targets should be established for all major expenditure areas.
- eligibility for government benefits should be focused on the most needy.
- public funds should go to citizens, not bureaucracies.
- enable families and communities to provide some services.

Municipal landfill cleanup. The Pollution Control Agency has undertaken a ten-year plan to clean up contaminated municipal landfills. Due to the impossible task of identifying responsible parties, the state assumes ownership of the landfills and responsibility for the cleanup.

The cost of the program for the ten-year period is estimated at over \$200 million. It is financed through a combination of bonding, insurance buyouts, and fees. The Legislature passed a Landfill Cleanup Bill creating a landfill cleanup fund. Since many of the municipal landfills were on the state superfund list, this Bill should accelerate cleanup of remaining sites in the superfund program. At June 30, 1995 the state had incurred no liabilities for landfull cleanup.

Major administrative systems. The Statewide Systems Project continued in fiscal year 1995. The accounting, procurement, and payroll systems were replaced and new human resources and information access systems were developed. Many of the state's related business processes and procedures are in the process of being reengineered. All systems were implemented by July 1, 1995. State agencies are being phased on to the new human resources/payroll system. All agencies except the higher education systems will have been converted by December 31, 1995. Minnesota State Colleges and Universities will be converted to the new payroll system in February 1996. The state's CAFR for fiscal year 1996 will be based on the new accounting system, MAPS (Minnesota Accounting and Procurement System).

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 differ significantly from those calculated under GAAP.

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

Budget process. The state's fiscal period is a biennium. The Governor's biennial budget is presented to the legislature in January of 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, Game and Fish, Natural Resources, Minnesota Resources, Environmental and Health Care Access Funds.

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

General fund. During fiscal year 1995, the total fund balance, on a GAAP basis, for the General Fund increased by \$200.4 million to \$1.166 billion. At June 30, 1995, the unreserved, undesignated portion of the fund balance reflected a positive balance of \$498 million, after providing for a \$500 million budgetary reserve. This compares with a restated unreserved, undesignated fund balance of \$186.1 million at the end of fiscal year 1994 with a \$500 million budgetary reserve. On a budgetary basis, the June 30, 1995, unrestricted (undesignated) fund balance for the General Fund was \$458.2 million, compared with a balance of \$221.9 million at the end of 1994.

General Fund revenues and transfers-in totaled \$8,824,486,000 for fiscal year 1995, up 4.7 percent from those for fiscal year 1994. General Fund expenditures and transfers-out for the year totaled \$8,629,645,000 an increase of 5.6 percent from the previous year. Of this amount, \$6,130,091,000 (71 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 increased by \$414.7 million, with a General Fund balance increase of \$200.4 million, special revenue funds increase of \$165.5 million, capital projects funds increase of \$27.8 million, and debt service fund increase of \$21 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. 1994, as restated, are also presented.

<u>NET REVENUES</u>	<u>Amount</u>	<u>%</u>	<u>Increase(Decrease) over F.Y. 1994</u>	
			<u>Amount</u>	<u>%</u>
Individual Income Taxes	\$ 3,774,855	27.7%	\$167,733	4.6%
Corporate Income Taxes	667,542	4.9%	120,984	22.1%
Sales Tax	2,728,525	20.0%	54,365	2.0%
Fuel Taxes	484,573	3.6%	2,120	.4%
Other Taxes	1,818,627	13.4%	101,376	5.9%
Federal Revenues	3,161,025	23.2%	177,190	5.9%
Investment/Interest Income	104,709	.8%	33,384	46.8%
Other Revenue	<u>866,163</u>	<u>6.4%</u>	<u>26,800</u>	<u>3.2%</u>
Total Net Revenue	\$13,606,019	100.0%	\$683,952	5.0%

Overall revenue increases were comparable to recent years. The increases in individual income, corporate income, and sales tax were the result of a generally favorable economic climate. The increases in the corporate income taxes include one particularly large corporate income tax return filed during the year. The increase in investment earnings is attributable to the favorable cash position that the state was able to maintain as a result of the increased revenue collections.

<u>EXPENDITURES & NET TRANSFERS</u>	<u>Amount</u>	<u>%</u>	<u>Increase(Decrease) over F.Y. 1994</u>	
			<u>Amount</u>	<u>%</u>
Protection of Persons and Property	\$ 197,072	1.5%	\$13,174	7.2%
Transportation	374,451	2.8%	49,722	15.3%
Resource Management	244,779	1.8%	11,294	4.6%
Economic and Manpower Development	268,793	2.0%	18,260	7.3%
Education	592,155	4.4%	30,381	5.4%
Health and Social Services	700,489	5.2%	100,919	16.8%
General Government	278,441	2.1%	25,376	10.0%
Capital Outlays	397,503	3.0%	(45,262)	-10.2%
Debt Service	285,344	2.1%	(10,387)	-3.5%
Grants and Subsidies	<u>9,117,177</u>	<u>67.6%</u>	<u>564,305</u>	<u>6.6%</u>
Total Expenditures	\$12,456,204	92.5%	758,301	6.5%
Net Transfers-Out	1,021,481	7.5%	33,039	3.3%
Total Expenditures and Net Transfers	\$13,477,685	100.0%	\$791,340	6.2%

Transportation spending increased 15.3 percent for construction and maintenance due to an increase in federal revenue and a carry forward from fiscal year 1994. Health and social services costs increased in part due to normal medicaid program growth. Also, an increase in eligibility in the Minnesota Care program and repackaging of social service programs increased the costs of health and social service programs. General government expenditures reflect costs associated with development and implementation of the new accounting, procurement, human resources and payroll systems and 1993 and 1994 initiatives to improve accounts receivable collections.

Enterprise fund operations. Retained earnings for the enterprise funds increased by \$4.5 million, as restated, to \$138.4 million. Enterprise funds provide services to the general public and are expected to recover full costs, primarily through user charges. Included among the enterprise funds is the State Lottery Fund, from which income of \$61.3 million after taxes was transferred to other state funds, an increase of \$1.9 million over the fiscal year 1994 transfer. The Public Employees' Insurance Fund reported a net loss of \$4.9 million due in large part to \$3.5 million of excess Police State Aid's repaid to the General Fund.

Internal service fund operations. State internal service funds provide a variety of services to state agencies. These include computer services, motor pool, telecommunications, printing, management of the capitol complex buildings and insurance (employee health and life, and auto liability). The objective of these funds is to recover the full costs of services provided. Net loss for the internal service funds was \$.7 million, as restated, for fiscal year 1995, with total operating revenues of \$314.1 million. The internal service funds ended the year with total retained earnings of \$81.7 million, down \$1.1 million from fiscal year 1994. The largest fluctuation in retained earnings occurred in the Employee Insurance Fund, with a net loss of \$5.5 million, bringing its year end retained

earnings to \$65.5 million. The net loss to the Employee Insurance Fund is a result of decrease in premiums collected as employees changed to less comprehensive and expensive insurance plans, and an increase in claim costs due to an aging work force and increased health care costs.

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 \$814 million were provided from the expendable trust funds, primarily to local governments and individuals. Of this amount, \$398 million of the various highway taxes went to cities and counties for roads and bridges. In addition, \$35.7 million from 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 Reemployment Compensation Fund increased by \$122.7 million to \$373.9 million.

Debt administration. Minnesota's credit ratings on general obligation bonds continued at AA+ by Standard & Poor's Corporation, Aa1 by Moody's Investor, and AAA by Fitch Investors Service, Inc. The state issued \$279.96 million of new general obligation bonds, and \$158 million of general obligation bonds were redeemed during 1995, leaving an outstanding balance of \$1.9 billion.

The state debt management policy 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 four guidelines. The first requires that the ratio of budgeted biennial debt service expenditures for general obligation bonded debt, paid by transfers from the General Fund, should not exceed 3.0 percent of total projected biennial 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, 1995, was 2.61 percent.

The second and third guidelines state that general obligation bonded debt should not exceed 2.5 percent of the total personal income for the state, and that the total debt of state agencies and the University of Minnesota should not exceed 3.5 percent of total personal income. These ratios were 1.78 percent and 2.94 percent, respectively, based on debt outstanding at June 30, 1995 and estimated personal income for the year ending on that date.

The fourth guideline states that the total amount of state general obligation debt, moral obligation debt, state bond guarantees, equipment capital leases and real estate leases should not exceed 5.0 percent of the total personal income for the state. The ratio was 4.32 percent based on information at June 30, 1995.

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 \$450,000. 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 independent Office of the Legislative Auditor performs post-audits of the activities of state agencies. Accordingly, they performed the audit of these financial statements and their opinion is included. They also issue an audit report 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, 1995. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in June 1996.

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, 1994. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

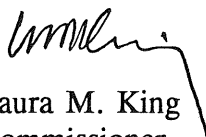
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. The State of Minnesota has received a Certificate of Achievement for each of the last ten fiscal years through June 30, 1994. 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, organizations and component units. Assistance from these organizations ranged from providing necessary data to actual preparation of financial statements for their agencies' funds. I want to express my appreciation for the dedication of the many people in the Department of Finance who helped in the preparation of this report, as well as for the many people in other agencies, without whose efforts this report, with its unqualified audit opinion, would not have been possible.

Sincerely,



Laura M. King
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, 1994

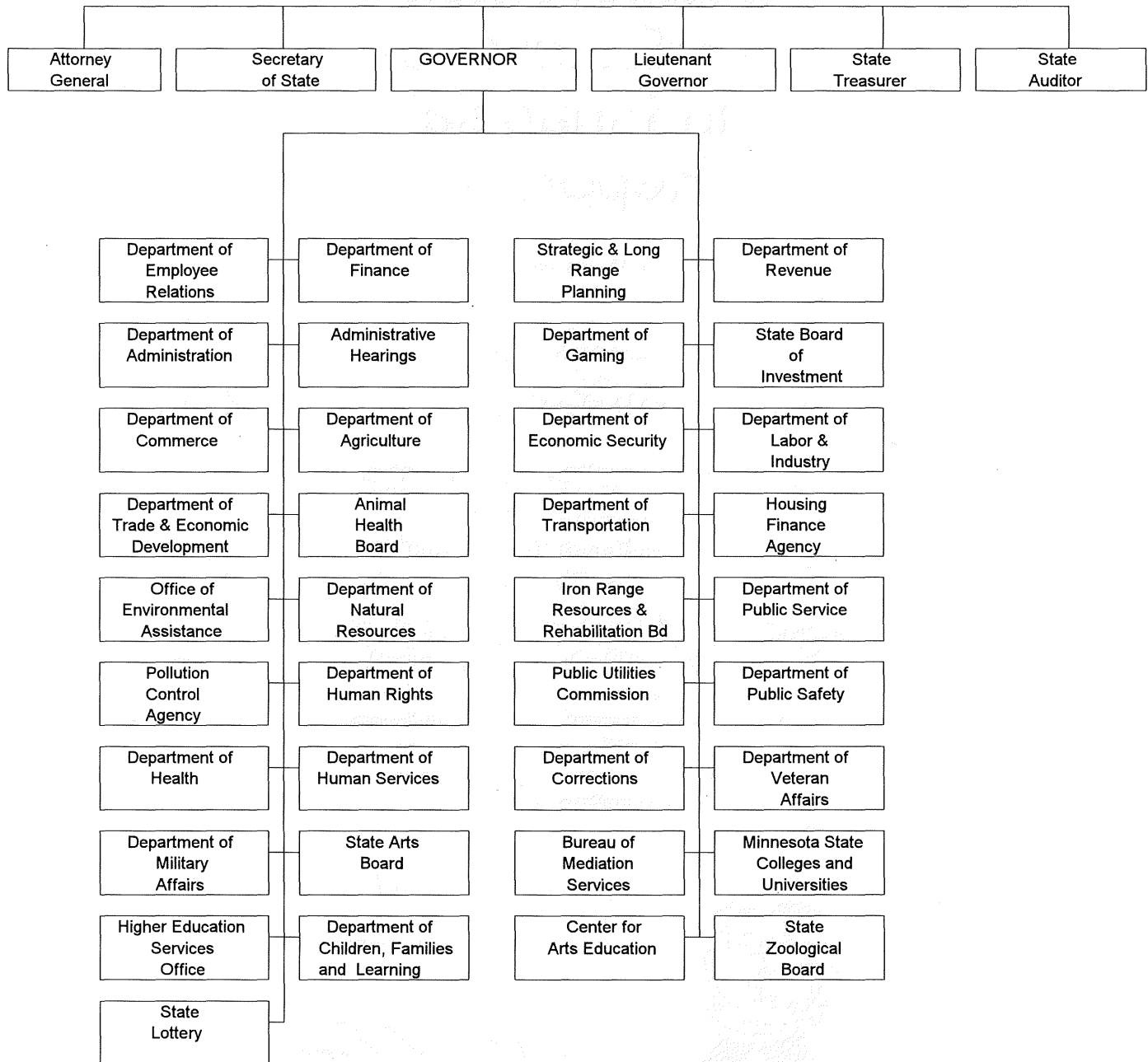
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

STATE ORGANIZATION CHART



STATE OF MINNESOTA
Principal Officials

EXECUTIVE BRANCH

GOVERNOR:	Arne H. Carlson
LIEUTENANT GOVERNOR:	Joanne E. Benson
ATTORNEY GENERAL:	Hubert H. Humphrey, III
STATE TREASURER:	Michael A. McGrath
SECRETARY OF STATE:	Joan Anderson Growe
STATE AUDITOR:	Judith H. Dutcher

LEGISLATIVE BRANCH

SPEAKER OF THE HOUSE OF REPRESENTATIVES

Irvin H. Anderson

PRESIDENT OF THE SENATE

Allan H. Spear

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

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JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

Members of the Legislature

The Honorable Arne Carlson, Governor

Laura M. King, Commissioner, Department of Finance

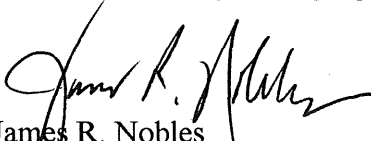
We have audited the accompanying general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

We conducted our audit 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.

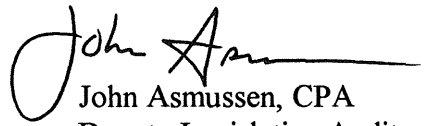
In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Minnesota at June 30, 1995, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Members of the Legislature
The Honorable Arne Carlson, Governor
Laura M. King, Commissioner, Department of Finance
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Our audit was made for the purpose of forming an opinion on the general purpose financial statement 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



John Asmussen, CPA
Deputy Legislative Auditor

December 1, 1995

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General Purpose Financial Statements

STATE OF MINNESOTA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNITS

JUNE 30, 1995

(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents.....	\$ 1,253,682	\$ 747,204	\$ 85,977	\$ 242,315
Investments.....	—	17,517	32,950	52,459
Accounts Receivable.....	346,400	118,771	—	15
Interfund Receivables.....	82,119	29,644	3,150	4
Due from Other Governmental Units.....	—	—	—	—
Due from Primary Government.....	—	—	—	—
Accrued Investment/Interest Income.....	27,220	649	233	662
Federal Aid Receivable.....	—	375,410	—	—
Inventories.....	—	16,432	—	—
Deferred Costs.....	—	5	11	—
Restricted Assets:				
Cash and Cash Equivalents.....	—	—	—	—
Investments.....	—	—	—	—
Loans Receivable.....	—	—	—	—
Loans Receivable between Component Units.....	—	—	—	—
Other Restricted Assets.....	—	—	—	—
Loans and Notes Receivable.....	16,838	213,373	14,313	—
Advances to Other Funds.....	638	2,075	—	—
Fixed Assets (Net).....	—	—	—	—
Other Assets.....	—	—	—	—
Amount Available for Debt Service.....	—	—	—	—
Amount to be Provided for Debt Service.....	—	—	—	—
Total Assets and Other Debits.....	\$ 1,726,897	\$ 1,521,080	\$ 136,634	\$ 295,455
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Warrants Payable.....	\$ —	\$ —	\$ —	\$ —
Accounts Payable.....	428,063	497,779	28,422	1,279
Interfund Payables.....	11,682	95,195	5,610	—
Payable to Other Governmental Units.....	—	42,104	—	—
Due to Component Units.....	38,563	—	—	—
Due to Primary Government.....	—	—	—	—
Loans Payable between Component Units.....	—	—	—	—
Deferred Revenue.....	82,102	33,206	—	—
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 and Notes Payable.....	—	763	—	—
Installment Purchases Payable.....	—	—	—	—
Revenue Bonds Payable.....	—	—	—	—
Grants Payable.....	—	—	—	—
Claims Payable.....	—	—	—	—
Compensated Absences Payable.....	—	—	—	—
Advances from Other Funds.....	—	38	—	—
Workers Compensation Liability.....	—	—	—	—
Funds Held in Trust.....	—	—	—	1,008
Other Liabilities.....	—	—	—	—
Total Liabilities.....	\$ 560,410	\$ 669,085	\$ 34,032	\$ 2,287
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.....	84,334	96,253	—	—
Reserved for Inventory.....	—	16,433	—	—
Reserved for Long-Term Receivables.....	17,121	209,695	14,313	—
Reserved for Long-Term Commitments.....	—	73,005	79,312	—
Reserved for Local Governments.....	—	—	—	—
Reserved for Trust Principal.....	—	—	—	—
Reserved for Debt Requirements.....	—	21,865	—	293,168
Reserved for Pension Benefits.....	—	—	—	—
Budgetary Reserve.....	500,000	—	—	—
Reserved for Other.....	—	4,031	11	—
Unreserved Fund Balances:				
Designated for Appropriation Carryover.....	67,010	30,622	—	—
Designated for Fund Purposes.....	—	199,416	—	—
Undesignated.....	498,022	200,675	8,966	—
Total Equity and Other Credits.....	\$ 1,166,487	\$ 851,995	\$ 102,602	\$ 293,168
Total Liabilities, Equity and Other Credits.....	\$ 1,726,897	\$ 1,521,080	\$ 136,634	\$ 295,455

The notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)		COMPONENT UNITS
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	JUNE 30, 1995	JUNE 30, 1994	
\$ 48,110	\$ 88,543	\$ 1,825,996	\$ -	\$ -	\$ 4,291,827	\$ 3,691,436	\$ 862,191
18,436	-	21,938,072	-	-	22,059,434	19,829,402	1,561,327
11,525	25,378	86,567	-	-	588,656	485,365	457,533
239	-	64,062	-	-	179,218	320,394	41,175
-	-	-	-	-	-	-	9,104
-	-	-	-	-	-	-	141,314
900	-	10,061	-	-	39,725	34,986	39,884
-	-	188	-	-	375,598	349,532	39,888
11,973	1,206	2,197	-	-	31,808	32,446	37,653
737	1,379	9	-	-	2,141	2,934	27,878
526	-	-	-	-	526	524	251,443
22,190	-	-	-	-	22,190	23,533	487,899
-	-	-	-	-	-	-	76,676
-	-	-	-	-	-	-	239,851
-	-	-	-	-	-	-	54,777
33,717	-	9,405	-	-	287,646	253,709	1,937,080
-	-	-	-	-	2,713	3,067	-
79,925	39,007	16,502	1,959,493	-	2,094,927	1,968,434	2,297,290
7	-	401	-	-	408	38	16,843
-	-	-	-	163,805	163,805	177,870	36,175
-	-	-	-	2,936,465	2,936,465	2,789,411	73,281
<u>\$ 228,285</u>	<u>\$ 155,513</u>	<u>\$ 23,953,460</u>	<u>\$ 1,959,493</u>	<u>\$ 3,100,270</u>	<u>\$ 33,077,087</u>	<u>\$ 29,963,081</u>	<u>\$ 8,689,262</u>
\$ -	\$ -	\$ 175,913	\$ -	\$ -	\$ 175,913	\$ 126,707	\$ -
19,480	28,282	43,741	-	-	1,047,046	1,047,780	1,015,313
5,718	1,698	59,315	-	-	179,218	320,394	41,083
-	-	6,676	-	-	48,780	45,304	303
-	-	-	-	-	38,563	61,741	-
-	-	-	-	-	-	-	31,857
-	-	-	-	-	-	-	237,833
1,902	208	2,775	-	-	120,193	103,972	160,843
805	-	-	-	-	805	805	115,390
615	-	-	-	-	615	140	491,139
56	-	-	-	-	56	74	78,551
4,211	-	-	-	-	4,211	4,335	5,091
1,610	-	-	-	1,892,169	1,893,779	1,771,850	622,951
90	34,386	-	-	40,775	76,014	67,184	54,234
-	-	-	-	-	-	12	-
33,542	-	-	-	34,327	67,869	70,170	1,922,075
-	-	-	-	417,578	417,578	424,874	15,500
-	-	-	-	372,389	372,389	362,494	30,957
4,023	2,624	1,217	-	205,376	213,240	198,871	51,700
2,075	600	-	-	-	2,713	3,067	-
-	-	-	-	112,442	112,442	116,857	-
-	-	877,002	-	-	878,010	744,057	187,668
87	-	449	-	25,214	25,750	30,102	30,475
<u>\$ 74,214</u>	<u>\$ 67,798</u>	<u>\$ 1,167,088</u>	<u>\$ -</u>	<u>\$ 3,100,270</u>	<u>\$ 5,675,184</u>	<u>\$ 5,500,790</u>	<u>\$ 5,092,963</u>
\$ 15,651	\$ 6,038	\$ -	\$ -	\$ -	\$ 21,689	\$ 21,615	\$ 692,547
-	-	-	1,959,493	-	1,959,493	1,841,959	924,317
15,366	-	-	-	-	15,366	16,918	531,156
44,615	-	-	-	-	44,615	42,334	50,433
5,809	65,510	-	-	-	71,319	81,710	19,516
72,630	16,167	-	-	-	88,797	75,567	227,481
-	-	5,765	-	-	186,352	189,975	12,038
-	-	2,197	-	-	18,630	21,227	-
-	-	8,874	-	-	250,003	216,973	12,712
-	-	-	-	-	152,317	72,863	27,999
-	-	454,344	-	-	454,344	481,299	-
-	-	515,977	-	-	515,977	484,682	-
-	-	-	-	-	315,033	294,397	-
-	-	21,313,233	-	-	21,313,233	19,035,960	-
-	-	-	-	-	500,000	500,000	-
-	-	-	-	-	4,042	8,783	681,275
-	-	-	-	-	97,632	247,052	-
-	-	485,982	-	-	685,398	507,921	246,714
-	-	-	-	-	707,663	321,056	170,111
<u>\$ 154,071</u>	<u>\$ 87,715</u>	<u>\$ 22,786,372</u>	<u>\$ 1,959,493</u>	<u>\$ -</u>	<u>\$ 27,401,903</u>	<u>\$ 24,462,291</u>	<u>\$ 3,596,299</u>
<u>\$ 228,285</u>	<u>\$ 155,513</u>	<u>\$ 23,953,460</u>	<u>\$ 1,959,493</u>	<u>\$ 3,100,270</u>	<u>\$ 33,077,087</u>	<u>\$ 29,963,081</u>	<u>\$ 8,689,262</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, EXPENDABLE TRUST FUNDS,
AND DISCRETELY PRESENTED COMPONENT UNITSYEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES					FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED		COMPONENT UNITS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	JUNE 30, 1995		JUNE 30, 1994		
Net Revenues:									
Individual Income Taxes.....	\$ 3,774,855	\$ —	\$ —	\$ —	\$ —	\$ 3,774,855	\$ 3,607,122	\$ —	
Corporate Income Taxes.....	667,542	—	—	—	—	667,542	546,558	—	
Sales Taxes.....	2,728,525	—	—	—	—	2,728,525	2,674,160	—	
Motor Vehicle License Taxes.....	601	416,192	—	—	—	416,793	420,471	—	
Fuel Taxes.....	—	484,573	—	—	—	484,573	482,453	—	
Other Taxes.....	1,034,138	350,366	—	17,330	464,026	1,865,860	1,709,972	66,800	
Federal Revenues.....	11,711	3,145,254	3,987	73	10,054	3,171,079	3,087,130	3,293	
License Fees.....	55,740	101,264	—	—	—	157,004	144,788	—	
Care and Hospitalization Revenues.....	106,439	15,690	—	—	—	122,129	116,847	—	
Tuition and Student Fees.....	182,869	8,251	—	—	—	191,120	184,711	—	
Departmental Services.....	59,637	125,538	—	—	—	185,175	199,650	2,609	
Investment/Interest Income.....	47,721	37,098	5,249	14,641	52,098	156,807	108,420	3,994	
Other Revenues.....	70,656	135,473	1,000	3,606	14,050	224,785	211,480	38,930	
Net Revenues.....	\$ 8,740,434	\$ 4,819,699	\$ 10,236	\$ 35,650	\$ 540,228	\$ 14,146,247	\$ 13,493,762	\$ 115,626	
Expenditures:									
Current:									
Protection of Persons and Property.....	\$ 106,515	\$ 90,466	\$ 91	\$ —	\$ 19	\$ 197,091	\$ 183,905	\$ —	
Transportation.....	938	373,256	257	—	4,459	378,910	328,512	40,197	
Resource Management.....	96,423	136,744	11,612	—	6,531	251,310	238,918	12,012	
Economic and Manpower Development.....	63,471	199,980	5,342	—	1,232	270,025	252,107	7,447	
Education.....	512,793	49,879	29,483	—	6,131	598,286	566,870	8,857	
Health and Social Services.....	531,562	166,733	2,194	—	1,124	701,613	600,626	28,446	
General Government.....	226,084	32,483	19,832	42	1,291	279,732	253,818	8,373	
Total Current Expenditures.....	\$ 1,537,786	\$ 1,049,541	\$ 68,811	\$ 42	\$ 20,787	\$ 2,676,967	\$ 2,424,756	\$ 105,332	
Capital Outlay.....	10,376	320,106	67,021	—	—	397,503	442,765	802	
Debt Service.....	12,514	13,128	—	259,702	24	285,368	295,746	35,533	
Grants and Subsidies.....	6,130,091	2,938,019	49,067	—	814,438	9,931,615	9,434,044	114,520	
Total Expenditures.....	\$ 7,690,767	\$ 4,320,794	\$ 184,899	\$ 259,744	\$ 835,249	\$ 13,291,453	\$ 12,597,311	\$ 256,187	
Excess of Revenues Over (Under)									
Expenditures.....	\$ 1,049,667	\$ 498,905	\$ (174,663)	\$ (224,094)	\$ (295,021)	\$ 854,794	\$ 896,451	\$ (140,561)	
Other Financing Sources (Uses):									
General Obligation Bonds.....	\$ —	\$ 14,025	\$ 268,645	\$ —	\$ —	\$ 282,670	\$ 210,000	\$ 26,503	
Proceeds of Refunding Bonds.....	—	—	—	—	—	—	273,555	—	
Operating Transfers—In.....	84,052	633,647	27	244,844	398,625	1,361,195	1,294,815	2,697	
Operating Transfers to Debt Service.....	(202,629)	(25,906)	(16,179)	—	(130)	(244,844)	(248,173)	—	
Other Operating Transfers—Out.....	(81,592)	(943,453)	—	—	(4,122)	(1,029,167)	(959,722)	(67,844)	
Transfers—In from Primary Government.....	—	—	—	—	—	—	—	178,049	
Transfers—Out to Component Units.....	(654,657)	(9,294)	(50,162)	—	(1,852)	(715,965)	(696,610)	—	
Capital Leases.....	—	2,402	—	—	—	2,402	5,124	—	
Payment to Refunded Bonds Escrow Agent..	—	—	—	—	—	—	(271,055)	—	
Other Sources (Uses).....	(69)	477	—	—	(2,456)	(2,048)	(315)	—	
Net Other Financing Sources (Uses).....	\$ (854,895)	\$ (328,102)	\$ 202,331	\$ 244,844	\$ 390,065	\$ (345,757)	\$ (392,381)	\$ 139,405	
Excess of Revenues and Other Sources Over									
(Under) Expenditures and Other Uses.....	\$ 194,772	\$ 170,803	\$ 27,668	\$ 20,750	\$ 95,044	\$ 509,037	\$ 504,070	\$ (1,156)	
Fund Balances, July 1, as Reported.....	\$ 738,009	\$ 686,593	\$ 74,790	\$ 272,096	\$ 862,124	\$ 2,633,612	\$ 2,367,958	\$ 267,149	
Prior Period Adjustments.....	—	—	—	—	—	—	—	8,750	
Changes in Accounting Principles.....	233,094	—	—	—	—	233,094	—	—	
Changes in Reporting Entity.....	(5,013)	(147)	—	—	—	(5,160)	(12,301)	(159,840)	
Fund Balances, July 1, as Restated.....	\$ 966,090	\$ 686,446	\$ 74,790	\$ 272,096	\$ 862,124	\$ 2,861,546	\$ 2,355,657	\$ 116,059	
Residual Equity Transfers—In.....	6,496	457	466	322	—	7,741	13,850	4,116	
Residual Equity Transfers—Out.....	(871)	(6,727)	(322)	—	(6)	(7,926)	(12,010)	(4,116)	
Change in Inventory.....	—	1,016	—	—	—	1,016	(21)	—	
Fund Balances, June 30.....	\$ 1,166,487	\$ 851,995	\$ 102,602	\$ 293,168	\$ 957,162	\$ 3,371,414	\$ 2,861,546	\$ 114,903	

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, 1995 (IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Individual Income Taxes.....	\$ 3,736,900	\$ 3,749,200	\$ 12,300	\$ —	\$ —	\$ —
Corporate Income Taxes.....	673,900	665,756	(8,144)	—	—	—
Sales Taxes.....	2,697,400	2,710,716	13,316	—	—	—
Motor Vehicle License Taxes.....	—	—	—	436,808	427,294	(9,514)
Fuel Taxes.....	—	—	—	495,899	493,286	(2,613)
Other Taxes.....	1,062,063	1,037,347	(24,716)	159,425	136,401	(23,024)
Federal Revenues.....	—	—	—	206,224	223,745	17,521
Other Intergovernmental Revenues.....	128,427	116,776	(11,651)	—	—	—
License Fees.....	—	—	—	78,042	79,142	1,100
Care and Hospitalization Revenues.....	143,525	150,496	6,971	13,858	14,585	727
Tuition and Student Fees.....	162,662	182,231	19,569	—	—	—
Departmental Services.....	—	—	—	31,815	30,116	(1,699)
Investment/Interest Income.....	48,000	46,202	(1,798)	6,795	14,010	7,215
Other Revenues.....	363,585	325,294	(38,291)	17,649	38,917	21,268
Net Revenues.....	\$ 9,016,462	\$ 8,984,018	\$ (32,444)	\$ 1,446,515	\$ 1,457,496	\$ 10,981
Expenditures:						
Protection of Persons and Property.....	\$ 170,095	\$ 165,258	\$ 4,837	\$ 80,851	\$ 78,998	\$ 1,853
Transportation.....	52,048	50,867	1,181	760,669	741,454	19,215
Resource Management.....	146,101	145,507	594	117,759	99,596	18,163
Economic and Manpower Development.....	125,662	117,925	7,737	2,951	2,671	280
Education.....	3,830,685	3,769,437	61,248	3,265	3,013	252
Health and Social Services.....	2,785,737	2,670,216	115,521	109,514	73,860	35,654
General Government.....	1,231,636	1,205,400	26,236	13,133	11,588	1,545
Total Expenditures.....	\$ 8,341,964	\$ 8,124,610	\$ 217,354	\$ 1,088,142	\$ 1,011,180	\$ 76,962
Excess of Revenues Over (Under)						
Expenditures.....	\$ 674,498	\$ 859,408	\$ 184,910	\$ 358,373	\$ 446,316	\$ 87,943
Other Financing Sources (Uses):						
Operating Transfers—In.....	\$ 64,852	\$ 62,330	\$ (2,522)	\$ 556,411	\$ 556,343	\$ (68)
Operating Transfers to Debt Service.....	(197,570)	(197,570)	—	(12,354)	(12,354)	—
Other Operating Transfers—Out.....	(110,491)	(110,491)	—	(940,107)	(940,107)	—
Transfers—Out to Component Units.....	(520,080)	(524,407)	(4,327)	(550)	(550)	—
Net Other Financing Sources (Uses).....	\$ (763,289)	\$ (770,138)	\$ (6,849)	\$ (396,600)	\$ (396,668)	\$ (68)
Excess of Revenues and Other Sources Over						
(Under) Expenditures and Other Uses.....	\$ (88,791)	\$ 89,270	\$ 178,061	\$ (38,227)	\$ 49,648	\$ 87,875
Fund Balances, July 1, 1994, as Reported.....	908,848	908,848	—	180,410	180,410	—
Change in Reporting Entity.....	—	—	—	(9,525)	(9,525)	—
Prior Year Adjustments.....	42,032	35,281	(6,751)	8,161	9,635	1,474
Estimated Appropriation Cancellations.....	15,000	—	(15,000)	—	—	—
Total Fund Balances, June 30, 1995.....	\$ 877,089	\$ 1,033,399	\$ 156,310	\$ 140,819	\$ 230,168	\$ 89,349
Less: Appropriation Carryover.....	—	75,229	(75,229)	5,266	28,532	(23,266)
Less: Reserve for Other.....	—	—	—	17,563	17,563	—
Less: Budgetary Reserve.....	500,000	500,000	—	—	—	—
Undesignated Fund Balances, June 30, 1995.....	\$ 377,089	\$ 458,170	\$ 81,081	\$ 117,990	\$ 184,073	\$ 66,083

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, SIMILAR TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED JUNE 30, 1995 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST
Operating Revenues:				
Net Sales.....	\$ 364,706	\$ 18,129	\$ —	\$ 5,833
Contributions.....	—	—	818,262	—
Interest Income.....	896	—	—	—
Investment Income.....	—	—	1,487,274	43,359
Rental and Service Fees.....	54,521	87,239	—	666
Insurance Premiums.....	12,805	207,081	—	—
Realized and Unrealized Gains.....	—	—	901,420	—
Other Income.....	531	1,690	4,383	88
Total Operating Revenues.....	\$ 433,459	\$ 314,139	\$ 3,211,339	\$ 49,946
Less Cost of Goods Sold.....	262,010	10,662	—	—
Gross Margin.....	\$ 171,449	\$ 303,477	\$ 3,211,339	\$ 49,946
Operating Expenses:				
Annuity Payments.....	\$ —	\$ —	\$ 852,503	\$ —
Refunded Contributions.....	—	—	38,594	—
Interest and Financing Costs.....	1	—	3,674	—
Purchased Services.....	39,683	146,555	4,927	12
Investment Management Fees.....	—	—	31,935	50
Salaries and Fringe Benefits.....	40,325	24,125	6,209	2,015
Claims.....	6,869	111,689	—	—
Depreciation.....	6,568	11,466	243	1
Amortization.....	25	169	—	—
Supplies and Materials.....	6,142	3,736	278	4
Indirect Costs.....	573	1,540	135	—
Other Expenses.....	9,643	383	564	—
Total Operating Expenses.....	\$ 109,829	\$ 299,663	\$ 939,062	\$ 2,082
Operating Income.....	\$ 61,620	\$ 3,814	\$ 2,272,277	\$ 47,864
Nonoperating Revenues (Expenses):				
Investment Income.....	\$ 5,715	\$ 5,690	\$ —	\$ —
Participant Contributions.....	—	—	22,789	—
Grants and Subsidies.....	273	—	—	—
Local Association Mergers.....	—	—	419	—
Other Nonoperating Revenues.....	380	—	—	—
Interest and Financing Costs.....	(2,380)	(1,699)	—	—
Participant Withdrawals.....	—	—	(11,794)	—
Grants, Aids and Subsidies.....	(2,138)	—	—	9
Other Nonoperating Expenses.....	(29)	—	—	—
Gain (Loss) on Sale of Fixed Assets.....	(192)	301	—	277
Net Nonoperating Revenues (Expenses).....	\$ 1,629	\$ 4,292	\$ 11,414	\$ 286
Income Before Operating Transfers.....	\$ 63,249	\$ 8,106	\$ 2,283,691	\$ 48,150
Operating Transfers—In.....	5,692	—	929	24,511
Operating Transfers—Out.....	(64,778)	(8,805)	(3,367)	(41,366)
Transfers—In from Primary Government.....	—	—	—	—
Net Income.....	\$ 4,163	\$ (699)	\$ 2,281,253	\$ 31,295
Depreciation on Fixed Assets Acquired with Contributed Capital.....	359	1	—	—
Increase in Retained Earnings/Fund Balances.....	\$ 4,522	\$ (698)	\$ 2,281,253	\$ 31,295
Retained Earnings/Fund Balances, July 1, as Reported.....	\$ 123,171	\$ 93,357	\$ 19,035,960	\$ 484,682
Prior Period Adjustments.....	—	—	(3,980)	—
Changes in Reporting Entity.....	10,727	(10,727)	—	—
Retained Earnings/Fund Balances, July 1, as Restated.....	\$ 133,898	\$ 82,630	\$ 19,031,980	\$ 484,682
Residual Equity Transfers—In.....	—	—	—	—
Residual Equity Transfers—Out.....	—	(255)	—	—
Retained Earnings/Fund Balances, June 30.....	\$ 138,420	\$ 81,677	\$ 21,313,233	\$ 515,977

The notes are an integral part of the financial statements.

TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED		
JUNE 30, 1995	JUNE 30, 1994	COMPONENT UNITS
\$ 388,668	\$ 403,540	\$ 14,109
818,262	749,474	—
896	831	147,448
1,530,633	1,652,287	55,524
142,426	128,846	197,914
219,886	213,456	154,538
901,420	(526,825)	—
6,692	18,462	4,284
\$ 4,008,883	\$ 2,640,071	\$ 573,817
272,672	289,967	—
\$ 3,736,211	\$ 2,350,104	\$ 573,817
\$ 852,503	\$ 768,420	\$ —
38,594	37,693	—
3,675	3,262	149,528
191,177	187,336	82,184
31,985	28,461	—
72,674	69,025	165,813
118,558	107,102	96,412
18,278	16,138	59,171
194	161	501
10,160	10,535	23,206
2,248	1,919	475
10,590	9,491	20,802
\$ 1,350,636	\$ 1,239,543	\$ 598,092
\$ 2,385,575	\$ 1,110,561	\$ (24,275)
\$ 11,405	\$ 8,969	\$ 47,928
22,789	34,887	—
273	502	77,498
419	256,556	—
380	269	34,408
(4,079)	(4,183)	(40,662)
(11,794)	(59,232)	—
(2,129)	(2,442)	(92,342)
(29)	(35)	(37,742)
386	4,688	(3,261)
\$ 17,621	\$ 239,979	\$ (14,173)
\$ 2,403,196	\$ 1,350,540	\$ (38,448)
31,132	29,471	66,230
(118,316)	(116,391)	(1,083)
—	—	15,532
\$ 2,316,012	\$ 1,263,620	\$ 42,231
360	363	31,145
\$ 2,316,372	\$ 1,263,983	\$ 73,376
\$ 19,737,170	\$ 18,473,376	\$ 612,795
(3,980)	—	(61,402)
—	1,651	203,817
\$ 19,733,190	\$ 18,475,027	\$ 755,210
—	160	—
(255)	(2,000)	—
\$ 22,049,307	\$ 19,737,170	\$ 828,586

STATE OF MINNESOTA

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED JUNE 30, 1995 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED		COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1995	JUNE 30, 1994	
Cash Flows from Operating Activities:						
Operating Income (Loss).....	\$ 61,620	\$ 3,814	\$ 47,864	\$ 113,298	\$ 115,600	\$ (24,275)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:						
Depreciation.....	\$ 6,568	\$ 11,531	\$ 1	\$ 18,100	\$ 16,026	\$ 59,171
Amortization.....	25	169	—	194	161	501
Investment Income.....	—	—	(43,359)	(43,359)	(44,430)	(55,524)
Interest and Financing Costs.....	—	—	—	—	47	149,528
Loan Principal Repayments.....	6,694	—	—	6,694	6,888	155,444
Loans Issued.....	(7,493)	—	—	(7,493)	(7,501)	(401,250)
Provision for Loan Defaults.....	366	—	—	366	214	2,926
Customer Deposits.....	—	—	—	—	—	47,827
Return of Customer Deposits.....	—	—	—	—	—	(46,874)
Net Nonoperating Revenues (Expenses).....	124	—	—	124	—	(132)
Change in Assets and Liabilities:						
Accounts Receivable.....	(1,484)	(3,845)	(159)	(5,488)	4,988	(11,938)
Inventories.....	(1,901)	(59)	—	(1,960)	1,080	1,590
Other Assets.....	(156)	345	—	189	(1,089)	(865)
Accounts Payable.....	(200)	(4,329)	71	(4,458)	17,120	49,044
Deferred Revenues.....	312	(8)	—	304	147	(18,110)
Claims and Judgements.....	—	—	—	—	—	(12,237)
Other Liabilities.....	1,186	268	269	1,723	354	24,148
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ 4,041	\$ 4,072	\$ (43,177)	\$ (35,064)	\$ (5,995)	\$ (56,751)
Net Cash Flows from Operating Activities.....	\$ 65,661	\$ 7,886	\$ 4,687	\$ 78,234	\$ 109,605	\$ (81,026)
Cash Flows from Noncapital Financing Activities:						
Grant Receipts.....	\$ 363	\$ —	\$ 9	\$ 372	\$ 621	\$ 104,413
Grant Disbursements.....	(2,138)	—	—	(2,138)	(2,442)	(92,342)
Other Nonoperating Expenses.....	166	—	—	166	151	(593)
Transfers—In.....	5,692	—	24,356	30,048	29,264	81,763
Transfers—Out.....	(64,777)	(8,132)	(47,504)	(120,413)	(117,920)	—
Residual Equity Transfers—Out.....	—	(255)	—	(255)	(1,840)	—
Capital Contributions.....	438	—	—	438	116	1,456
Advances from Other Funds.....	—	—	—	—	400	—
Repayments of Advances from Other Funds.....	—	—	—	—	(400)	—
Proceeds from Bond Sales.....	—	—	—	—	—	587,641
Repayment of Bond Principal.....	—	—	—	—	(225)	(448,109)
Bond Issuance Costs.....	—	—	—	—	—	(4,051)
Interest Paid.....	(2)	(10)	—	(12)	(32)	(142,203)
Net Cash Flows from Noncapital Financing Activities.....	\$ (60,258)	\$ (8,397)	\$ (23,139)	\$ (91,794)	\$ (92,307)	\$ 87,975
Cash Flows from Capital and Related Financing Activities:						
Investment in Fixed Assets.....	\$ (8,360)	\$ (18,883)	\$ —	\$ (27,243)	\$ (29,502)	\$ (74,371)
Proceeds from the Sale of Fixed Assets.....	(171)	1,344	905	2,078	4,467	4,548
Advances from Other Funds.....	—	3,600	—	3,600	4,706	—
Transfers—In from Primary Government.....	—	—	—	—	—	5,696
Repayments of Advances from Other Funds.....	—	(4,232)	—	(4,232)	(3,579)	—
Capital Contributions.....	—	—	—	—	—	33,784
Capital Lease Payments.....	—	(17)	—	(17)	—	—
Proceeds from Loans.....	—	16,628	—	16,628	16,443	119
Repayment of Loan Principal and Other Capital Debt.....	—	(13,638)	—	(13,638)	(12,995)	(125)
Proceeds from Bond Sales.....	—	—	—	—	950	17,272
Repayment of Bond Principal.....	(1,028)	(27)	—	(1,055)	(1,274)	(29,139)
Interest Paid.....	(2,416)	(1,655)	—	(4,071)	(4,172)	(40,527)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (11,975)	\$ (16,880)	\$ 905	\$ (27,950)	\$ (24,956)	\$ (82,743)

STATE OF MINNESOTA

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED JUNE 30, 1995 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED		COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1995	JUNE 30, 1994	
Cash Flows from Investing Activities:						
Proceeds from Sales and Maturities of Investments.....	\$ 53,455	\$ —	\$ 90,470	\$ 143,925	\$ 182,941	\$ 1,486,970
Purchase of Investments.....	(47,194)	—	(66,697)	(113,891)	(236,123)	(1,640,604)
Investment Earnings.....	5,517	5,688	41,898	53,103	54,040	106,794
Net Cash Flows from Investing Activities.....	\$ 11,778	\$ 5,688	\$ 65,671	\$ 83,137	\$ 858	\$ (46,840)
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 5,206	\$ (11,703)	\$ 48,124	\$ 41,627	\$ (6,800)	\$ (122,634)
Cash and Cash Equivalents, July 1.....	32,926	110,750	18,664	162,340	166,964	770,270
Change in Reporting Entity.....	10,504	(10,504)	—	—	2,176	26,109
Cash and Cash Equivalents, June 30.....	\$ 48,636	\$ 88,543	\$ 66,788	\$ 203,967	\$ 162,340	\$ 673,745

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

Cash and Cash Equivalents for the Nonexpendable Trust Funds and the Component Units as of June 30, 1995, on the Combined Statement of Cash Flows is reconciled to the Cash and Cash Equivalents on the Combined Balance Sheet as follows:

Cash and Cash Equivalents June 30, 1995:
(In Thousands)

Fiduciary Funds:

Pension Trust Funds.....	\$ 610,255
Nonexpendable Trust Funds.....	66,788
Expendable Trust Funds.....	932,310
Agency Funds.....	216,643

Total Fiduciary Funds..... \$ 1,825,996

Component Units:

Governmental Funds.....	\$ 1,954
Proprietary Funds.....	673,745
University Fund.....	437,935

Total Component Units..... \$ 1,113,634

Noncash Investing, Capital, and Financing Activities:

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

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

UNIVERSITY OF MINNESOTA

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES

YEAR ENDED JUNE 30, 1995

(IN THOUSANDS)

	UNRESTRICTED	RESTRICTED	TOTAL
Revenues:			
Tuition and Fees.....	\$ 199,699	\$ —	\$ 199,699
Federal Appropriations.....	—	16,975	16,975
State Appropriations.....	375,983	86,883	462,866
Federal Grants and Contracts.....	42,294	193,407	235,701
State Grants and Contracts.....	318	28,754	29,072
Other Government Grants and Contracts.....	576	3,710	4,286
Private Gifts, Grants and Contracts.....	13,718	184,282	198,000
Endowment Income.....	646	8,363	9,009
Investment Income.....	22,700	1,595	24,295
Realized Gains (Losses) and Adjustments to Market Value, net....	1,603	901	2,504
Sales and Services Of Educational Activities.....	89,110	—	89,110
Sales and Services of Auxiliary Enterprises.....	134,352	—	134,352
Sales and Services of Hospital and Medical Clinics.....	331,712	—	331,712
Total Revenues.....	\$ 1,212,711	\$ 524,870	\$ 1,737,581
Expenditures and Mandatory Transfers:			
Education and General			
Instruction.....	\$ 321,275	\$ 74,240	\$ 395,515
Research.....	38,906	270,244	309,150
Public Service.....	21,042	77,065	98,107
Academic Support.....	106,958	42,137	149,095
Student Services.....	44,072	4,362	48,434
Instructional Support.....	101,815	1,737	103,552
Operation and Maintenance of Plant.....	92,999	300	93,299
Scholarship and Fellowships.....	30,235	38,254	68,489
Education and General Expenditures.....	\$ 757,302	\$ 508,339	\$ 1,265,641
Mandatory Transfers for:			
Principal and Interest.....	\$ 5,285	\$ 951	\$ 6,236
Loan Fund Matching Grant.....	859	(683)	176
Total Education and General.....	\$ 763,446	\$ 508,607	\$ 1,272,053
Auxiliary Enterprises			
Expenditures.....	\$ 119,757	\$ 5,037	\$ 124,794
Mandatory Transfers for:			
Principal and Interest.....	959	—	959
Renewals and Replacements.....	144	—	144
Total Auxiliary Enterprises.....	\$ 120,860	\$ 5,037	\$ 125,897
University Hospital and Medical Clinics			
Expenditures.....	\$ 316,814	\$ 11,226	\$ 328,040
Mandatory Principal and Interest Transfers.....	12,111	—	12,111
Total University Hospital and Medical Clinics.....	\$ 328,925	\$ 11,226	\$ 340,151
Total Current Expenditures and Mandatory Transfers.....	\$ 1,213,231	\$ 524,870	\$ 1,738,101
Other Transfers, Additions (Deductions)			
Excess (Deficiency) of Restricted Additions Over Expenditures.....	\$ —	\$ 14,467	\$ 14,467
Refunded to Grantors.....	—	(1,314)	(1,314)
Nonmandatory Transfers.....	(1,072)	(2,077)	(3,149)
Total Other Transfers, Additions (Deductions).....	\$ (1,072)	\$ 11,076	\$ 10,004
Net (Decreases) Increases in Fund Balance.....	\$ (1,592)	\$ 11,076	\$ 9,484

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

UNIVERSITY OF MINNESOTA
STATEMENT OF CHANGES IN FUND BALANCES – CONSOLIDATED TOTALS
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	CONSOLIDATED TOTALS
Revenues and Other Additions:	
Unrestricted Revenues.....	\$ 1,212,711
Federal Appropriations.....	16,774
State Appropriations.....	89,548
Federal Grants and Contracts.....	242,495
State Grants and Contracts.....	29,635
Other Government Grants and Contracts.....	3,982
Private Gifts, Grants, and Contracts.....	211,559
Endowment Income.....	10,185
Investment Income.....	16,407
Realized Gains (Losses) and Adjustments to Market Value, Net.....	49,521
Student Loan Interest.....	2,548
Expended for Plant Facilities.....	183,515
Retirement of Indebtedness.....	9,589
Other Additions.....	245
Total Revenues and Other Additions.....	\$ 2,078,714
Expenditures and Other Deductions:	
Education and General.....	\$ 1,265,641
Auxiliary Enterprises.....	124,794
University Hospital and Medical Clinics.....	328,040
Indirect Costs Recovered.....	49,019
Loan Cancellation.....	(4,073)
Administrative and Collection Costs.....	575
Expended for Plant Facilities.....	117,532
Retirement of Indebtedness.....	9,589
Debt Incurred.....	16,557
Interest on Indebtedness.....	16,078
Depreciation of Investment in Plant.....	106,272
Loss on Disposal of Plant.....	3,955
Other Deductions.....	5
Total Expenditures and Other Deductions.....	\$ 2,033,984
Net Increase (Decrease) for the Year.....	\$ 44,730
Fund Balance, July 1, 1994.....	\$ 1,911,272
Fund Balance, June 30, 1995.....	\$ 1,956,002

The notes are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENT

JUNE 30, 1995

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

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

Financial Reporting Entity of the State of Minnesota

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

As required by GAAP, these financial statements include the state of Minnesota (the primary government) and its component units. The state has identified and included within the financial reporting entity, as component units, legally separate organizations for which the state is financially accountable or for which a significant relationship with the state exists such that exclusion would cause the state's financial statements to be misleading or incomplete.

Blended component units are entities which are legally separate from the state, but are so intertwined with the state that they are, in substance, the same as the state. These entities are reported as part of the state and blended into the state's funds. The following blended component units are reported within the Miscellaneous Special Revenue Fund (special revenue fund):

Rural Finance Authority. The authority administers state agriculture programs, including the homestead redemption program, loan restructuring program, and agricultural improvement program. The authority is under the administrative control of the Department of Agriculture. The state has issued general obligation bond debt for the programs.

Agricultural and Economic Development Board. The board provides services to state government by administering state programs for agricultural and economic development. The board may issue bonds on behalf of the state.

Export Finance Authority. The authority aids and facilitates the financing of exports from the state. Excess revenue is transferred to the state's General Fund.

World Trade Center Corporation. The corporation facilitates and supports the World Trade Center and the center's programs and services. The corporation receives General Fund appropriations. Corporation financial activities are managed by a state agency.

Discretely presented component units are entities that are legally separate from the state but for which the state is financially accountable, or their relationship with the state is such that exclusion would cause the state's financial statements to be misleading or incomplete. These component units are reported in a separate column and separately identified note disclosure because of their separate legal status. Three of the component units report on a fiscal year ending December 31.

Minnesota Technology, Inc. (MTI) (governmental fund type). The MTI fosters long-term economic growth and job creation by stimulating innovation and the development of new products, services, and production processes through technology transfer, applied research, and financial assistance. The state's General Fund provides most of the funding for the MTI.

Higher Education Coordinating Board (HECB) (governmental and proprietary fund types). The HECB makes and guarantees loans to qualified post-secondary students. The HECB provides state grant and loan program services for which the state provides administrative funding. Revenue bonds are issued in its own name with limitations set by the legislature.

Metropolitan Council (MC) (governmental and proprietary fund types). The MC is responsible for coordinating the planning and development of the seven county metropolitan area. The MC operates the public transit system and the regional sewage collection and treatment system. The council members are appointed by the governor with the chair responsible for the council activities. The MC includes the Metropolitan Sports Facilities Commission as a component unit. The Metropolitan Council's fiscal year ends December 31.

Housing Finance Agency (HFA) (proprietary fund type). The HFA provides money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes. The HFA is under the administrative control of a commissioner appointed by the governor. The HFA issues bonds in its own name.

Public Facilities Authority (PFA) (proprietary fund type). The PFA provides assistance to municipalities, primarily for wastewater treatment construction projects. A state agency provides administrative services to the PFA. The state provides funding for the PFA. The board members determine the funding for local government projects.

National Sports Center Foundation (NSCF) (proprietary fund type). The NSCF is under contract with the Minnesota Amateur Sports Commission to operate the National Sports Center facility primarily for the purpose of holding youth-oriented athletic and other non-athletic functions and events. The NSCF is responsible for certain improvements to the facility and the operating costs of the facility. The commission approves the foundation's spending budget, approves all rates and fees and has ownership of any reserve funds. The assets belong to the state. The foundation's fiscal year ends December 31.

Workers' Compensation Assigned Risk Plan (WCARP) (proprietary fund type). The WCARP is the source of workers' compensation and employers' liability coverage for Minnesota employers who have been unable to obtain an insurance policy through the voluntary market. The state commissioner of the Department of Commerce enters into administrative contracts, sets premium rates, and makes assessments. The state commissioner has the authority to assess all licensed workers' compensation insurance companies doing business in Minnesota an amount sufficient to fully fund the obligations of the plan to the extent that the assets are inadequate to meet its obligations. The WCARP's fiscal year ends December 31.

University of Minnesota (U of M) (college and university type). The U of M was established by the Minnesota Constitution. The state appropriates a large percentage of the University's operating budget. The governor appoints the 12-member Board of Regents, which governs the U of M, but the state does not have direct authority over U of M management. The state has issued debt for U of M capital projects.

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

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

Higher Education Coordinating Board
400 Capitol Square
550 Cedar Street
St. Paul, Minnesota 55101

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

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

Public Facilities Authority
Department of Trade & Economic Development
121 7th Place East
St. Paul, Minnesota 55101

National Sports Center Foundation
National Sports Center
1700 105 Avenue Northeast
Blaine, Minnesota 55434

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

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

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

State Lottery
2645 Long Lake Road
75 Constitution Avenue
St. Paul, Minnesota 55113

State Board of Investment
105 MEA Building
55 Sherburne Avenue
St. Paul, Minnesota 55155

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

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

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

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

Metropolitan Airports Commission. A majority of the voting commissioners are appointed by the Governor. The state has no statutory authority to directly affect the commission's activities and operations. Holders of the commission's debt instruments have no recourse against the state.

Workers' Compensation Reinsurance Association. The governor appoints a majority of the board. The association supports itself solely from revenues derived from premiums charged to its members. The state has no statutory authority to affect the operations of the association.

Joint Underwriting Association. The governor appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments. Membership in the association is a condition for doing business in the state.

Medical Malpractice Joint Underwriting Association. The governor appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments. Membership in the association is a condition for doing business in the state.

State Fund Mutual Insurance Company. The governor appoints a majority of the board. The board establishes the operating plan and determines premium rates and assessments.

Higher Education Facilities Authority. The governor appoints a majority of the board. The Authority can issue revenue bonds and notes in its name. The state has no statutory authority to affect the operations of the Authority.

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 incurred for all governmental fund types.

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

Basis of Accounting

All proprietary, pension 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 October 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.

Effective with the fiscal year end June 30, 1995 taxpayer assessed revenues are recognized in accordance with GASB statement 22. This principle requires that revenues are recognized in the accounting period in which they become susceptible to accrual. These tax revenues include sales and income taxes when they become both measurable and available to finance expenditures of the fiscal period. Accordingly these statements include the recognition of \$168,715,000 for sales tax and \$95,474,000 for income tax net of refunds. These amounts are in addition to amounts which were accrued in the statements under other generally accepted accounting principles. The valuation of the amounts was determined from tax returns filed by taxpayers between July 1, 1995 and September 30, 1995 for periods ending before June 30, 1995. All comparative disclosures have been adjusted to reflect this change in accounting principles.

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 are recorded when due. Grant expenditures are discussed separately.

Encumbrances: Encumbrance accounting is used for budgetary control and reporting purposes only. In the financial statements, encumbrances are recorded in the balance sheet as a reservation of fund balance for subsequent year expenditures, except for those long-term commitments which rely significantly on future resources as discussed in Note 9.

College and University Type is accounted for on the accrual basis of accounting in accordance with accounting principles outlined in the American Institute of Certified Public Accountants' (AICPA) industry audit guide, Audits of Colleges and Universities, and guidelines suggested by the National Association of College and University Business Officers. Under these standards two types of operating statements are prepared, which should not be combined with governmental nor proprietary statements. Only the combined totals are presented for the statement of revenues, expenses, and changes in fund balance.

Grants Expenditures and Liabilities Recognition

Grants are contributions of cash or other assets by the state to other governmental units, individuals or non-governmental 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 may be for specific services provided to eligible recipients or such reimbursements may 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.

Primary Government - 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.

Component Unit - The Workers' Compensation Assigned Risk Plan and the University of Minnesota report investments at market.

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.

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

General Long-Term Liabilities

All unmatured long-term indebtedness not reported in a proprietary or fiduciary fund is accounted for in the General Long-Term Obligation Account Group. Included among these liabilities are the non-current portions of liabilities resulting from debt issuances, compensated absences, 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 (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 \$450,000.

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 Compensation, Iron Range Resources and Rehabilitation, Petroleum Tank Cleanup, Landfill Cleanup 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.

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

Eliminations have been incorporated 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 the primary government for fiscal year 1994 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 1994 Comprehensive Annual Financial Report. Prior year totals were restated to reflect prior period adjustments and changes in reporting entity (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 while most component unit cash is in separate accounts. The cash in individual funds may be invested separately where permitted by statute, but cash in most funds is invested as a part of an investment pool. A fund's investment with the primary government's cash pools is reported as a cash equivalent. Investment earnings of the primary government's pools are allocated to the individual funds where provided by statute; earnings for all other participants are credited to the General Fund.

The following table summarizes the state's cash and cash equivalents (including amounts reported as restricted assets) at December 31, 1994 and June 30, 1995 (in thousands). Cash with the U.S. Treasury is available for the cash demands of the Reemployment Insurance Fund (expendable trust fund).

<u>Carrying Amount</u>	<u>Primary Government</u>	<u>Component Units</u>
Cash in Bank	\$77,907	\$9,626
Cash on Hand and Imprest Cash	3,858	9,338
Cash with Fiscal Agent	1,262	-
Cash with U.S. Treasury	373,861	-
Cash Equivalents:		
Cash Management Investment Pools	3,134,900	823,890
Other	<u>700,565</u>	<u>270,780</u>
Total Cash and Cash Equivalents	\$4,292,353	\$1,113,634

Deposits

At June 30, 1995, the primary government's bank balance for cash in bank was \$91,541,000. For component units at December 31, 1994 and at June 30, 1995, the bank balances for cash in bank were \$18,811,000. These balances were fully covered by federal depository insurance or collateral held by the state's agent in the state's name or held by the component unit in the component unit's name (lowest risk category). Minnesota Statutes, Section 9.031 requires that deposits by the primary government and certain component units be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. This statute further requires that such insurance and collateral shall be in amounts sufficient to ensure that the deposits do not exceed 90 percent of the sum of the insured amount and the market value of the collateral.

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 of the primary government 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).

Primary Government - Investments at June 30, 1995 (in thousands)

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Repurchase Agreements	\$ 791,259	\$ 791,259
Commercial Paper	1,911,136	1,911,126
Short Term Corporate Notes	8,718	8,718
U.S. Treasury Obligations	2,305,266	2,332,001
Mortgaged Backed	3,044,052	3,082,337
Corporate Obligations	1,949,279	1,975,230
Foreign & Other Obligations	279,854	283,309
Corporate Stocks	12,277,678	13,023,314
Other Equity	<u>1,093,417</u>	<u>1,146,735</u>
Total Investments in Risk Category 1	\$23,660,659	\$24,554,029
Trustee Managed Pools (not categorized)	<u>2,256,430</u>	<u>2,256,430</u>
Total Investments	\$25,917,089	\$26,810,459

Component Units - Investments at December 31, 1994 and June 30, 1995
(in thousands)

Investment Type	Risk Category			Carrying Amount	Market Value
	1	2	3		
Repurchase Agreements	\$ 84,868	\$ -	\$ -	\$ 84,868	\$ 84,868
Commercial Paper	246,959	3,661	-	250,620	250,730
Short Term Corporate Notes	148,410	-	-	148,410	148,399
U.S. Treasury Obligations	981,204	119,497	-	1,100,701	1,107,352
Mortgaged Backed	46,412	102,204	-	148,616	148,608
Corporate Obligations	587,796	124,222	-	712,018	712,797
Foreign & Other Obligations	29,269	12,056	-	41,325	41,724
Corporate Stocks	74,795	94,741	-	169,536	169,536
Other Equity	127,898	-	-	127,898	127,898
Total Investments	\$2,327,611	\$456,381	\$ -	\$2,783,992	\$2,791,912
Escrow Accounts of MC	-	-	161,734	161,734	161,734
Trustee Managed Pools/Mutual Funds	-	-	-	198,170	198,170
Total Investments	\$2,327,611	\$456,381	\$161,734	\$3,143,896	\$3,151,816

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. Investments in risk category 2 include uninsured and unregistered securities held by the counterparty's trust department or agent in the component unit's name (the primary government has no investments in risk category 2). Investments in risk category 3 include uninsured and unregistered securities held by the counterparty or by its trust department or agent, but not in the component unit's name (the primary government has no investments in risk category 3).

3. INTERFUND ACTIVITY

Interfund receivables and payables at June 30, 1995, including current portion of interfund advances, are summarized as follows (in thousands):

Fund	Receivables	Payables	Fund	Receivables	Payables
General Fund	\$ 82,119	\$ 11,682	Fiduciary Funds:		
Special Revenue Funds:			Pension Trust Funds:		
Trunk Highway	\$ 1,999	\$ 7,226	Defined Benefit Pension Funds:		
Highway User Tax Distribution	10,002	8,719	Public Employees Retirement	\$ 462	\$ 252
Federal	4,251	60,763	Police and Fire	517	317
Environmental	-	2,623	Police and Fire Consolidation	-	1,486
Petroleum Tank Cleanup	3	-	Teachers Retirement	-	19,279
Landfill Cleanup	454	-	State Employees Retirement	1,300	5,414
Natural Resources	1,865	-	State Patrol Retirement	-	2,284
Maximum Effort School Loan	2,075	1,356	Correctional Employees Retirement	-	1,004
Health Care Access	-	803	Judicial Retirement	-	1,083
Iron Range Resources Board	401	-	Elective State Officers	377	1
Miscellaneous Special Revenue	8,594	13,705	Legislative Retirement	6,390	24
Total Special Revenue Funds	\$29,644	\$95,195	Defined Contribution Fund:		
Capital Projects Funds:			Unclassified Employees Retirement	-	629
Transportation	\$ 3,150	\$ 332	Investment Trust Fund:		
Building	-	5,278	Minnesota Post-Retirement Investment	30,517	1,034
Total Capital Projects Funds	\$ 3,150	\$ 5,610	Nonexpendable Trust Funds:		
Debt Service Fund	\$ 4	\$ -	Permanent School	-	15,325
Enterprise Funds:			Environment and Natural Resources Trust	1,549	5,303
State Lottery	\$ -	\$ 5,718	Expendable Trust Funds:		
Chemical Dependency	114	-	Municipal State-Aid Street	1,400	895
Public Employees' Insurance	44	-	County State-Aid Highway	4,600	3,075
Private Employers Insurance	81	-	Endowment School	11,916	-
Total Enterprise Funds	\$ 239	\$ 5,718	Endowment	-	5
Internal Service Funds:			Environment and Natural Resources Trust	5,034	815
Central Motor Pool	\$ -	\$ 933	Reemployment Insurance	-	584
Plant Management	-	640	Agency Funds:		
Employee Insurance	-	125	Deferred Compensation	-	506
Total Internal Service Funds	\$ -	\$ 1,698	Total Fiduciary Funds	\$ 64,062	\$ 59,315
			Total Primary Government	\$179,218	\$179,218

The noncurrent portion of interfund advances at June 30, 1995, are summarized as follows (in thousands):

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 638	\$ -
Special Revenue Funds:		
Health Care Access	2,075	-
Miscellaneous Special Revenue	-	38
Enterprise Funds:		
Private Employers Insurance	-	2,075
Internal Service Funds:		
Central Motor Pool	-	600
Total All Funds	\$2,713	\$2,713

Component Units

Transfers-out to component units exceeds transfers-in from primary government by \$522,384,000. Of this amount, \$14,235,000 is due to a transfer of contributed capital to the Public Facilities Authority and \$508,149,000 is classified as state appropriation revenue. The University of Minnesota (U of M) appropriation revenues are \$16,211,000 less than the transfers-out to component units (U of M) because the U of M recognizes appropriation revenue when approved by the legislature under college and university basis of accounting.

Due from primary government exceeds due to component units by \$102,751,000. This difference is due to the U of M recognizing state appropriations when approved by the legislature under college and university basis of accounting. The U of M also recognizes \$23,333,000 due to the primary government for its required share of state general obligation debt service for which the primary government does not recognize a receivable. Any remaining differences are the result of component units reporting on different fiscal years.

Residual equity transfers-out exceed similar transfers-in by \$440,000 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 AND NOTES RECEIVABLE

Loans and notes receivable, net of allowances for possible losses, as of June 30, 1995, consisted of the following (in thousands):

	General	Special Revenue	Capital Projects	Enterprise	Fiduciary
Student Loan Programs	\$ -	\$ -	\$ -	\$33,717	\$ -
Economic Development	7,676	45,730	-	-	9,405
School Districts	315	115,207	-	-	-
Energy	-	5,525	14,228	-	-
Agricultural	6,949	23,307	-	-	-
Transportation	-	23,415	-	-	-
Resources	1,898	-	-	-	-
Other	-	189	85	-	-
Total	\$16,838	\$213,373	\$14,313	\$33,717	\$9,405

Component Units

Metropolitan Council (Governmental)	\$11,674
Minnesota Technology	265
Housing Finance	1,672,081
Public Facilities Authority	316,527
Higher Education Coordinating Board (Proprietary)	191,308
University of Minnesota	61,752
Total	\$2,253,607

The amount reported for loans receivable between component units does not equal the amount reported for loans payable between component units because of differing fiscal year ends (December and June).

5. FIXED ASSETS

Primary Government

Summary of Changes in General Fixed Assets (in thousands)

	Balances July 1, 1994	Additions	Deductions	Completed Construction	Adjustments	Balances June 30, 1995
Land	\$ 246,770	\$ 12,437	\$ 116	\$ -	\$ 321	\$ 259,412
Buildings	1,109,396	787	370	112,397	(2,888)	1,219,322
Equipment	322,871	33,092	21,236	-	8,130	342,857
Construction in Progress	<u>162,922</u>	<u>83,428</u>	<u>-</u>	<u>(112,397)</u>	<u>3,949</u>	<u>137,902</u>
Total	\$1,841,959	\$129,744	\$21,722	\$ -	\$9,512	\$1,959,493

Governmental fund capital outlay expenditures totaled \$397,503,000 for fiscal year 1995. Of this amount, \$270,816,000 was for infrastructure fixed assets which are not included in general fixed assets. Donations of general fixed assets received during fiscal year 1995 are valued at \$3,057,000. Other adjustments were primarily corrections of prior year balances.

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1995 consisted of equipment costing \$51,540,000 and buildings costing \$1,781,000.

Authorizations and commitments as of June 30, 1995 for the largest construction in progress projects consisted of the following (in thousands):

	Educational Buildings	Regional Treatment Centers	Correctional Facilities
Authorization	\$139,131	\$28,688	39,346
Expended through June 30, 1995	81,342	27,020	36,454
Unexpended Commitment	<u>2,738</u>	<u>51</u>	<u>35</u>
Available Authorization	\$55,051	\$1,617	\$2,857

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, 1995 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	\$ 3	\$ -	\$15,421	\$15,424
Buildings	102,506	-	-	102,506
Land and Building Improvements	36,491	2,632	-	39,123
Equipment	<u>21,749</u>	<u>100,816</u>	<u>1,406</u>	<u>123,971</u>
Total	\$160,749	\$103,448	\$16,827	\$281,024
Less: Accumulated Depreciation	<u>80,824</u>	<u>64,441</u>	<u>325</u>	<u>145,590</u>
Net Total	\$79,925	\$39,007	\$16,502	\$135,434

Land in the Permanent School Fund (nonexpendable trust fund) totaling 2,512,041 acres was donated by the federal government and is valued at the estimated fair market value at the time of donation.

Component Units

Component Unit fixed assets consisted of the following as of the end of their respective fiscal year (in thousands):

	Metropolitan Council	Minnesota Technology Incorporated	Higher Education Coordinating Board	Housing Finance	Public Facilities Authority	Metropolitan Council (Proprietary)	National Sports Center Foundation	Higher Education Coordinating Board (Proprietary)	University of Minnesota	Combined Totals
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,430	\$ -	\$ -	\$ 37,099	\$ 48,529
Buildings and Improvements	-	-	-	-	-	1,365,059	181	-	1,361,964	2,727,204
Equipment	3,822	1,728	439	1,304	233	255,359	82	69	607,480	870,516
Other Fixed Assets	-	-	-	-	-	-	-	-	204,353	204,353
Total	\$3,822	\$1,728	\$439	\$1,304	\$233	\$1,631,848	\$263	\$69	\$2,210,896	\$3,850,602
Less: Accumulated Depreciation	-	735	-	803	210	494,870	42	11	1,056,641	1,553,312
Net Total	\$3,822	\$993	\$439	\$501	\$23	\$1,136,978	\$221	\$58	\$1,154,255	\$2,297,290

6. GENERAL LONG-TERM OBLIGATIONS

Primary Government

A summary of general long-term obligations at June 30, 1995 and the changes during fiscal year 1995 is as follows (in thousands):

	July 1, 1994 Balances	Increases	Decreases	June 30, 1995 Balances
Liabilities For:				
General Obligation Bonds	\$1,769,435	\$279,960	\$157,226	\$1,892,169
Loans	36,737	9,329	5,291	40,775
Revenue Bonds	35,900	2,710	4,283	34,327
Grants	424,874	417,578	424,874	417,578
Claims	362,494	21,000	11,105	372,389
Compensated Absences	191,184	14,192	-	205,376
Workers Compensation	116,857	10,172	14,587	112,442
Capital Leases	23,563	2,402	10,157	15,808
Pension Liabilities	3,297	5,405	-	8,702
Other Liabilities	2,940	-	2,236	704
Totals	\$2,967,281	\$762,748	\$629,759	\$3,100,270

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	\$1,741,453	\$150,716	\$1,892,169
Loans	-	40,775	40,775
Revenue Bonds	2,710	31,617	34,327
Grants	417,578	-	417,578
Claims	327,000	45,389	372,389
Compensated Absences	123,060	82,316	205,376
Workers Compensation	93,759	18,683	112,442
Capital Leases	6,694	9,114	15,808
Pension Liabilities	8,702	-	8,702
Other Liabilities	704	-	704
Totals	\$2,721,660	\$378,610	\$3,100,270

Principal and interest payment schedules (in thousands) are provided in the following table for general obligation bonds, revenue bonds, loans, capital leases and arbitrage. The liability for grants was liquidated in October, 1995. There are no payment schedules for claims, compensated absences, workers compensation or pension liabilities.

<u>Fiscal Year (s)</u>	General Obligation		Revenue	Capital		
	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>	<u>Leases</u>	<u>Arbitrage</u>	<u>Totals</u>
1996	\$ 266,303	\$ 7,694	\$ 5,233	\$ 8,194	\$ 27	\$ 287,451
1997	243,412	9,957	5,252	4,887	27	263,535
1998	231,252	7,401	5,368	2,354	36	246,411
1999	225,930	5,241	4,463	1,512	279	237,425
2000	203,119	5,241	4,423	164	335	213,282
Thereafter	<u>1,428,944</u>	<u>5,241</u>	<u>34,391</u>	<u>600</u>	<u>-</u>	<u>1,469,176</u>
Total Payments	\$2,598,960	\$40,775	\$59,130	\$17,711	\$704	\$2,717,280
Interest	<u>706,791</u>	<u>-</u>	<u>24,803</u>	<u>1,903</u>	<u>-</u>	<u>733,497</u>
Total Principal	\$1,892,169	\$40,775	\$34,327	\$15,808	\$704	\$1,983,783

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 1995 the Department of Finance made the necessary transfers (in thousands) to the Debt Service Fund as follows:

General Fund	\$202,629
Special Revenue Funds:	
Natural Resources Funds	120
Trunk Highway Fund	12,234
Maximum Effort School Loan Fund	11,135
Miscellaneous Special Revenue Fund	2,417
Capital Projects Fund (Building Fund)	16,179
Expendable Trust Fund (Endowment Fund)	<u>130</u>
Total Operating Transfers to Debt Service Fund	\$244,844

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

On October 1, 1994 and April 1, 1995, \$120,000,000 and \$115,000,000 respectively in general obligation bonds were issued at a true interest rate of 5.77 and 5.49 percent respectively. During fiscal year 1995, \$157,226,000 in general obligation bond principal was paid.

On May 1, 1995, \$44,960,000 in general obligation bonds (Series 1995 A for \$7,800,000, B for \$11,430,000, C for \$20,840,000, and D for \$4,890,000) secured by the state were issued for airport facilities.

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, 1995, was \$770,540,000 consisting of the following (in thousands). The state remains contingently liable to pay the refunded general obligation bonds.

Outstanding Defeased Debt (in thousands)				Final
Refunding Date	Refunding Amount	Refunded Amount	Outstanding Amount	Maturity Date
April 1, 1988	\$182,500	\$165,450	\$116,500	August 1, 1995
August 1, 1992	243,100	230,480	191,980	August 1, 1998
May 1, 1993	292,260	273,190	246,640	August 1, 2000
August 1, 1993	146,995	133,770	133,770	August 1, 2001
November 1, 1993	<u>91,720</u>	<u>81,650</u>	<u>81,650</u>	August 1, 2002
Total	\$956,575	\$884,540	\$770,540	

A schedule of general obligation bonds authorized but unissued and bonds outstanding at June 30, 1995, is provided in the table below (in thousands):

Purpose	Authorized But Unissued	Amount Outstanding	Interest Rates Range - %
State Building	\$576,896	\$723,385	3.75 - 9.63
State Transportation	71,375	21,345	4.69 - 9.31
Waste Management	4,250	5,595	5.00 - 8.66
Water Pollution Control	2,677	59,835	4.58 - 8.66
Maximum Effort School Loan	26,640	106,350	5.00 - 8.40
Municipal Aid	4,330	-	
Reinvest in Minnesota	6,165	19,170	5.00 - 7.20
Rural Finance Administration	23,125	25,885	5.00 - 8.95
Refunding Bonds	-	826,138	5.00 - 8.41
Exchange Bonds	-	6,290	.05
School Energy Building	955	6,850	5.00 - 9.31
Game and Fish Building	-	426	7.96 - 8.66
Trunk Highway	-	43,940	3.75 - 9.31
Airport Facilities	130,040	44,960	4.40 - 7.95
Landfill	<u>88,000</u>	<u>2,000</u>	5.00 - 6.00
Totals	\$934,453	\$1,892,169	

Revenue Bonds Payable

Revenue bonds payable totaling \$34,327,000 reported in the General Long-Term Obligation Account Group are obligations of the Agricultural and Economic Development Board (AEDB) and the airport facilities.

Minnesota Statutes Section 41A.022 authorizes 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 totaling \$21,865,000 for debt requirements is provided for these bonds.

On May 1, 1995, \$2,710,000 in revenue bonds (Series 1995 E) secured by St. Louis County were issued for airport facilities in the name of the state.

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

Tax refund actions were filed by Minnesota banks in district courts. These plaintiff taxpayers contend that the state bank excise tax is unconstitutional because Minnesota excludes interest on state obligations and not on federal obligations. On April 1, 1994, the Minnesota Supreme Court ruled that the banks are entitled to refunds. On December 12, 1994, the United States Supreme Court denied the state's petition for writ of certiorari. The estimated liability of \$327,000,000 as of June 30, 1995 will be paid in future years from the General fund.

Additional 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. Therefore, the grants reported as general long-term obligations are not considered current liabilities until they are normally expected to be liquidated with expendable available financial resources. Where the payment is based on services or actions completed by the recipient as of June 30, 1995, we have determined that a long-term liability exists. Liabilities totaling \$417,578,000 for such grants are recognized at June 30, 1995. This amount represents final payments for school aids for fiscal year 1995, payable in October 1995.

Compensated Absences

The liability for compensated absences for governmental funds totaling \$205,376,000 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, 1995, 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 \$8,702,000 represent the fiscal year 1995 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 \$704,000. 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 and penalties. 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.

Component Units

The Metropolitan Council (MC) (governmental funds) issues general obligation bonds for parks, solid waste, sewers, and transportation, backed by the MC full faith and credit and taxing powers. The MC had \$108,630,000 in general obligation bonds outstanding for the year ended December 31, 1994.

7. LEASE AGREEMENTS

Operating Leases

The state and its component units are committed under various leases primarily for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 1995 totaled \$47,418,000 and \$891,000 for the state and component units respectively. Lease expenditures for the year ended December 31, 1994 totaled \$2,297,000 for component units. Future minimum lease payments for existing lease agreements are as follows (in thousands):

Primary Government		Component Units			
Year Ending June 30	Amount	Year Ending June 30	Amount	Year Ending December 31	Amount
1996	\$43,896	1996	\$893	1995	\$2,226
1997	42,130	1997	916	1996	2,049
1998	33,249	1998	665	1997	2,081
1999	20,080	1999	595	1998	2,060
2000	11,751	2000	-	1999	457
Thereafter	209	Thereafter	-	Thereafter	-
Total	\$151,315	Total	\$3,069	Total	\$8,873

Capital Leases

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

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

8. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue Bonds

Primary Government

The agencies listed below (enterprise fund activity) 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 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 Minnesota Community College System (MCCS), which is included in the College and Universities Enterprise Activities, financed the construction of a dormitory and a modular housing project through the Higher Education Facilities Authority. The \$1,942,000 debt for these two projects is reported by the MCCS in the College and University Enterprise Activities.

Component Units (proprietary funds)

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 Section 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 \$350,000,000.

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 for refunding bonds. The amount of such bonds outstanding at any time shall not exceed \$2,400,000,000.

The Metropolitan Council (MC) issues stadium revenue bonds and transportation general obligation bonds backed by the MC in full faith and credit and taxing powers.

The University of Minnesota issues revenue bonds and general obligation bonds for capital projects at its campuses and the University Hospital and Clinic.

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, 1995, the total of general obligation bonds outstanding in the State University Board Revenue Fund was \$2,415,000.

Bond Defeasances

For proprietary fund debt that was defeased in prior years through in-substance defeasances, the outstanding defeased amount as of June 30, 1995 for SUB is \$34,570,000. SUB remains contingently liable to pay this defeased debt.

Future Debt Repayments

Primary Government

Long Term Debt Repayment Schedule
Proprietary Funds - June 30, 1995
(in thousands)

Fiscal Year(s)	Revenue Bonds		General Obligation Bonds
	SUB	MCCS	SUB
1996	\$2,685	\$42	\$917
1997	2,674	85	873
1998	2,700	95	828
1999	2,710	95	-
2000	2,571	105	-
Thereafter	<u>53,605</u>	<u>1,520</u>	-
	\$66,945	\$1,942	\$2,618
Unamortized (Discount)/Premium	-	-	-
Interest	(34,730)	-	(203)
Accretion	-	-	-
Bond Principal	<u>\$32,215</u>	<u>\$1,942</u>	<u>\$2,415</u>

Component Units

Long Term Debt Repayment Schedule
Component Units - June 30, 1995
(in thousands)

Fiscal Year(s)	Revenue Bonds					General Obligation Bonds	
	HFA	PFA	MC*	HECB	U of M	MC*	U of M
1995	\$ -	\$ -	\$ 4,029	\$ -	\$ -	\$145,445	\$ -
1996	168,642	27,800	4,031	1,875	991	85,442	20,020
1997	165,154	28,646	4,031	1,875	1,004	58,625	19,757
1998	162,949	30,313	4,029	1,875	1,026	56,035	19,499
1999	159,338	31,209	4,029	1,875	1,042	82,889	16,349
2000	156,395	30,935	4,031	24,875	1,062	51,854	15,749
Thereafter	<u>3,232,370</u>	<u>393,417</u>	<u>36,274</u>	<u>107,412</u>	<u>14,889</u>	<u>174,828</u>	<u>270,606</u>
	\$4,044,848	\$542,320	\$60,454	\$139,787	\$20,014	\$655,118	\$361,980
Unamortized (Discount)/Premium	-	159	-	-	-	(3,114)	-
Interest	(2,090,098)	(214,895)	(20,644)	(48,287)	(4,724)	(261,683)	(122,590)
Accretion	-	<u>(15,720)</u>	-	-	-	-	-
Bond Principal	<u>\$1,954,750</u>	<u>\$311,864</u>	<u>\$39,810</u>	<u>\$91,500</u>	<u>\$15,290</u>	<u>\$390,321</u>	<u>\$239,390</u>

*MC fiscal year ends December 31, 1994.

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, 1995 were as follows (in thousands):

Special Revenue Fund:	
Trunk Highway Fund	\$254,606
Capital Projects Funds:	
General Project Fund	924
Transportation Fund	28,113
Building Fund	<u>250,289</u>
Total Primary Government	<u>\$533,932</u>
Component Unit:	
University of Minnesota	\$294,743

10. CONTINGENT LIABILITIES - LITIGATION

1) Payment of tort claims against the state is made from funds appropriated by the Minnesota Legislature to agencies for their general operations to the extent such funds are available without unduly hindering the operation of the agency, from appropriations of dedicated receipts if practicable or from funds appropriated for the payment of tort claims for that purpose. The tort claims appropriations for the fiscal year ending June 30, 1993 were \$903,000 and payments were \$652,649; for the fiscal year ending June 30, 1994, appropriations were \$900,000 and payments were \$495,878; and for the fiscal year ending June 30, 1995, appropriations were \$900,000 and payments were \$364,843.21. 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.

2) Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases, or categories of cases, in which the state, its officers or employees, are defendants have been noted because an adverse decision in each case or category of case could result in an expenditure of state moneys of over \$10,000,000 in excess of current levels.

a. At any one time, there are hundreds of 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 \$10 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 \$10 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 Minnesota State Colleges and Universities, 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 \$10 million because all parties are jointly and severally liable under federal and state superfund laws. Liability out of decisions unfavorable to the state may impact the trunk highway fund for claims against the Department of Transportation and the state's General Fund for claims against other state agencies.

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. Any liability would impact the state's General Fund. On June 19, 1995, the court issued its opinion upholding the constitutionality of the alternative minimum tax, and denying plaintiff's claims for refunds. This decision applies to all of the more than 100 actions which were pending in Ramsey County District Court with the exception of a few claims which are based upon the Railroad Revitalization and Regulatory Reform Act and the Federal Motor Carriers Act which were not tried with the main case. An appeal has been filed and the Minnesota Supreme Court has granted the state's petition for accelerated review. Briefs have been filed but oral argument is not yet scheduled. A decision is expected during the first half of 1996.

e. Anthony L. Cherne v. Commissioner of Revenue, Tax Court. The taxpayer claims the distributions from his defined contribution self-directed profit-sharing plan are exempt from Minnesota income tax because the plan invests in U.S. Treasury securities. The Department of

Revenue has not yet developed an estimate as to the potential refund liability were the taxpayer to prevail, however the aggregate liability to all taxpayers who receive distributions from similar plans could exceed \$10 million. The Minnesota Tax Court issued a decision upholding the constitutionality of the tax on September 21, 1995. It is possible the taxpayer will appeal the decision.

11. CONTINGENT LIABILITIES - OTHER

Primary Government

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, 1995	\$266,080
Minneapolis Teachers Retirement Fund	June 30, 1994	\$406,332
St. Paul Teachers Retirement Fund	June 30, 1995	\$187,337
Local Police and Fire Funds	December 31, 1994	\$191,517

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.

Petroleum Tank Environmental Cleanup

The petroleum tank release cleanup act (MS 115C) requires the state to reimburse owners for most of their costs to clean up contamination from leaks and spills from petroleum tanks. The payments will be from the Petroleum Tank Cleanup Fund (Petrofund), a special revenue fund. It is certain that a significant number of unreported tank contamination sites and cleanup costs presently exist which will require Petrofund expenditures. As of June 30, 1995, cumulative expenditures of \$212 million have been made by the Petrofund. Various studies have estimated that the total of all payments for the program may reach \$450-\$800 million of cleanup costs (based on data available through July, 1992).

Landfill Cleanup

The Landfill Cleanup program was established to provide environmental response to qualified landfill sites. There are currently 106 closed sites that either are or will be able to qualify for the program. The state becomes responsible for closed municipal solid waste facilities only after certain eligibility requirements are met. The state may perform final cover procedures as well as certain maintenance and monitoring functions at these qualifying sites for thirty years after closure. The closure and post closure care costs will be paid only when the Landfill sites become eligible.

The state reports a portion of these costs as operating expenses in each fiscal period. As of June 30, 1995, cumulative expenditures of \$6.5 million have been made by the Landfill Cleanup Fund. Various studies have estimated that the total of all payments for the program may reach \$420 million (based on 1994 dollars). These estimates include (nonbondable) response action costs, reimbursements, and administration costs. Actual costs may be higher because of inflation, changes in technology, or changes in regulations.

Component Units

The **Metropolitan Council (MTC)**, enters into contracts with various providers of transit services. Unpaid commitments for transit services totaled approximately \$106,000,000 as of December 31, 1994. Based upon the MTC's transit levy authority granted by statute, management fully expects that it will be able to fulfill its contractual obligations for transit services.

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

In 1994, the Minnesota Workers' Compensation Reinsurance Association (WCARP) received refunds of \$31,899,000 of excess ceded reinsurance premiums from the Minnesota Workers' Compensation Reinsurance Association (WCRA). These refunds were required to be distributed to certain workers' compensation policyholders under legislation passed by the State of Minnesota in 1992. The legislation was challenged by a group of insurers and on January 31, 1995 the U.S. Court of Appeals for the Eighth Circuit upheld a lower court ruling that found the legislation to be unconstitutional. At December 31, 1994, the WCARP recorded the refund as a liability with no effect on net income. The WCARP will record such refunds as premiums earned in 1995.

The Minnesota Workers' compensation Reinsurance Association (WCARP), through Employers Life Insurance Company of Wausau, has purchased annuities to settle certain claims with the claimant as payee, but for which WCARP remains contingently liable. WCARP eliminated its loss reserves for these claims at the time the annuities were purchased. A contingent liability exists to the extent that the issuer of the annuity contracts becomes unable to fulfill its contractual obligations. The present value of all annuity contracts still in force at December 31, 1994 was approximately \$5.5 million.

The **University of Minnesota (U of M)** has construction projects in progress, principally buildings, that have been included in the assets of the plant funds at June 30, 1995, approximate \$95,469,000. The estimated cost to complete these facilities is \$294,743,000, to be funded from currently available plant fund assets.

The U of M owns certain steam production facilities for heating and cooling the Twin Cities campuses and by agreement are managed, operated, and maintained by an unaffiliated company. The term of the agreement is for 25 years and commenced on July 1, 1992. Under the agreement, the U of M must make minimum fixed payments for certain operating and maintenance costs as well as contingent payments based on monthly usage. The minimum fixed amount of the required payments at June 30, 1995 is as follows (in thousands):

Fiscal Year Ending June 30	
1996	\$5,499
1997	5,499
1998	4,849
1999	4,849
2000	4,849
Thereafter	87,282
Total	\$112,827

The Social Security Administration has claims against the U of M regarding social security taxes related to medical students for the years 1987 through 1990. The U of M estimates that the total amount of tax at issue for the period January 1, 1987 through September 30, 1990 is approximately \$10,400,000, excluding interest. The U of M is contesting this claim. No liability for these taxes has been recorded in the financial statements.

Other Contingent Liabilities

The National Sports Center Foundation's (NSCF) financial statements are presented assuming the NSCF will be able to continue as an ongoing concern. The extent of the state loss would be the deficit of \$106,000.

The 1993 Legislature adopted legislation establishing a **School District Credit Enhancement Program (SDCEP)**. The legislation authorizes and directs the Commissioner of Finance, under certain circumstances and subject to the availability of funds, to issue a warrant and authorize the Commissioner of Education to pay debt service coming due on school district tax and state-aid anticipation certificates of indebtedness and school district general obligation bonds in the event that the school district notifies the Commissioner of Education that it does not have sufficient money in its debt service fund for this purpose, or the paying agent informs the Commissioner of Education that it has not received from the school district timely payment of moneys to be used to pay debt service. The amounts paid on behalf of any school district are required to be repaid by it with interest, either through a reduction of subsequent state-aid payments or by the levy of an ad valorem tax which may be made with the approval of the Commissioner of Education. As of July 1, 1995 there were approximately \$1,221,000 principal amount of bonds enrolled in the program. The state has not had to make any debt service payments on behalf of school districts under the program and does not expect to make any payments in the future.

12. NORTHWEST AIRLINES MAINTENANCE FACILITIES

Minnesota Laws 1991, Chapter 350, authorized the state to issue revenue bonds secured by the state's full faith and credit in an amount up to \$50,000,000 to finance the construction and equipping of an engine repair facility in Hibbing, and up to \$125,000,000 to finance the construction and equipping of an aircraft maintenance facility in Duluth. By agreement dated December 21, 1994 with Northwest Airlines, Inc. ("NAI"), the intended lessee of both facilities, and certain other parties, it was agreed that the Hibbing facility would not be constructed and that the state would use its best efforts to issue revenue bonds secured by the state's full faith and credit for the Duluth facility. The state issued \$47,670,000 of revenue bonds in May, 1995, of which, \$28,440,000 million are payable primarily from lease payments of NAI, and of which \$19,230,000 are payable primarily from tax increment revenues derived from the Duluth facility and other revenues of the City of Duluth. In the event such revenues are insufficient the state will have the right to apply to the payment of such bonds, or to reimburse itself for making such payments from, certain state-aid payments otherwise payable to the City of Duluth. Of the \$47,670,000 revenue bonds issued by the state, \$44,960,000 are secured by the state's full faith and credit and \$2,710,000 are secured by the full faith and credit of St. Louis County. In addition to the revenue bonds secured by the state's full faith and credit, it was also agreed that the state would use its best efforts to issue up to \$5 million of other revenue bonds for the Duluth facility, for which the state would have no financial liability. The bonds are structured so that the initial bonds, together with expected later refundings, will provide financing over a 30 year amortization period.

13. EQUITY

Contributed Capital

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

Source	PRIMARY GOVERNMENT			COMPONENT UNITS
	Enterprise Funds	Internal Service Funds	Total	Proprietary
Contributed Capital, July 1, 1994, as Restated	\$15,571	\$6,044	\$21,615	\$609,983
Additions:				
General Fund Contributions	401	-	401	-
Federal Grants	34	-	34	99,474
Other Sources	4	-	4	14,235
Reductions:				
Amortization/Depreciation on Fixed Assets				
Acquired with Contributed Capital	(359)	(1)	(360)	(31,145)
Other Reductions	-	(5)	(5)	-
Contributed Capital, June 30, 1995	\$15,651	\$6,038	\$21,689	\$692,547

Retained Earnings

Reserved Retained Earnings - Primary Government

The College and University Enterprise Activities Fund reports a retained earnings reserved per law of \$44,615,000. This retained earnings is the cumulative federal subsidy for the federal student loan program.

Reserved Retained Earnings - Component Units

The Minnesota Housing Finance Agency funds report a reserved retained earnings per law of \$50,433,000. This 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.

Deficit Retained Earnings - Primary Government

Historically, the Chemical Dependency Treatment Fund, an enterprise fund, has had deficit retained earnings because rates charged for services were insufficient to cover costs. The deficit retained earnings of \$1,760,000 is not expected to be eliminated in the near future.

The Private Employers Insurance Trust Fund, an enterprise fund, has a deficit retained earnings because premiums charged for services were insufficient to cover costs. The deficit retained earnings of \$972,000 is expected to be reduced in the future due to increased premiums.

Deficit Retained Earnings - Component Units

The Minnesota Workers' Compensation Assigned Risk Plan provides workers' compensation and employers liability coverage for Minnesota employers who have been unable to obtain an insurance policy through the voluntary market. The deficit retained earnings of \$42,567,000 is not expected to be eliminated in the near future. To the extent that the assets of the plan are inadequate to meet its obligations, the commissioner of Commerce shall assess all licensed workers' compensation insurance companies doing business in the state of Minnesota.

The National Sports Center Foundation (NSCF) has a deficit retained earnings because rates charged and sponsorship funding for services were insufficient to cover costs. The NSCF has taken aggressive actions in the past two years to reduce operation costs and actively pursue sporting events and sponsors as well as to expand the scope of events hosted. The deficit retained earnings of \$106,000 is not expected to be eliminated in the near future.

Fund Balances

Reserved Fund Balances - Primary Government

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 \$4,026,000 in the special revenue funds consists primarily of petroleum overcharge fines (\$1,119,000 in the Federal Fund and \$2,907,000 in the Miscellaneous Special Revenue Fund) allocated by the federal courts to be used for energy conservation programs.

Reserved Fund Balances - Component Units

Reserved for Other - University of Minnesota, totaling \$681,251,000, consists primarily of current externally restricted operating funds along with restricted plant funds that may be utilized only in accordance with the purposes established by the source of the funds.

Unreserved Fund Balances - Primary Government

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

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

<u>Special Revenue Funds</u>	
Education	\$ 9,346
Economic Development	113,338
Health and Social Services	41,615
Transportation	3,914
Resource Management	9,039
Miscellaneous	22,164
 <u>Expendable Trust Funds</u>	
Economic Development	\$ 461,551
Resource Management	10,273
Miscellaneous	14,158

Designated for Fund Purposes of Governmental Component Units totaling \$46,539,000 in the Metropolitan Council is to be used primarily for debt service.

14. PRIOR PERIOD ADJUSTMENTS AND REPORTING CHANGES

Prior Period Adjustments

Primary Government

The Community Colleges Retirement Fund (a fiduciary fund) overstated realized and unrealized investment gains during fiscal year 1994, resulting in a prior period adjustment of \$3,980,000. Memorandum totals of the prior year's statements have been restated to reflect these adjustments.

Component Units

The Public Facilities Authority (proprietary fund) overstated accounts receivable during fiscal year 1994, resulting in a prior period adjustment of \$7,817,000.

The Metropolitan Council adopted GASB No. 16, "Accounting for Compensated Absences," corrected the manner in which Internal Revenue Code 457 deferred compensation assets and liabilities are reported, and reported pre-1994 bond proceeds as nonoperating revenue. The cumulative effect of these changes resulted in prior period adjustments to the governmental and proprietary funds of \$8,750,000 and \$73,698,000, respectively.

The Minnesota Workers Compensation Assigned Risk Plan (proprietary fund) prepared the 1993 financial statements on a statutory basis. The cumulative effect of reporting in accordance with generally accepted accounting principles resulted in a prior period adjustment of \$20,113,000.

Changes in Reporting Entity

Primary Government

The Public Employees' Insurance Fund, with June 30, 1994 retained earnings of \$10,727,000, was previously reported in the Employee Insurance Fund (internal service fund). The Public Employees' Insurance Fund is now reported as an enterprise fund in accordance with GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues."

Component Units

The Higher Education Coordinating Board, with a June 30, 1994 governmental fund balance and proprietary retained earnings of \$5,579,000 and \$200,665,000, respectively, was previously reported as part of the primary government. Based upon a re-evaluation of the relevant Minnesota Statutes, this entity is now reported as a component unit of the primary government.

The Metropolitan Council included in its reporting entity three agencies previously reported as component units of the Council. The merger resulted in a change to the January 1, 1994 governmental fund balance and proprietary retained earnings of \$165,419,000 and \$3,152,000, respectively.

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

15. PENSION TRUST FUNDS

Primary Government

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, 1995, are described below. Vesting occurs after three years for all but the Judicial, 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. Annuity formulas vary for "basic" members (those whose benefits are not coordinated with federal social security) and "coordinated" members (those whose benefits are offset due to social security participation).

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 members, 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 covers 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 2.65 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 2.13 and 2.63 percent, and for coordinated members, 1.13 and 1.63 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 2.65 percent for each year of service.

The Correctional Employees Retirement Fund (CERF) covers state employees who have direct responsibility for inmates at Minnesota correctional facilities. Normal retirement age is 55. The annuity is based on 2.5 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). Vesting occurs after five years, except at age 70 or over, vesting is immediate.

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.

**Defined Benefit Pension Plans
Membership and Payroll**

	Single Employer					Multiple Employers				
	CERF	SPRF	JRF	ESOF	LRF	State is an Employer		State is not an Employer		
						SERF	TRF*	PERF	P&FF	PFCF
Membership as of July 1, 1995										
Statutory Authority Minnesota, Chapter	352	352B	490	352C	3A	352	354	353	353	353A
Retirees and beneficiaries currently receiving benefits	449	540	215	11	216	16,141	22,137	37,706	2,007	1,982
Terminated employees:										
Vested - not yet receiving benefits	296	19	7	5	141	5,518	4,499	7,156	250	32
Nonvested - entitled to refund	74	5	1	-	9	5,242	16,147	9,683	141	-
Active employees covered:										
Vested	1,331	739	200	4	98	38,150	49,751	90,530	6,010	1,061
Nonvested	786	64	71	2	100	11,555	16,763	36,082	1,370	-
Current year covered payroll	\$63,079	\$37,710	\$22,509	\$412	\$7,236	\$1,495,956	\$2,199,593	\$2,768,000	\$294,861	\$53,278

*TRF membership information is as of July 1, 1994. Payroll information is current.

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 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, 1995 was \$1,358,037,000. State payroll for employees covered by the SERF was \$1,069,943,000 and for those covered by the TRF was \$157,148,000.

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 in which the state participates had a combined PBO of \$555,453,000 and net assets available for benefits, at cost, of \$520,734,000 (\$545,377,000 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, 1994 or 1995 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 7/1/95	SPRF 7/1/95	JRF 7/1/95	ESOF 7/1/95	LRF 7/1/95	SERF 7/1/95	TRF 7/1/94	PERF 7/1/95	P&FF 7/1/95	PFCF 7/1/95
Pension Benefit Obligation:										
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$59,528	\$131,242	\$58,147	\$1,642	\$34,748	\$1,442,864	\$3,717,500	\$3,170,343	\$409,004	\$449,335
Current employees:										
Accumulated employee contributions including allocated investment income	26,971	48,901	14,946	414	5,110	718,188	2,172,694	867,498	189,976	48,901
Employer-financed vested	41,283	70,459	16,679	724	6,438	1,052,855	2,307,366	1,739,072	377,322	210,450
Employer-financed nonvested	<u>6,141</u>	<u>21,217</u>	<u>9,025</u>	<u>20</u>	<u>1,818</u>	<u>125,286</u>	<u>266,116</u>	<u>217,579</u>	<u>136,923</u>	<u>14,088</u>
Total Pension Benefit Obligation	\$133,923	\$271,819	\$98,797	\$2,800	\$48,114	\$3,339,193	\$8,463,676	\$5,994,492	\$1,113,225	\$722,774
Net assets available for benefits, at cost	<u>162,084</u>	<u>280,423</u>	<u>56,636</u>	<u>379</u>	<u>21,212</u>	<u>3,401,803</u>	<u>7,592,215</u>	<u>5,074,357</u>	<u>1,356,179</u>	<u>671,829</u>
Unfunded (Assets in excess of) pension benefit obligation	(\$28,161)	(\$8,604)	\$42,161	\$2,421	\$26,902	(\$62,610)	\$871,461	\$920,135	(\$242,954)	\$50,945
Net assets available for benefits, at market value	\$172,108	\$293,909	\$57,769	\$379	\$21,212	\$3,582,687	\$7,651,375	\$5,266,688	\$1,445,345	\$682,323

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

- Projected Salary increases were changed from 6.5 percent for all plans, except for PERF which is a composite rate of 6 percent and except for SERF and TRF which are a composite rate of 5 percent, which includes increases for inflation and merit, but not separately distinguished.

- Mortality rates were updated to the 1983 Group Annuity Mortality table for PERF, SERF and TRF. All other plans used the 1971 table.
- Pre-retirement investment return of 8.5 percent.
- Post-retirement investment return of 5 percent.

Changes in Plan Provisions

Two changes were made with the July 1, 1995 Actuarial Valuation Report for SPRF. The member contribution rate was increased from 8.5 percent to 8.92 percent of salary. Also, the benefit multiplier for retirement and disability benefits was increased from 2.5 percent to 2.65 percent of average salary. The net result of which was a modest cost increase.

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 discounted at the assumed rate of return of 5 percent for the Post Retirement Investment Fund. 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 71.5 percent and 7.1 percent of the total required contributions for the State Employees Retirement and the Teachers Retirement funds respectively.

A benefit enhancement for disability retirements was enacted in the 1995 session, which had the effect of "spending down" a projected contribution sufficiency.

	Defined Benefit Pension Plans Contributions Required and Made									
	Single Employer					Multiple Employers				
	CERF	SPRF	JRF	ESOF	LRF	State is an Employer SERF	TRF	State is not an Employer PERF	P&FF	PFCF
Contributions Made:										
By Employee	\$3,280	\$3,189	\$1,456	\$37	\$634	\$61,627	\$143,536	\$115,986	\$22,356	\$4,256
% of covered payroll	4.90%	8.50%	6.36%	9.00%	9.00%	4.07%	6.51%	4.30%	7.60%	7.60%
By Employer *	\$4,195	\$5,582	\$6,620	\$165	\$2,938	\$63,161	\$179,672	\$123,983	\$33,548	\$16,849
% of covered payroll	6.27%	14.88%	22.00%	N/A	N/A	4.20%	8.15%	4.60%	11.40%	11.40%
Total contributions made	\$7,475	\$8,771	\$8,076	\$202	\$3,572	\$124,788	\$323,208	\$239,969	\$55,904	\$21,105
Actuarial determined contribution requirements	\$7,128	\$8,217	\$6,363	\$173	\$2,774	\$136,880	\$324,000	\$270,157	\$50,952	\$21,105
% of covered payroll	11.30%	21.79%	28.27%	42.00%	38.34%	9.15%	14.73%	9.76%	17.28%	N/A
Funding surplus (deficit) **	\$347	\$554	\$1,713	\$29	\$798	(\$12,092)	(\$792)	(\$30,188)	\$4,952	\$ -

* Contributions include \$165,000, \$2,938,000 and \$8,257,000 for employer lump sum paid contributions for ESOF, LRF and PFCF respectively.

** Funding deficit for which the state is liable (71.5% of SERF and 7.1% of TRF deficits) 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)

	<u>CERF</u>	<u>SPRF</u>	<u>JRF</u>	<u>ESOF</u>	<u>LRF</u>
Net assets available for benefits expressed as a percent of the pension benefit obligation:					

1995	121 %	103 %	57 %	14 %	44 %
1994	112 %	99 %	53 %	13 %	43 %
1993	115 %	97 %	50 %	13 %	49 %

Unfunded (assets in excess of) pension benefit obligation expressed as a percent of annual covered payroll:

1995	(45 %)	(23 %)	187 %	588 %	372 %
1994	(30 %)	8 %	199 %	632 %	391 %
1993	(33 %)	21 %	198 %	597 %	262 %

Employer contributions expressed as a percent of annual covered payroll:

1995	7 %	15 %	29 %	40 %	41 %
1994	6 %	15 %	29 %	44 %	26 %
1993	6 %	15 %	29 %	24 %	34 %

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 4.07 percent for employee and 6 percent for employer. Vesting occurs immediately, and normal retirement age is 55. Annuity is based on age and value of participant's account. Participation and funding for the fiscal year ended June 30, 1995, were as follows (dollars in thousands):

Total employees covered	2,644
Annual payroll of covered employee	\$67,798
Total employee contributions	\$2,945
Contributions as percent of annual covered payroll	4 %
Total employer contributions	\$4,226
Contributions as percent of annual covered payroll	6 %

The Community College (CC) and State University (SU) Supplemental Retirement Funds, authorized by Minnesota Statutes, Chapter 136.80 and Chapter 354B, covers unclassified teachers, librarian, 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 (IRAP) and a Supplemental Retirement Plan (SRP). For the CC's IRAP, the employer and employee statutory contribution rates are 6 and 4.5 percent respectively. The SU has two member groups participating in the IRAP, one for faculty and one for managerial employees. For the faculty, the employer and employee statutory contribution rates are 6 and 4.5 percent respectively, while for the managerial employees, the employer rate is 6 percent and the employee rate is 4.07 percent. For the SRP, the statutory contribution rate is 5 percent of salary between \$6,000 and \$33,000. Vesting occurs immediately, and normal retirement is age 55. Participation and contributions for the year ended June 30, 1995 were as follows (dollars in thousands):

	<u>Community College</u>	<u>State University</u>
Total employees covered	2,353	2,793
Total employee contributions	\$2,885	\$5,730
Total employer contributions	\$3,248	\$6,158
Total annual payroll for covered employees	\$59,779	\$79,107
Contributions as percent of annual covered payroll	5%	4%

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.

Component Units

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

- Higher Education Coordinating Board
- Housing Finance Agency
- Metropolitan Council
- Minnesota Technology Inc.
- Public Facilities Authority
- University of Minnesota

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

The cost of these benefits, which is recognized as paid, was \$4,614,000 during fiscal year 1995. The number of employees currently eligible for this benefit is approximately 1,300.

17. SEGMENT INFORMATION AND CONDENSED BALANCE SHEETS

Primary Government

Listed below are Minnesota agencies that provide major services to the public, financed by user charges:

State University Board
 State Lottery
 College and University Enterprise Activities
 Minnesota Correctional Industries
 Chemical Dependency Treatment
 Public Employees' Insurance
 Private Employers Insurance
 Enterprise Activities

Enterprise fund financial data for the year ended June 30, 1995 follows:

Enterprise Funds' Segment Information (in thousands)									
	State University Board	State Lottery	College & University Enterprise Activities	Minnesota Correctional Industries	Chemical Dependency Treatment	Public Employees' Insurance	Private Employers Insurance	Enterprise Activities	Total
Operating Revenues	\$38,916	\$314,194	\$36,639	\$13,723	\$13,701	\$8,467	\$4,338	\$3,481	\$433,459
Depreciation/Amortization Expense	4,467	1,173	408	422	14	9	1	99	6,593
Operating Income (Loss)	2,734	59,782	3,595	(4,955)	2,001	(1,849)	(154)	466	61,620
Nonoperating Revenues (Expenses):									
Investment Income	2,486	1,516	1,043	96	98	433	43	-	5,715
Grants (Revenue)	-	-	273	-	-	-	-	-	273
Grants (Expense)	-	-	(2,138)	-	-	-	-	-	(2,138)
Net Operating Transfers-In (-Out)	-	(61,278)	-	5,692	-	(3,500)	-	-	(59,086)
Net Income (Loss)	3,084	-	2,772	768	2,099	(4,918)	(111)	469	4,163
Changes in Contributed Capital	(353)	-	-	438	-	-	-	(6)	79
Fixed Assets:									
Additions	6,073	537	1,004	562	143	-	-	41	8,360
Net Working Capital	16,597	(945)	20,418	10,241	4,225	5,789	1,102	2,312	59,739
Total Assets	114,378	21,360	62,233	13,435	5,910	6,299	1,147	3,523	228,285
Noncurrent Liabilities Payable from:									
Operating Revenues	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	2,075	-	2,075
Total Fund Equity	73,805	-	57,500	11,624	3,702	5,809	(972)	2,603	154,071

Component Units

Condensed balance sheet and operating statements follow:

Condensed Statements - Governmental Funds (in thousands)

	MC*	MTI	HECB	Totals
Balance Sheet:				
Current Assets	\$199,244	\$14,798	\$1,924	\$215,966
Fixed Assets	3,822	993	439	5,254
Amount Available for Debt Service	36,175	-	-	36,175
Amount to be Provided for Debt Service	<u>73,281</u>	<u>-</u>	<u>-</u>	<u>73,281</u>
Total Assets and Other Debits	<u>\$312,522</u>	<u>\$15,791</u>	<u>\$2,363</u>	<u>\$330,676</u>
Current Liabilities	\$56,057	\$133	\$213	\$56,403
Long-Term Liabilities	<u>154,981</u>	<u>128</u>	<u>-</u>	<u>155,109</u>
Total Liabilities	<u>\$211,038</u>	<u>\$261</u>	<u>\$213</u>	<u>\$211,512</u>
Total Equity	\$101,484	\$15,530	\$2,150	\$119,164
Operating Statement:				
Revenues	\$103,568	\$3,846	\$8,212	\$115,626
Current Expenditures	(89,028)	(7,447)	(8,857)	(105,332)
Capital Outlay	(802)	-	-	(802)
Debt Service	(35,533)	-	-	(35,533)
Grants & Subsidies	-	(2,930)	(111,590)	(114,520)
Excess of Revenues Over Expenditures	(21,795)	(\$6,531)	(\$112,235)	(\$140,561)
Bond Proceeds	26,503	-	-	26,503
Transfers-In from Primary Government	61,608	8,074	108,367	178,049
Other Financing Sources (Uses)	<u>(65,147)</u>	<u>-</u>	<u>-</u>	<u>(65,147)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$1,169	\$1,543	(\$3,868)	(\$1,156)

* December 31 year end

Condensed Statements - Proprietary Funds (in thousands)

	HFA	PFA	MC*	WCARP*	NSCF*	HECB	Totals
Balance Sheet:							
Current Assets	\$2,390,173	\$ 23	\$ 74,783	\$833,743	\$ 155	\$291,797	\$3,590,674
Restricted Assets	231,823	559,765	274,066	-	-	14,761	1,080,415
Fixed Assets	<u>501</u>	<u>23</u>	<u>1,136,978</u>	<u>-</u>	<u>221</u>	<u>58</u>	<u>1,137,781</u>
Total Assets	<u>\$2,622,497</u>	<u>\$559,811</u>	<u>\$1,485,827</u>	<u>\$833,743</u>	<u>\$ 376</u>	<u>\$306,616</u>	<u>\$5,808,870</u>
Current Liabilities	\$ 144,146	\$ 15,820	\$ 76,634	\$129,310	\$ 278	\$ 552	\$ 366,740
Long-Term Liabilities	<u>2,019,600</u>	<u>318,076</u>	<u>744,220</u>	<u>747,000</u>	<u>204</u>	<u>91,897</u>	<u>3,920,997</u>
Total Liabilities	<u>\$2,163,746</u>	<u>\$333,896</u>	<u>\$820,854</u>	<u>\$876,310</u>	<u>\$ 482</u>	<u>\$92,449</u>	<u>\$4,287,737</u>
Total Equity	\$ 458,751	\$225,915	\$664,973	(\$42,567)	(\$106)	\$214,167	\$1,521,133
Operating Statement:							
Revenues	\$169,612	\$ 25,213	\$209,838	\$154,538	\$2,441	\$12,175	\$573,817
Operating Expenses	<u>(148,954)</u>	<u>(19,683)</u>	<u>(292,551)</u>	<u>(126,648)</u>	<u>(2,280)</u>	<u>(7,976)</u>	<u>(598,092)</u>
Operating Income (Loss)	\$ 20,658	\$ 5,530	(\$82,713)	\$27,890	\$ 161	\$ 4,199	(\$24,275)
Nonoperating Revenues(Expenses)	(15,213)	-	(13,612)	5,361	(12)	9,303	(14,173)
Transfer-in from Primary Government	15,532	-	-	-	-	-	15,532
Other sources	<u>-</u>	<u>-</u>	<u>96,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,292</u>
Net Income	<u>\$20,977</u>	<u>\$ 5,530</u>	<u>(\$33)</u>	<u>\$33,251</u>	<u>\$ 149</u>	<u>\$13,502</u>	<u>\$73,376</u>
Changes in Contributed Capital	\$ -	\$18,342	\$64,222	\$ -	\$ -	\$ -	\$82,564

* December 31 year end

Component Unit Condensed Balance Sheet
University Fund
(in thousands)

	<u>U OF M</u>
Current Assets	\$1,365,230
Fixed Assets	1,154,255
Restricted Assets	<u>30,231</u>
Total Assets	\$2,549,716
Current Liabilities	\$231,204
Bonds and other long-term liabilities	<u>362,510</u>
Total Liabilities	\$593,714
Total Equity	\$1,956,002

18. 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 \$1.1 billion of investments in the fund at June 30, 1995, \$501 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, 1995, \$842.3 million of assets and funds held in trust are managed by third-party administrators.

19. 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 following table:

Total GAAP Basis Fund Balances -	
All Special Revenue Funds	\$851,995
Special Revenue Funds not requiring	
legal appropriation	<u>(462,649)</u>
Total GAAP Fund Balances -	
Appropriated Special Revenue Funds	\$389,346

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1995
(in thousands)

	General Fund	Trunk Highway	Special Revenue Funds					Total Special Revenue
			Highway User Tax Distribution	Other Trans- portation	Environ- mental	Natural Resources	Health Care Access	
GAAP Basis Fund Balances	\$1,166,487	\$249,274	\$53	\$21,535	\$13,823	\$37,977	\$66,684	\$389,346
Less Reserved Fund Balances	601,455	127,769	590	12,734	6,233	8,223	3,210	158,759
Less Designated Fund Balances	67,010	13,489	-	62	-	17,071	-	30,622
Undesignated Fund Balances	\$498,022	\$108,016	(\$537)	\$8,739	\$7,590	\$12,683	\$63,474	\$199,965
Basis of Accounting Differences								
Revenue Accruals/Adjustments:								
Taxes Receivable	(294,435)	-	(171)	-	-	-	38	(133)
Human Services Receivable	(21,103)	-	-	-	-	-	-	-
Federal Aid Receivable	-	(11,406)	-	-	-	(1,015)	-	(12,421)
Refunds Payable	4,278	-	-	-	-	-	-	-
Deferred Revenue	74,322	117	-	-	-	-	-	117
Other Receivables	(1,883)	(3,522)	-	-	-	(3,886)	-	(7,408)
Expenditure Accruals/Adjustments:								
Family Support & Medical Assist.	118,477	-	-	-	-	-	-	-
Police and Fire Aid	49,704	-	-	-	-	-	-	-
Community Service Grants	13,143	-	-	-	-	-	-	-
Other Payables	13,941	5,997	-	930	271	-	(8,159)	(961)
Other Financial Sources (Uses):								
Transfers-In	(3,408)	-	-	-	-	-	-	-
Transfers-Out	-	-	2,136	-	-	-	-	2,136
Reserved Fund Balances:								
Long-Term Receivables	-	-	-	2,778	-	-	-	2,778
Fund Structure Differences								
Terminally Funded Pension Plan	6,249	-	-	-	-	-	-	-
Other	863	-	-	-	-	-	-	-
Budgetary Basis:								
Undesignated Fund Balances	\$458,170	\$99,202	\$1,428	\$12,447	\$7,861	\$7,782	\$55,353	\$184,073

20. SUBSEQUENT EVENTS

Primary Government

Effective July 1, 1995, the responsibility for operating and maintaining the technical colleges transferred to the Board of Trustees of the Minnesota State Colleges and Universities in accordance with the Laws of Minnesota for 1995 Chapter 212, Article 4, section 55. Also, all authority, duties, responsibilities and related property with respect to technical colleges was transferred from the state board of technical colleges and respective school boards, intermediate school boards, and joint vocational technical boards to the Board of Trustees of the Minnesota State Colleges and Universities.

On July 1, 1995, \$2,530,000 in revenue bonds with an interest rate of 7.257 percent were issued by the Agricultural and Economic Development Board (a special revenue type) for the purpose of providing funds for small business development and are backed by the full faith and credit and taxing powers of the state of Minnesota.

On August 1, 1995, \$215,000,000 of general obligation various purpose bonds were sold at a true interest rate of 5.34 percent. 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 September 1, 1995, \$5,000,000 of general obligation Rural Finance Authority bonds were sold at a true interest rate of 6.943 percent. 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.

During November 1995, the state assumed responsibility for postclosure care costs of nine landfill sites. The estimated costs of future state obligations for response actions costs of these landfill site approximates \$78 million. Of this estimate approximately \$26 million represents reimbursement costs to parties (both owners and nonowners) for past eligible cleanup costs. During November the state paid \$3.75 million in reimbursements.

As required by the constitution and statutes, transfers and deposits from the funds and agencies presented below (in thousands) were made on December 1, 1995 to the separately invested Debt Service Fund to cover principal and interest maturing through July 1, 1997.

General Fund	\$210,551
Game and Fish Fund	44
Trunk Highway Fund	11,626
Maximum Effort School Loan Fund	10,174
From Higher Education:	
Community College System	1,533
State University System	1,611
Technical Colleges	1,495
University of Minnesota	<u>4,198</u>
Total Transfers to Debt Service Fund	\$241,232

Component Units

On June 1, 1995, \$20,000,000 of general obligation sewer bonds with an interest rate of 5.498 percent were issued by the Metropolitan Council (governmental type), which has a December 31 year end.

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Combining Financial Statements

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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, 1995 and 1994

(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1995	JUNE 30, 1994
ASSETS		
Cash and Cash Equivalents.....	\$ 1,253,682	\$ 1,149,529
Accounts Receivable.....	346,400	285,151
Interfund Receivables.....	82,119	66,302
Accrued Investment/Interest Income.....	27,220	24,030
Loans Receivable.....	16,838	17,560
Advances to Other Funds.....	638	1,542
Total Assets.....	<u>\$ 1,726,897</u>	<u>\$ 1,544,114</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable.....	\$ 428,063	\$ 425,899
Interfund Payables.....	11,682	14,165
Due to Component Units.....	38,563	60,733
Deferred Revenue.....	82,102	77,227
Total Liabilities.....	<u>\$ 560,410</u>	<u>\$ 578,024</u>
Fund Balances:		
Reserved Fund Balances:		
Reserved for Encumbrances.....	\$ 84,334	\$ 81,777
Reserved for Long-Term Receivables.....	17,121	19,096
Budgetary Reserve.....	500,000	500,000
Total Reserved Fund Balances.....	<u>\$ 601,455</u>	<u>\$ 600,873</u>
Unreserved Fund Balances:		
Designated for Appropriation Carryover.....	\$ 67,010	\$ 179,122
Undesignated.....	498,022	186,095
Total Unreserved Fund Balances.....	<u>\$ 565,032</u>	<u>\$ 365,217</u>
Total Fund Balances.....	<u>\$ 1,166,487</u>	<u>\$ 966,090</u>
Total Liabilities and Fund Balances.....	<u>\$ 1,726,897</u>	<u>\$ 1,544,114</u>

STATE OF MINNESOTA

GENERAL FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1995 and 1994 (IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1995	JUNE 30, 1994
Net Revenues:		
Individual Income Taxes.....	\$ 3,774,855	\$ 3,607,122
Corporate Income Taxes.....	667,542	546,558
Sales Taxes.....	2,728,525	2,674,160
Motor Vehicle License Taxes.....	601	697
Other Taxes.....	1,034,138	1,013,803
Federal Revenues.....	11,711	10,217
License Fees.....	55,740	52,011
Care and Hospitalization Revenues.....	106,439	106,173
Tuition and Student Fees.....	182,869	176,910
Departmental Services.....	59,637	55,425
Investment/Interest Income.....	47,721	31,437
Other Revenues.....	70,656	85,258
Net Revenues.....	\$ 8,740,434	\$ 8,359,771
Expenditures:		
Current:		
Protection of Persons and Property.....	\$ 106,515	\$ 95,645
Transportation.....	938	768
Resource Management.....	96,423	91,046
Economic and Manpower Development.....	63,471	57,921
Education.....	512,793	498,065
Health and Social Services.....	531,562	479,815
General Government.....	226,084	208,586
Total Current Expenditures.....	\$ 1,537,786	\$ 1,431,846
Capital Outlay.....	10,376	13,956
Debt Service.....	12,514	9,505
Grants and Subsidies.....	6,130,091	5,774,265
Total Expenditures.....	\$ 7,690,767	\$ 7,229,572
Excess of Revenues Over (Under) Expenditures.....	\$ 1,049,667	\$ 1,130,199
Other Financing Sources (Uses):		
Operating Transfers—In.....	\$ 84,052	\$ 66,300
Operating Transfers to Debt Service.....	(202,629)	(208,337)
Other Operating Transfers—Out.....	(81,592)	(74,100)
Transfers—Out to Component Units.....	(654,657)	(653,101)
Capital Leases.....	—	3,419
Other Uses.....	(69)	(905)
Net Other Financing Sources (Uses).....	\$ (854,895)	\$ (866,724)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 194,772	\$ 263,475
Fund Balances, July 1, as Reported.....	\$ 738,009	\$ 694,889
Change in Accounting Principles.....	233,094	—
Change in Reporting Entity.....	(5,013)	—
Fund Balances, July 1, as Restated.....	\$ 966,090	\$ 694,889
Residual Equity Transfers—In.....	6,496	8,726
Residual Equity Transfers—Out.....	(871)	(1,000)
Fund Balances, June 30.....	\$ 1,166,487	\$ 966,090

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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* includes the State Airports Fund and the Transit Assistance Fund which is currently unfunded and therefore not reported.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATE OF MINNESOTA

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1995
 (IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL	PETROLEUM TANK CLEANUP
ASSETS						
Cash and Cash Equivalents.....	\$ 266,497	\$ 3	\$ 20,591	\$ 134	\$ 18,889	\$ 38,367
Investments.....	—	—	—	—	—	—
Accounts Receivable.....	5,203	467	373	77,272	375	6,092
Interfund Receivables.....	1,999	10,002	—	4,251	—	3
Accrued Investment/Interest Income.....	—	—	—	—	—	—
Federal Aid Receivable.....	19,391	—	—	355,004	—	—
Inventories.....	16,432	—	—	—	—	—
Prepaid Expenses.....	—	—	—	—	—	—
Loans Receivable.....	—	—	2,778	—	8	—
Advances to Other Funds.....	—	—	—	—	—	—
Total Assets.....	\$ 309,522	\$ 10,472	\$ 23,742	\$ 436,661	\$ 19,272	\$ 44,462
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable.....	\$ 52,905	\$ 1,700	\$ 2,207	\$ 306,627	\$ 2,826	\$ 31,356
Notes Payables.....	—	—	—	—	—	—
Interfund Payables.....	7,226	8,719	—	60,763	2,623	—
Payable to Other Governmental Units.....	—	—	—	42,104	—	—
Due to Component Units.....	—	—	—	—	—	—
Deferred Revenue.....	117	—	—	26,048	—	—
Advances from Other Funds.....	—	—	—	—	—	—
Total Liabilities.....	\$ 60,248	\$ 10,419	\$ 2,207	\$ 435,542	\$ 5,449	\$ 31,356
Fund Balances:						
Reserved Fund Balances:						
Reserved for Encumbrances.....	\$ 38,331	\$ 590	\$ 9,956	\$ —	\$ 6,225	\$ 608
Reserved for Inventory.....	16,433	—	—	—	—	—
Reserved for Long-Term Receivables.....	—	—	2,778	—	8	—
Reserved for Long-Term Commitments.....	73,005	—	—	—	—	—
Reserved for Long-Term Advances.....	—	—	—	—	—	—
Reserved for Debt Requirements.....	—	—	—	—	—	—
Reserved for Deferred Costs.....	—	—	—	—	—	—
Reserved for Other.....	—	—	—	1,119	—	—
Total Reserved Fund Balances.....	\$ 127,769	\$ 590	\$ 12,734	\$ 1,119	\$ 6,233	\$ 608
Unreserved Fund Balances:						
Designated for Appropriation Carryover....	\$ 13,489	\$ —	\$ 62	\$ —	\$ —	\$ —
Designated for Fund Purposes.....	—	—	—	—	—	12,498
Undesignated.....	108,016	(537)	8,739	—	7,590	—
Total Unreserved Fund Balances.....	\$ 121,505	\$ (537)	\$ 8,801	\$ —	\$ 7,590	\$ 12,498
Total Fund Balances.....	\$ 249,274	\$ 53	\$ 21,535	\$ 1,119	\$ 13,823	\$ 13,106
Total Liabilities and Fund Balances.....	\$ 309,522	\$ 10,472	\$ 23,742	\$ 436,661	\$ 19,272	\$ 44,462

LANDFILL CLEANUP	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL COMPENSATION	HEALTH CARE ACCESS	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS	
							JUNE 30, 1995	JUNE 30, 1994
\$ 13,423	\$ 35,882	\$ —	\$ 51,788	\$ 77,536	\$ 47,492	\$ 176,602	\$ 747,204	\$ 610,346
—	—	—	—	—	—	17,517	17,517	18,638
1,542	6,513	—	2,737	77	214	17,906	118,771	101,715
454	1,865	2,075	—	—	401	8,594	29,644	17,767
—	—	199	—	—	—	450	649	160
—	1,015	—	—	—	—	—	375,410	349,094
—	—	—	—	—	—	—	16,432	15,567
—	—	—	—	—	—	5	5	—
—	—	115,207	—	189	816	94,375	213,373	179,302
—	—	—	—	2,075	—	—	2,075	1,525
<u>\$ 15,419</u>	<u>\$ 45,275</u>	<u>\$ 117,481</u>	<u>\$ 54,525</u>	<u>\$ 79,877</u>	<u>\$ 48,923</u>	<u>\$ 315,449</u>	<u>\$ 1,521,080</u>	<u>\$ 1,294,114</u>
\$ 687	\$ 7,298	\$ —	\$ 37,965	\$ 12,390	\$ 3,324	\$ 38,494	\$ 497,779	\$ 467,048
—	—	—	—	—	—	763	763	—
—	—	1,356	—	803	—	13,705	95,195	77,593
—	—	—	—	—	—	—	42,104	39,550
—	—	—	—	—	—	—	—	1,008
—	—	—	—	—	—	7,041	33,206	22,318
—	—	—	—	—	—	38	38	151
<u>\$ 687</u>	<u>\$ 7,298</u>	<u>\$ 1,356</u>	<u>\$ 37,965</u>	<u>\$ 13,193</u>	<u>\$ 3,324</u>	<u>\$ 60,041</u>	<u>\$ 669,085</u>	<u>\$ 607,668</u>
\$ —	\$ 8,223	\$ —	\$ 8,172	\$ 946	\$ 8,276	\$ 14,926	\$ 96,253	\$ 95,594
—	—	—	—	—	—	—	16,433	15,567
—	—	111,834	—	189	801	92,010	207,620	173,517
—	—	—	—	—	—	—	73,005	15,574
—	—	—	—	2,075	—	—	2,075	1,000
—	—	—	—	—	—	21,865	21,865	22,301
—	—	—	—	—	—	5	5	—
—	—	—	—	—	—	2,907	4,026	8,783
<u>\$ —</u>	<u>\$ 8,223</u>	<u>\$ 111,834</u>	<u>\$ 8,172</u>	<u>\$ 3,210</u>	<u>\$ 9,077</u>	<u>\$ 131,713</u>	<u>\$ 421,282</u>	<u>\$ 332,336</u>
\$ —	\$ 17,071	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 30,622	\$ 67,930
14,732	—	4,291	—	—	36,522	131,373	199,416	153,379
—	12,683	—	8,388	63,474	—	(7,678)	200,675	132,801
<u>\$ 14,732</u>	<u>\$ 29,754</u>	<u>\$ 4,291</u>	<u>\$ 8,388</u>	<u>\$ 63,474</u>	<u>\$ 36,522</u>	<u>\$ 123,695</u>	<u>\$ 430,713</u>	<u>\$ 354,110</u>
<u>\$ 14,732</u>	<u>\$ 37,977</u>	<u>\$ 116,125</u>	<u>\$ 16,560</u>	<u>\$ 66,684</u>	<u>\$ 45,599</u>	<u>\$ 255,408</u>	<u>\$ 851,995</u>	<u>\$ 686,446</u>
<u>\$ 15,419</u>	<u>\$ 45,275</u>	<u>\$ 117,481</u>	<u>\$ 54,525</u>	<u>\$ 79,877</u>	<u>\$ 48,923</u>	<u>\$ 315,449</u>	<u>\$ 1,521,080</u>	<u>\$ 1,294,114</u>

STATE OF MINNESOTA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1995
 (IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL	PETROLEUM TANK CLEANUP
Net Revenues:						
Motor Vehicle License Taxes.....	\$ —	\$ 416,192	\$ —	\$ —	\$ —	\$ —
Fuel Taxes.....	—	481,435	3,138	—	—	—
Other Taxes.....	—	—	11,136	—	5,113	—
Federal Revenues.....	178,726	—	—	2,883,552	—	—
License Fees.....	24,479	3	3	—	12,085	18
Care and Hospitalization Revenues.....	—	—	—	—	—	—
Tuition and Student Fees.....	—	—	—	—	—	—
Departmental Services.....	16,068	5,734	372	29	4,100	53,325
Investment/Interest Income.....	10,003	1,220	1,024	144	647	1,785
Penalties and Fines.....	—	—	—	—	1,194	—
Other Revenues.....	9,470	846	727	32,871	3,906	248
Net Revenues.....	\$ 238,746	\$ 905,430	\$ 16,400	\$ 2,916,596	\$ 27,045	\$ 55,376
Expenditures:						
Current:						
Protection of Persons and Property.....	\$ 63,363	\$ 11,255	\$ —	\$ 11,531	\$ 39	\$ —
Transportation.....	338,700	548	5,719	25,992	13	—
Resource Management.....	—	—	—	16,368	20,696	3,914
Economic and Manpower Development.....	670	—	—	100,180	351	41,814
Education.....	3	—	—	30,522	—	—
Health and Social Services.....	864	—	—	63,274	194	—
General Government.....	6,716	1,543	1	2,559	337	—
Total Current Expenditures.....	\$ 410,316	\$ 13,346	\$ 5,720	\$ 250,426	\$ 21,630	\$ 45,728
Capital Outlay.....	282,243	1	990	16,046	898	—
Debt Service.....	382	189	—	96	—	—
Grants and Subsidies.....	1,516	—	9,386	2,645,890	1,493	63
Total Expenditures.....	\$ 694,457	\$ 13,536	\$ 16,096	\$ 2,912,458	\$ 24,021	\$ 45,791
Excess of Revenues Over (Under) Expenditures.....	\$ (455,711)	\$ 891,894	\$ 304	\$ 4,138	\$ 3,024	\$ 9,585
Other Financing Sources (Uses):						
General Obligation Bonds.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Operating Transfers—In.....	543,203	1	—	—	—	—
Operating Transfers to Debt Service.....	(12,234)	—	—	—	—	—
Other Operating Transfers—Out.....	—	(910,802)	—	(752)	—	—
Transfers—Out to Component Units.....	—	—	—	(5,768)	(550)	—
Capital Leases.....	—	—	—	—	—	—
Other Sources (Uses).....	—	—	—	—	—	—
Net Other Financing Sources (Uses).....	\$ 530,969	\$ (910,801)	\$ —	\$ (6,520)	\$ (550)	\$ —
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 75,258	\$ (18,907)	\$ 304	\$ (2,382)	\$ 2,474	\$ 9,585
Fund Balances, July 1 as Reported.....	\$ 172,899	\$ 18,960	\$ 21,231	\$ 3,541	\$ 23,498	\$ 3,518
Change in Reporting Entity.....	—	—	—	(5)	(9,525)	—
Fund Balances, July 1 as Restated.....	\$ 172,899	\$ 18,960	\$ 21,231	\$ 3,536	\$ 13,973	\$ 3,518
Residual Equity Transfers—In.....	—	—	—	—	—	3
Residual Equity Transfers—Out.....	—	—	—	(35)	(2,624)	—
Change in Inventory.....	1,117	—	—	—	—	—
Fund Balances, June 30.....	\$ 249,274	\$ 53	\$ 21,535	\$ 1,119	\$ 13,823	\$ 13,106

LANDFILL CLEANUP	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL COMPENSATION	HEALTH CARE ACCESS	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS FOR THE YEAR ENDED	
							JUNE 30, 1995	JUNE 30, 1994
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,192	\$ 419,774
-	-	-	-	-	-	-	484,573	482,453
11,001	8,234	-	133,519	131,089	22,264	28,010	350,366	264,469
-	13,672	-	-	-	-	69,304	3,145,254	2,973,482
-	45,430	-	-	-	-	19,246	101,264	92,777
-	-	-	-	14,583	-	1,107	15,690	10,674
-	-	-	-	-	-	8,251	8,251	7,801
-	225	-	-	-	1,201	44,484	125,538	144,225
311	1,148	6,582	3,883	-	2,287	8,064	37,098	23,877
-	-	-	-	-	-	6,902	8,096	7,213
-	4,081	-	7,358	-	797	67,073	127,377	99,166
<u>\$ 11,312</u>	<u>\$ 72,790</u>	<u>\$ 6,582</u>	<u>\$ 144,760</u>	<u>\$ 145,672</u>	<u>\$ 26,549</u>	<u>\$ 252,441</u>	<u>\$ 4,819,699</u>	<u>\$ 4,525,911</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,278	\$ 90,466	\$ 88,050
-	149	-	-	-	-	2,135	373,256	323,961
6,559	64,828	-	-	-	-	24,379	136,744	132,191
-	1,046	-	22,216	-	8,167	25,536	199,980	192,611
-	-	1	-	-	-	19,353	49,879	48,729
-	-	-	-	14,621	-	87,780	166,733	116,634
-	48	-	4,442	1,388	-	15,449	32,483	23,960
<u>\$ 6,559</u>	<u>\$ 66,071</u>	<u>\$ 1</u>	<u>\$ 26,658</u>	<u>\$ 16,009</u>	<u>\$ 8,167</u>	<u>\$ 178,910</u>	<u>\$ 1,049,541</u>	<u>\$ 926,136</u>
-	6,414	-	-	139	2,222	11,153	320,106	384,786
-	173	-	594	-	1	11,693	13,128	12,029
-	5,996	-	97,249	62,350	19,016	95,060	2,938,019	2,730,683
<u>\$ 6,559</u>	<u>\$ 78,654</u>	<u>\$ 1</u>	<u>\$ 124,501</u>	<u>\$ 78,498</u>	<u>\$ 29,406</u>	<u>\$ 296,816</u>	<u>\$ 4,320,794</u>	<u>\$ 4,053,634</u>
<u>\$ 4,753</u>	<u>\$ (5,864)</u>	<u>\$ 6,581</u>	<u>\$ 20,259</u>	<u>\$ 67,174</u>	<u>\$ (2,857)</u>	<u>\$ (44,375)</u>	<u>\$ 498,905</u>	<u>\$ 472,277</u>
\$ -	\$ -	\$ 5,525	\$ -	\$ -	\$ -	\$ 8,500	\$ 14,025	\$ 25,300
-	13,769	-	-	-	410	76,264	633,647	597,517
-	(120)	(11,135)	-	-	-	(2,417)	(25,906)	(29,193)
-	(8)	-	-	(26,231)	-	(5,660)	(943,453)	(883,846)
-	-	-	-	(2,357)	-	(619)	(9,294)	(18,743)
-	-	-	-	-	-	2,402	2,402	1,705
-	-	-	-	-	(21)	498	477	570
<u>\$ -</u>	<u>\$ 13,641</u>	<u>\$ (5,610)</u>	<u>\$ -</u>	<u>\$ (28,588)</u>	<u>\$ 389</u>	<u>\$ 78,968</u>	<u>\$ (328,102)</u>	<u>\$ (306,690)</u>
<u>\$ 4,753</u>	<u>\$ 7,777</u>	<u>\$ 971</u>	<u>\$ 20,259</u>	<u>\$ 38,586</u>	<u>\$ (2,468)</u>	<u>\$ 34,593</u>	<u>\$ 170,803</u>	<u>\$ 165,587</u>
\$ -	\$ 30,200	\$ 115,154	\$ (3,699)	\$ 28,098	\$ 48,067	\$ 225,126	\$ 686,593	\$ 541,407
9,525	-	-	-	-	-	(142)	(147)	(14,292)
<u>\$ 9,525</u>	<u>\$ 30,200</u>	<u>\$ 115,154</u>	<u>\$ (3,699)</u>	<u>\$ 28,098</u>	<u>\$ 48,067</u>	<u>\$ 224,984</u>	<u>\$ 686,446</u>	<u>\$ 527,115</u>
454	-	-	-	-	-	-	457	1,384
-	-	-	-	-	-	(4,068)	(6,727)	(7,619)
-	-	-	-	-	-	(101)	1,016	(21)
<u>\$ 14,732</u>	<u>\$ 37,977</u>	<u>\$ 116,125</u>	<u>\$ 16,560</u>	<u>\$ 66,684</u>	<u>\$ 45,599</u>	<u>\$ 255,408</u>	<u>\$ 851,995</u>	<u>\$ 686,446</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, 1995
 (IN THOUSANDS)

	TRUNK HIGHWAY			HIGHWAY USER TAX DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes.....	\$ —	\$ —	\$ —	\$ 436,808	\$ 427,294	\$ (9,514)
Fuel Taxes.....	—	—	—	493,095	490,148	(2,947)
Other Taxes.....	—	—	—	—	—	—
Federal Revenues.....	193,063	210,500	17,437	—	—	—
License Fees.....	21,672	22,092	420	—	3	3
Care and Hospitalization Revenues.....	—	—	—	—	—	—
Departmental Services.....	21,624	17,848	(3,776)	4,872	5,734	862
Investment/Interest Income.....	4,400	9,979	5,579	250	1,217	967
Other Revenues.....	8,380	10,229	1,849	842	850	8
Net Revenues.....	\$ 249,139	\$ 270,648	\$ 21,509	\$ 935,867	\$ 925,246	\$ (10,621)
Expenditures:						
Protection of Persons and Property.....	\$ 68,890	\$ 67,199	\$ 1,691	\$ 11,920	\$ 11,759	\$ 161
Transportation.....	739,093	723,270	15,823	460	460	—
Resource Management.....	—	—	—	—	—	—
Economic and Manpower Development.....	671	671	—	—	—	—
Education.....	23	19	4	—	—	—
Health and Social Services.....	1,513	1,513	—	—	—	—
General Government.....	8,840	7,980	860	1,968	1,686	282
Total Expenditures.....	\$ 819,030	\$ 800,652	\$ 18,378	\$ 14,348	\$ 13,905	\$ 443
Excess of Revenues Over (Under)						
Expenditures.....	\$ (569,891)	\$ (530,004)	\$ 39,887	\$ 921,519	\$ 911,341	\$ (10,178)
Other Financing Sources (Uses):						
Operating Transfers—In.....	\$ 546,394	\$ 546,394	\$ —	\$ —	\$ —	\$ —
Operating Transfers to Debt Service.....	(12,234)	(12,234)	—	—	—	—
Other Operating Transfers—Out.....	—	—	—	(910,244)	(910,244)	—
Transfers—Out to Component Units.....	—	—	—	—	—	—
Net Other Financing Sources (Uses).....	\$ 534,160	\$ 534,160	\$ —	\$ (910,244)	\$ (910,244)	\$ —
Excess of Revenues and Other Sources Over						
(Under) Expenditures and Other Uses.....	\$ (35,731)	\$ 4,156	\$ 39,887	\$ 11,275	\$ 1,097	\$ (10,178)
Fund Balances, July 1, 1994, as Reported.....	100,374	100,374	—	310	310	—
Change in Reporting Entity.....	—	—	—	—	—	—
Prior Year Adjustments.....	8,161	8,161	—	—	21	21
Total Fund Balances, June 30, 1995.....	\$ 72,804	\$ 112,691	\$ 39,887	\$ 11,585	\$ 1,428	\$ (10,157)
Less Appropriation Carryover.....	—	13,489	(13,489)	—	—	—
Less Reserve for Other.....	—	—	—	—	—	—
Undesignated Fund Balances, June 30, 1995.....	\$ 72,804	\$ 99,202	\$ 26,398	\$ 11,585	\$ 1,428	\$ (10,157)

OTHER TRANSPORTATION			ENVIRONMENTAL			NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2,804	3,138	334	—	—	—	—	—	—
10,236	11,136	900	6,160	5,113	(1,047)	7,684	8,234	550
—	—	—	—	—	—	13,161	13,245	84
—	—	—	11,874	12,085	211	44,496	44,962	466
—	—	—	—	—	—	—	—	—
350	314	(36)	4,060	5,182	1,122	909	1,038	129
750	1,024	274	650	642	(8)	745	1,148	403
941	729	(212)	5,101	4,334	(767)	2,374	3,264	890
\$ 15,081	\$ 16,341	\$ 1,260	\$ 27,845	\$ 27,356	\$ (489)	\$ 69,369	\$ 71,891	\$ 2,522
\$ —	\$ —	\$ —	\$ 41	\$ 40	\$ 1	\$ —	\$ —	\$ —
20,223	17,542	2,681	814	133	681	79	49	30
—	—	—	30,488	24,173	6,315	87,271	75,423	11,848
—	—	—	888	755	133	1,392	1,245	147
—	—	—	—	—	—	178	170	8
—	—	—	248	208	40	—	—	—
15	1	14	377	338	39	102	48	54
\$ 20,238	\$ 17,543	\$ 2,695	\$ 32,856	\$ 25,647	\$ 7,209	\$ 89,022	\$ 76,935	\$ 12,087
\$ (5,157)	\$ (1,202)	\$ 3,955	\$ (5,011)	\$ 1,709	\$ 6,720	\$ (19,653)	\$ (5,044)	\$ 14,609
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,017	\$ 9,949	\$ (68)
—	—	—	—	—	—	(120)	(120)	—
—	—	—	(2,624)	(2,624)	—	(8)	(8)	—
—	—	—	(550)	(550)	—	—	—	—
\$ —	\$ —	\$ —	\$ (3,174)	\$ (3,174)	\$ —	\$ 9,889	\$ 9,821	\$ (68)
\$ (5,157)	\$ (1,202)	\$ 3,955	\$ (8,185)	\$ (1,465)	\$ 6,720	\$ (9,764)	\$ 4,777	\$ 14,541
11,923	11,923	—	20,711	20,711	—	16,261	16,261	—
—	—	—	(9,525)	(9,525)	—	—	—	—
—	1,788	1,788	—	(1,860)	(1,860)	—	1,725	1,725
\$ 6,766	\$ 12,509	\$ 5,743	\$ 3,001	\$ 7,861	\$ 4,860	\$ 6,497	\$ 22,763	\$ 16,266
—	62	(62)	—	—	—	5,266	14,981	(9,715)
—	—	—	—	—	—	—	—	—
\$ 6,766	\$ 12,447	\$ 5,681	\$ 3,001	\$ 7,861	\$ 4,860	\$ 1,231	\$ 7,782	\$ 6,551

HEALTH CARE ACCESS			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ 436,808	\$ 427,294	\$ (9,514)
—	—	—	495,899	493,286	(2,613)
135,345	111,918	(23,427)	159,425	136,401	(23,024)
—	—	—	206,224	223,745	17,521
—	—	—	78,042	79,142	1,100
13,858	14,585	727	13,858	14,585	727
—	—	—	31,815	30,116	(1,699)
—	—	—	6,795	14,010	7,215
11	19,511	19,500	17,649	38,917	21,268
\$ 149,214	\$ 146,014	\$ (3,200)	\$ 1,446,515	\$ 1,457,496	\$ 10,981
\$ —	\$ —	\$ —	\$ 80,851	\$ 78,998	\$ 1,853
—	—	—	760,669	741,454	19,215
—	—	—	117,759	99,596	18,163
—	—	—	2,951	2,671	280
3,064	2,824	240	3,265	3,013	252
107,753	72,139	35,614	109,514	73,860	35,654
1,831	1,535	296	13,133	11,588	1,545
\$ 112,648	\$ 76,498	\$ 36,150	\$ 1,088,142	\$ 1,011,180	\$ 76,962
\$ 36,566	\$ 69,516	\$ 32,950	\$ 358,373	\$ 446,316	\$ 87,943
\$ —	\$ —	\$ —	\$ 556,411	\$ 556,343	\$ (68)
—	—	—	(12,354)	(12,354)	—
(27,231)	(27,231)	—	(940,107)	(940,107)	—
—	—	—	(550)	(550)	—
\$ (27,231)	\$ (27,231)	\$ —	\$ (396,600)	\$ (396,668)	\$ (68)
\$ 9,335	\$ 42,285	\$ 32,950	\$ (38,227)	\$ 49,648	\$ 87,875
30,831	30,831	—	180,410	180,410	—
—	—	—	(9,525)	(9,525)	—
—	(200)	(200)	8,161	9,635	1,474
\$ 40,166	\$ 72,916	\$ 32,750	\$ 140,819	\$ 230,168	\$ 89,349
—	—	—	5,266	28,532	(23,266)
17,563	17,563	—	17,563	17,563	—
\$ 22,603	\$ 55,353	\$ 32,750	\$ 117,990	\$ 184,073	\$ 66,083

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1995
 (IN THOUSANDS)

	TOTALS				
	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	JUNE 30, 1995	JUNE 30, 1994
ASSETS					
Cash and Cash Equivalents.....	\$ 7,819	\$ 14,760	\$ 13,303	\$ 35,882	\$ 28,523
Accounts Receivable.....	1,332	382	4,799	6,513	5,210
Interfund Receivables.....	—	1,865	—	1,865	1,747
Federal Aid Receivable.....	—	—	1,015	1,015	588
Total Assets.....	<u>\$ 9,151</u>	<u>\$ 17,007</u>	<u>\$ 19,117</u>	<u>\$ 45,275</u>	<u>\$ 36,068</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ 949	\$ 2,233	\$ 4,116	\$ 7,298	\$ 5,868
Total Liabilities.....	<u>\$ 949</u>	<u>\$ 2,233</u>	<u>\$ 4,116</u>	<u>\$ 7,298</u>	<u>\$ 5,868</u>
Fund Balances:					
Reserved Fund Balances:					
Reserved for Encumbrances.....	\$ 1,530	\$ 3,408	\$ 3,285	\$ 8,223	\$ 8,070
Total Reserved Fund Balances.....	<u>\$ 1,530</u>	<u>\$ 3,408</u>	<u>\$ 3,285</u>	<u>\$ 8,223</u>	<u>\$ 8,070</u>
Unreserved Fund Balances:					
Designated for Appropriation Carryover.....	\$ 3,328	\$ 11,366	\$ 2,377	\$ 17,071	\$ 17,234
Undesignated.....	3,344	—	9,339	12,683	4,896
Total Unreserved Fund Balances.....	<u>\$ 6,672</u>	<u>\$ 11,366</u>	<u>\$ 11,716</u>	<u>\$ 29,754</u>	<u>\$ 22,130</u>
Total Fund Balances.....	<u>\$ 8,202</u>	<u>\$ 14,774</u>	<u>\$ 15,001</u>	<u>\$ 37,977</u>	<u>\$ 30,200</u>
Total Liabilities and Fund Balances.....	<u>\$ 9,151</u>	<u>\$ 17,007</u>	<u>\$ 19,117</u>	<u>\$ 45,275</u>	<u>\$ 36,068</u>

STATE OF MINNESOTA

NATURAL RESOURCES FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
Net Revenues:					
Tobacco Taxes.....	\$ 8,234	\$ —	\$ —	\$ 8,234	\$ 7,666
Federal Revenues.....	—	—	13,672	13,672	11,368
License Fees.....	—	7,473	37,957	45,430	44,058
Departmental Services.....	—	—	225	225	246
Investment Income.....	387	190	571	1,148	607
Other Revenues.....	1	3,109	971	4,081	3,181
Net Revenues.....	\$ 8,622	\$ 10,772	\$ 53,396	\$ 72,790	\$ 67,126
Expenditures:					
Current:					
Transportation.....	\$ 149	\$ —	\$ —	\$ 149	\$ —
Resource Management.....	1,518	14,750	48,560	64,828	62,355
Economic and Manpower Development.....	1,046	—	—	1,046	1,192
Education.....	—	—	—	—	28
General Government.....	48	—	—	48	302
Total Current Expenditures.....	\$ 2,761	\$ 14,750	\$ 48,560	\$ 66,071	\$ 63,877
Capital Outlay.....	4,797	674	943	6,414	2,719
Debt Service.....	—	12	161	173	161
Grants and Subsidies.....	2,581	3,218	197	5,996	7,020
Total Expenditures.....	\$ 10,139	\$ 18,654	\$ 49,861	\$ 78,654	\$ 73,777
Excess of Revenues Over (Under) Expenditures.....	\$ (1,517)	\$ (7,882)	\$ 3,535	\$ (5,864)	\$ (6,651)
Other Financing Sources (Uses):					
Operating Transfers—In.....	\$ 3,823	\$ 9,946	\$ —	\$ 13,769	\$ 7,945
Operating Transfers to Debt Service Fund.....	—	(71)	(49)	(120)	(58)
Other Operating Transfers—Out.....	—	(8)	—	(8)	—
Net Other Financing Sources (Uses).....	\$ 3,823	\$ 9,867	\$ (49)	\$ 13,641	\$ 7,887
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 2,306	\$ 1,985	\$ 3,486	\$ 7,777	\$ 1,236
Fund Balances, July 1.....	5,896	12,789	11,515	30,200	28,964
Fund Balances, June 30.....	\$ 8,202	\$ 14,774	\$ 15,001	\$ 37,977	\$ 30,200

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, 1995
(IN THOUSANDS)

	MINNESOTA RESOURCES			NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Tobacco Taxes.....	\$ 7,684	\$ 8,234	\$ 550	\$ —	\$ —	\$ —
Federal Revenues.....	—	—	—	—	—	—
License Fees.....	—	—	—	7,031	7,467	436
Departmental Services.....	—	—	—	277	354	77
Investment Income.....	320	387	67	137	191	54
Other Revenues.....	10	1	(9)	1,800	2,720	920
Net Revenues.....	\$ 8,014	\$ 8,622	\$ 608	\$ 9,245	\$ 10,732	\$ 1,487
Expenditures:						
Transportation.....	\$ 79	\$ 49	\$ 30	\$ —	\$ —	\$ —
Resource Management.....	7,600	3,651	3,949	22,360	19,940	2,420
Economic and Manpower Development.....	1,392	1,245	147	—	—	—
Education.....	178	170	8	—	—	—
General Government.....	102	48	54	—	—	—
Total Expenditures.....	\$ 9,351	\$ 5,163	\$ 4,188	\$ 22,360	\$ 19,940	\$ 2,420
Excess of Revenues Over (Under) Expenditures.	\$ (1,337)	\$ 3,459	\$ 4,796	\$ (13,115)	\$ (9,208)	\$ 3,907
Other Financing Sources (Uses):						
Operating Transfers—In.....	\$ 138	\$ 122	\$ (16)	\$ 9,879	\$ 9,827	\$ (52)
Operating Transfers to Debt Service.....	—	—	—	(71)	(71)	—
Other Operating Transfers—Out.....	—	—	—	(8)	(8)	—
Net Other Financing Sources (Uses).....	\$ 138	\$ 122	\$ (16)	\$ 9,800	\$ 9,748	\$ (52)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (1,199)	\$ 3,581	\$ 4,780	\$ (3,315)	\$ 540	\$ 3,855
Fund Balances, July 1, 1994, as Reported.....	1,704	1,704	—	8,581	8,581	—
Prior Year Adjustments.....	—	1,388	1,388	—	154	154
Fund Balances, June 30, 1995.....	\$ 505	\$ 6,673	\$ 6,168	\$ 5,266	\$ 9,275	\$ 4,009
Less Appropriation Carryover.....	—	3,328	(3,328)	5,266	9,275	(4,009)
Undesignated Fund Balances, June 30, 1995.....	\$ 505	\$ 3,345	\$ 2,840	\$ —	\$ —	\$ —

GAME AND FISH			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ 7,684	\$ 8,234	\$ 550
13,161	13,245	84	13,161	13,245	84
37,465	37,495	30	44,496	44,962	466
632	684	52	909	1,038	129
288	570	282	745	1,148	403
564	543	(21)	2,374	3,264	890
<u>\$ 52,110</u>	<u>\$ 52,537</u>	<u>\$ 427</u>	<u>\$ 69,369</u>	<u>\$ 71,891</u>	<u>\$ 2,522</u>
\$ —	\$ —	\$ —	\$ 79	\$ 49	\$ 30
57,311	51,832	5,479	87,271	75,423	11,848
—	—	—	1,392	1,245	147
—	—	—	178	170	8
—	—	—	102	48	54
<u>\$ 57,311</u>	<u>\$ 51,832</u>	<u>\$ 5,479</u>	<u>\$ 89,022</u>	<u>\$ 76,935</u>	<u>\$ 12,087</u>
<u>\$ (5,201)</u>	<u>\$ 705</u>	<u>\$ 5,906</u>	<u>\$ (19,653)</u>	<u>\$ (5,044)</u>	<u>\$ 14,609</u>
\$ —	\$ —	\$ —	\$ 10,017	\$ 9,949	\$ (68)
(49)	(49)	—	(120)	(120)	—
—	—	—	(8)	(8)	—
<u>\$ (49)</u>	<u>\$ (49)</u>	<u>\$ —</u>	<u>\$ 9,889</u>	<u>\$ 9,821</u>	<u>\$ (68)</u>
\$ (5,250)	\$ 656	\$ 5,906	\$ (9,764)	\$ 4,777	\$ 14,541
5,976	5,976	—	16,261	16,261	—
—	183	183	—	1,725	1,725
<u>\$ 726</u>	<u>\$ 6,815</u>	<u>\$ 6,089</u>	<u>\$ 6,497</u>	<u>\$ 22,763</u>	<u>\$ 16,266</u>
<u>—</u>	<u>2,378</u>	<u>(2,378)</u>	<u>5,266</u>	<u>14,981</u>	<u>(9,715)</u>
<u>\$ 726</u>	<u>\$ 4,437</u>	<u>\$ 3,711</u>	<u>\$ 1,231</u>	<u>\$ 7,782</u>	<u>\$ 6,551</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 *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 SHEETJUNE 30, 1995
(IN THOUSANDS)

				TOTALS	
	GENERAL			JUNE 30,	JUNE 30,
	PROJECT	TRANSPORTATION	BUILDING	1995	1994
ASSETS					
Cash and Cash Equivalents.....	\$ 5,539	\$ 370	\$ 80,068	\$ 85,977	\$ 86,649
Investments.....	—	—	32,950	32,950	1,509
Accounts Receivable.....	—	—	—	—	11
Interfund Receivable.....	—	3,150	—	3,150	—
Accrued Investment/Interest Income.....	—	—	233	233	8
Loans Receivable.....	85	—	14,228	14,313	15,342
Prepaid Expenses.....	—	—	11	11	—
Total Assets.....	<u>\$ 5,624</u>	<u>\$ 3,520</u>	<u>\$ 127,490</u>	<u>\$ 136,634</u>	<u>\$ 103,519</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ 62	\$ 2,057	\$ 26,303	\$ 28,422	\$ 25,142
Interfund Payables.....	—	332	5,278	5,610	3,587
Total Liabilities.....	<u>\$ 62</u>	<u>\$ 2,389</u>	<u>\$ 31,581</u>	<u>\$ 34,032</u>	<u>\$ 28,729</u>
Fund Balances:					
Reserved Fund Balances:					
Reserved for Long-Term Receivables.....	\$ 85	\$ —	\$ 14,228	\$ 14,313	\$ 15,341
Reserved for Long-Term Commitments.....	—	1,131	78,181	79,312	57,289
Reserved for Deferred Costs.....	—	—	11	11	—
Total Reserved Fund Balances.....	<u>\$ 85</u>	<u>\$ 1,131</u>	<u>\$ 92,420</u>	<u>\$ 93,636</u>	<u>\$ 72,630</u>
Unreserved Fund Balances:					
Undesignated.....	\$ 5,477	\$ —	\$ 3,489	\$ 8,966	\$ 2,160
Total Fund Balances.....	<u>\$ 5,562</u>	<u>\$ 1,131</u>	<u>\$ 95,909</u>	<u>\$ 102,602</u>	<u>\$ 74,790</u>
Total Liabilities and Fund Balances.....	<u>\$ 5,624</u>	<u>\$ 3,520</u>	<u>\$ 127,490</u>	<u>\$ 136,634</u>	<u>\$ 103,519</u>

STATE OF MINNESOTA

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	GENERAL PROJECT	TRANSPORTATION	BUILDING	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
Net Revenues:					
Investment/Interest Income.....	\$ 7	\$ -	\$ 5,242	\$ 5,249	\$ 6,246
Federal Revenues.....	-	-	3,987	3,987	-
Other Revenues.....	-	-	1,000	1,000	10
Net Revenues.....	\$ 7	\$ -	\$ 10,229	\$ 10,236	\$ 6,256
Expenditures:					
Current:					
Protection of Persons and Property.....	\$ 26	\$ -	\$ 65	\$ 91	\$ 203
Transportation.....	-	257	-	257	-
Resource Management.....	71	-	11,541	11,612	10,248
Economic and Manpower Development.....	-	-	5,342	5,342	1
Education.....	74	-	29,409	29,483	14,980
Health and Social Services.....	1	-	2,193	2,194	3,121
General Government.....	722	-	19,110	19,832	20,204
Total Current Expenditures.....	\$ 894	\$ 257	\$ 67,660	\$ 68,811	\$ 48,757
Capital Outlay.....	-	-	67,021	67,021	44,023
Grants and Subsidies.....	329	11,222	37,516	49,067	47,405
Total Expenditures.....	\$ 1,223	\$ 11,479	\$ 172,197	\$ 184,899	\$ 140,185
Excess of Revenues Over (Under) Expenditures.....	\$ (1,216)	\$ (11,479)	\$ (161,968)	\$ (174,663)	\$ (133,929)
Other Financing Sources (Uses):					
General Obligation Bonds.....	\$ -	\$ 13,825	\$ 254,820	\$ 268,645	\$ 184,700
Operating Transfers—In.....	-	-	27	27	-
Operating Transfers to Debt Service.....	-	-	(16,179)	(16,179)	(10,643)
Transfers—Out to Component Units.....	-	-	(50,162)	(50,162)	(24,249)
Net Other Financing Sources (Uses).....	\$ -	\$ 13,825	\$ 188,506	\$ 202,331	\$ 149,808
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (1,216)	\$ 2,346	\$ 26,538	\$ 27,668	\$ 15,879
Fund Balances, July 1 as Reported.....	\$ 6,312	\$ (1,215)	\$ 69,693	\$ 74,790	\$ 60,151
Change in Reporting Entity.....	-	-	-	-	1,991
Fund Balances, July 1, as Restated.....	\$ 6,312	\$ (1,215)	\$ 69,693	\$ 74,790	\$ 62,142
Residual Equity Transfers—In.....	466	-	-	466	-
Residual Equity Transfers—Out.....	-	-	(322)	(322)	(3,231)
Fund Balances, June 30.....	\$ 5,562	\$ 1,131	\$ 95,909	\$ 102,602	\$ 74,790

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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, 1995 AND 1994
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1995	JUNE 30, 1994
ASSETS		
Cash and Cash Equivalents.....	\$ 242,315	\$ 221,062
Investments.....	52,459	85,622
Accounts Receivable.....	15	288
Interfund Receivables.....	4	1,543
Accrued Investment Income.....	662	375
Total Assets.....	<u>\$ 295,455</u>	<u>\$ 308,890</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable.....	\$ 1,279	\$ 35,306
Funds Held in Trust.....	1,008	1,488
Total Liabilities.....	<u>\$ 2,287</u>	<u>\$ 36,794</u>
Fund Balances:		
Reserved for Debt Requirements.....	\$ 293,168	\$ 272,096
Total Fund Balances.....	<u>\$ 293,168</u>	<u>\$ 272,096</u>
Total Liabilities and Fund Balances.....	<u>\$ 295,455</u>	<u>\$ 308,890</u>

STATE OF MINNESOTA

DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1995 AND 1994
(IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1995	JUNE 30, 1994
Net Revenues:		
Tobacco Taxes.....	\$ 14,589	\$ 15,691
Other Taxes.....	2,741	2,817
Federal Revenues.....	73	136
Investment Income.....	14,641	9,765
Other Revenues.....	3,606	1,720
Net Revenues.....	\$ 35,650	\$ 30,129
Expenditures:		
Current:		
General Government.....	\$ 42	\$ 315
Total Current Expenditures.....	\$ 42	\$ 315
Debt Service.....	259,702	274,197
Total Expenditures.....	\$ 259,744	\$ 274,512
Excess of Revenues Over (Under) Expenditures.....	\$ (224,094)	\$ (244,383)
Other Financing Sources (Uses):		
Proceeds of Refunding Bonds.....	\$ -	\$ 273,555
Operating Transfers—In.....	244,844	248,173
Payment to Refunded Bond Escrow Agent.....	-	(271,055)
Net Other Financing Sources (Uses).....	\$ 244,844	\$ 250,673
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 20,750	\$ 6,290
Fund Balances, July 1.....	272,096	262,286
Residual Equity Transfers—In.....	322	3,520
Fund Balances, June 30.....	\$ 293,168	\$ 272,096

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

The *State Lottery Fund* accounts for the operations of the state lottery. The net proceeds are transferred to the Environment and Natural Resources Trust Fund (40 percent), with the remainder transferred to the 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 *Public Employees Insurance Fund* provides life insurance and hospital, medical, and dental benefit coverage to public employees and other eligible persons.

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

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

STATE OF MINNESOTA

ENTERPRISE FUNDS
COMBINING BALANCE SHEETJUNE 30, 1995
(IN THOUSANDS)

	STATE UNIVERSITY BOARD REVENUE	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
ASSETS				
Cash and Cash Equivalents.....	\$ 2,409	\$ 15,774	\$ 15,444	\$ 1,779
Investments.....	18,436	—	—	—
Accounts Receivable.....	631	2,573	2,981	2,415
Interfund Receivables.....	—	—	—	—
Accrued Investment/Interest Income.....	681	36	183	—
Inventories.....	—	527	4,262	6,785
Deferred Costs.....	666	67	—	—
Restricted Assets:				
Cash and Cash Equivalents.....	—	—	526	—
Investments.....	21,501	689	—	—
Loans Receivable.....	—	—	33,717	—
Fixed Assets (Net).....	70,054	1,694	5,120	2,449
Other Assets.....	—	—	—	7
Total Assets.....	<u>\$ 114,378</u>	<u>\$ 21,360</u>	<u>\$ 62,233</u>	<u>\$ 13,435</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable.....	\$ —	\$ 13,840	\$ 2,306	\$ 674
Loans Payable.....	—	—	—	71
Interfund Payables.....	—	5,718	—	—
Deferred Revenue.....	1,228	364	127	—
Payable from Restricted Assets:				
Accounts Payable.....	3,522	689	—	—
Revenue Bonds Payable.....	615	—	—	—
General Obligation Bonds Payable.....	805	—	—	—
General Obligation Bonds Interest Payable.....	56	—	—	—
Notes Payable.....	—	—	19	—
Revenue Bonds Payable.....	31,600	—	1,942	—
General Obligation Bonds Payable.....	1,610	—	—	—
Compensated Absences Payable.....	1,120	749	339	996
Advances from Other Funds.....	—	—	—	—
Arbitrage Payable.....	17	—	—	—
Other Liabilities.....	—	—	—	70
Total Liabilities.....	<u>\$ 40,573</u>	<u>\$ 21,360</u>	<u>\$ 4,733</u>	<u>\$ 1,811</u>
Fund Equity:				
Contributed Capital.....	\$ 2,971	\$ —	\$ —	\$ 6,239
Reserved Retained Earnings:				
Reserved for Debt Requirements.....	\$ 15,366	\$ —	\$ —	\$ —
Reserved per Law.....	—	—	44,615	—
Reserved for Claims.....	—	—	—	—
Total Reserved Retained Earnings.....	<u>\$ 15,366</u>	<u>\$ —</u>	<u>\$ 44,615</u>	<u>\$ —</u>
Unreserved Retained Earnings.....	55,468	—	12,885	5,385
Total Retained Earnings.....	<u>\$ 70,834</u>	<u>\$ —</u>	<u>\$ 57,500</u>	<u>\$ 5,385</u>
Total Fund Equity.....	<u>\$ 73,805</u>	<u>\$ —</u>	<u>\$ 57,500</u>	<u>\$ 11,624</u>
Total Liabilities and Fund Equity.....	<u>\$ 114,378</u>	<u>\$ 21,360</u>	<u>\$ 62,233</u>	<u>\$ 13,435</u>

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES' INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	TOTALS	
				JUNE 30, 1995	JUNE 30, 1994
\$ 2,922	\$ 6,224	\$ 1,062	\$ 2,496	\$ 48,110	\$ 42,906
-	-	-	-	18,436	23,344
2,745	-	-	180	11,525	10,032
114	44	81	-	239	-
-	-	-	-	900	736
-	-	-	399	11,973	10,072
-	-	-	4	737	781
-	-	-	-	526	524
-	-	-	-	22,190	23,533
-	-	-	-	33,717	33,228
129	31	4	444	79,925	78,243
-	-	-	-	7	7
<u>\$ 5,910</u>	<u>\$ 6,299</u>	<u>\$ 1,147</u>	<u>\$ 3,523</u>	<u>\$ 228,285</u>	<u>\$ 223,406</u>
\$ 1,556	\$ 479	\$ 41	\$ 584	\$ 19,480	\$ 20,893
-	-	-	-	71	-
-	-	-	-	5,718	3,486
-	-	-	183	1,902	1,590
-	-	-	-	4,211	4,335
-	-	-	-	615	140
-	-	-	-	805	805
-	-	-	-	56	74
-	-	-	-	19	19
-	-	-	-	33,542	34,270
-	-	-	-	1,610	2,415
652	11	3	153	4,023	4,083
-	-	2,075	-	2,075	1,525
-	-	-	-	17	82
-	-	-	-	70	220
<u>\$ 2,208</u>	<u>\$ 490</u>	<u>\$ 2,119</u>	<u>\$ 920</u>	<u>\$ 74,214</u>	<u>\$ 73,937</u>
\$ 5,462	\$ -	\$ -	\$ 979	\$ 15,651	\$ 15,571
\$ -	\$ -	\$ -	\$ -	\$ 15,366	\$ 16,918
-	-	-	-	44,615	53,061
-	5,809	-	-	5,809	-
\$ -	\$ 5,809	\$ -	\$ -	\$ 65,790	\$ 69,979
(1,760)	-	(972)	1,624	72,630	63,919
<u>\$ (1,760)</u>	<u>\$ 5,809</u>	<u>\$ (972)</u>	<u>\$ 1,624</u>	<u>\$ 138,420</u>	<u>\$ 133,898</u>
\$ 3,702	\$ 5,809	\$ (972)	\$ 2,603	\$ 154,071	\$ 149,469
<u>\$ 5,910</u>	<u>\$ 6,299</u>	<u>\$ 1,147</u>	<u>\$ 3,523</u>	<u>\$ 228,285</u>	<u>\$ 223,406</u>

STATE OF MINNESOTA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 YEAR ENDED JUNE 30, 1995
 (IN THOUSANDS)

	STATE UNIVERSITY BOARD REVENUE	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
Operating Revenues:				
Net Sales.....	\$ —	\$ 314,043	\$ 34,371	\$ 13,688
Interest Income.....	—	—	896	—
Rental and Service Fees.....	38,916	—	1,027	—
Insurance Premiums.....	—	—	—	—
Other Income.....	—	151	345	35
Total Operating Revenues.....	\$ 38,916	\$ 314,194	\$ 36,639	\$ 13,723
Less Cost of Goods Sold.....	—	227,057	20,060	13,986
Gross Margin.....	\$ 38,916	\$ 87,137	\$ 16,579	\$ (263)
Operating Expenses:				
Interest and Financing Costs.....	\$ —	\$ —	\$ —	\$ —
Purchased Services.....	16,632	16,442	4,167	125
Salaries and Fringe Benefits.....	12,253	8,568	4,614	3,648
Claims.....	—	—	—	—
Depreciation.....	4,442	1,173	408	422
Amortization.....	25	—	—	—
Supplies and Materials.....	2,830	945	1,197	173
Indirect Costs.....	—	—	—	148
Other Expenses.....	—	227	2,598	176
Total Operating Expenses.....	\$ 36,182	\$ 27,355	\$ 12,984	\$ 4,692
Operating Income (Loss).....	\$ 2,734	\$ 59,782	\$ 3,595	\$ (4,955)
Nonoperating Revenues (Expenses):				
Investment Income.....	\$ 2,486	\$ 1,516	\$ 1,043	\$ 96
Grants and Subsidies.....	—	—	273	—
Other Nonoperating Revenues.....	90	—	166	124
Interest and Financing Costs.....	(2,217)	—	(161)	—
Grants, Aids and Subsidies.....	—	—	(2,138)	—
Other Nonoperating Expenses.....	—	(20)	—	(9)
Gain (Loss) on Sale of Fixed Assets.....	(9)	—	(6)	(180)
Total Nonoperating Revenues (Expenses).....	\$ 350	\$ 1,496	\$ (823)	\$ 31
Income (Loss) Before Operating Transfers.....	\$ 3,084	\$ 61,278	\$ 2,772	\$ (4,924)
Operating Transfers—In.....	—	—	—	5,692
Operating Transfers—Out.....	—	(61,278)	—	—
Net Income (Loss).....	\$ 3,084	\$ —	\$ 2,772	\$ 768
Depreciation on Fixed Assets Acquired with Contributed Capital.....	353	—	—	—
Increase (Decrease) in Retained Earnings.....	\$ 3,437	\$ —	\$ 2,772	\$ 768
Retained Earnings, July 1, as Reported.....	\$ 67,397	\$ —	\$ 54,728	\$ 4,617
Changes in Reporting Entity.....	—	—	—	—
Retained Earnings, July 1, as Restated.....	\$ 67,397	\$ —	\$ 54,728	\$ 4,617
Retained Earnings, June 30.....	\$ 70,834	\$ —	\$ 57,500	\$ 5,385

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES' INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
\$ —	\$ —	\$ —	\$ 2,604	\$ 364,706	\$ 381,028
—	—	—	—	896	823
13,701	—	—	877	54,521	49,916
—	8,467	4,338	—	12,805	9,035
—	—	—	—	531	828
<u>\$ 13,701</u>	<u>\$ 8,467</u>	<u>\$ 4,338</u>	<u>\$ 3,481</u>	<u>\$ 433,459</u>	<u>\$ 441,630</u>
—	—	—	907	262,010	280,926
<u>\$ 13,701</u>	<u>\$ 8,467</u>	<u>\$ 4,338</u>	<u>\$ 2,574</u>	<u>\$ 171,449</u>	<u>\$ 160,704</u>
\$ —	\$ —	\$ 1	\$ —	\$ 1	\$ 32
400	822	480	615	39,683	40,120
9,754	144	131	1,213	40,325	39,035
—	3,026	3,843	—	6,869	1,424
14	9	1	99	6,568	6,485
—	—	—	—	25	25
873	5	3	116	6,142	6,792
341	18	1	65	573	497
318	6,292	32	—	9,643	8,806
<u>\$ 11,700</u>	<u>\$ 10,316</u>	<u>\$ 4,492</u>	<u>\$ 2,108</u>	<u>\$ 109,829</u>	<u>\$ 103,216</u>
<u>\$ 2,001</u>	<u>\$ (1,849)</u>	<u>\$ (154)</u>	<u>\$ 466</u>	<u>\$ 61,620</u>	<u>\$ 57,488</u>
\$ 98	\$ 433	\$ 43	\$ —	\$ 5,715	\$ 4,093
—	—	—	—	273	502
—	—	—	—	380	269
—	(2)	—	—	(2,380)	(2,496)
—	—	—	—	(2,138)	(2,442)
—	—	—	—	(29)	—
—	—	—	3	(192)	(138)
<u>\$ 98</u>	<u>\$ 431</u>	<u>\$ 43</u>	<u>\$ 3</u>	<u>\$ 1,629</u>	<u>\$ (212)</u>
\$ 2,099	\$ (1,418)	\$ (111)	\$ 469	\$ 63,249	\$ 57,276
—	—	—	—	5,692	4,177
—	(3,500)	—	—	(64,778)	(59,368)
<u>\$ 2,099</u>	<u>\$ (4,918)</u>	<u>\$ (111)</u>	<u>\$ 469</u>	<u>\$ 4,163</u>	<u>\$ 2,085</u>
—	—	—	6	359	362
<u>\$ 2,099</u>	<u>\$ (4,918)</u>	<u>\$ (111)</u>	<u>\$ 475</u>	<u>\$ 4,522</u>	<u>\$ 2,447</u>
\$ (3,859)	\$ —	\$ (861)	\$ 1,149	\$ 123,171	\$ 129,894
—	10,727	—	—	10,727	1,557
<u>\$ (3,859)</u>	<u>\$ 10,727</u>	<u>\$ (861)</u>	<u>\$ 1,149</u>	<u>\$ 133,898</u>	<u>\$ 131,451</u>
<u>\$ (1,760)</u>	<u>\$ 5,809</u>	<u>\$ (972)</u>	<u>\$ 1,624</u>	<u>\$ 138,420</u>	<u>\$ 133,898</u>

STATE OF MINNESOTA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	STATE UNIVERSITY BOARD REVENUE	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES
Cash Flows from Operating Activities:				
Operating Income (Loss).....	\$ 2,734	\$ 59,782	\$ 3,595	\$ (4,955)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 4,442	\$ 1,173	\$ 408	\$ 422
Amortization.....	25	—	—	—
Interest and Financing Costs.....	—	—	—	—
Loan Principal Repayments.....	—	—	6,694	—
Loans Issued.....	—	—	(7,493)	—
Provision for Loan Defaults.....	—	—	366	—
Net Nonoperating Revenues (Expenses).....	—	—	—	124
Change in Assets and Liabilities:				
Accounts Receivable.....	(81)	(1,258)	(229)	(166)
Inventories.....	—	(39)	(653)	(1,163)
Other Assets.....	—	66	8	7
Accounts Payable.....	(144)	(1,184)	394	(63)
Deferred Revenues.....	207	107	(21)	—
Other Liabilities.....	(125)	824	(301)	188
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ 4,324	\$ (311)	\$ (827)	\$ (651)
Net Cash Flows from Operating Activities.....	\$ 7,058	\$ 59,471	\$ 2,768	\$ (5,606)
Cash Flows from Noncapital Financing Activities:				
Grant Receipts.....	\$ 90	\$ —	\$ 273	\$ —
Grant Disbursements.....	—	—	(2,138)	—
Other Non-Operating Expenses.....	—	—	166	—
Transfers-In.....	—	—	—	5,692
Transfers-Out.....	—	(61,277)	—	—
Capital Contributions.....	—	—	—	438
Advances from Other Funds.....	—	—	—	—
Repayments of Advances from Other Funds.....	—	—	—	—
Interest Paid.....	—	—	—	—
Net Cash Flows from Noncapital Financing Activities.....	\$ 90	\$ (61,277)	\$ (1,699)	\$ 6,130
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets.....	\$ (6,073)	\$ (537)	\$ (1,004)	\$ (562)
Proceeds from the Sale of Fixed Assets.....	6	—	(6)	(180)
Advances from Other Funds.....	—	—	—	—
Proceeds from Bond Sales.....	—	—	—	—
Repayment of Bond Principal.....	(945)	—	(83)	—
Bond Issuance Costs.....	—	—	—	—
Interest Paid.....	(2,235)	(20)	(161)	—
Net Cash Flows from Capital and Related Financing Activities.....	\$ (9,247)	\$ (557)	\$ (1,254)	\$ (742)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ 37,634	\$ 15,821	\$ —	\$ —
Purchase of Investments.....	(39,474)	(7,720)	—	—
Investment Earnings.....	2,294	1,515	1,037	97
Net Cash Flows from Investing Activities.....	\$ 454	\$ 9,616	\$ 1,037	\$ 97
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (1,645)	\$ 7,253	\$ 852	\$ (121)
Cash and Cash Equivalents, July 1 as Reported.....	\$ 4,054	\$ 8,521	\$ 15,118	\$ 1,900
Change in Reporting Entity.....	—	—	—	—
Cash and Cash Equivalents, July 1 as Restated.....	\$ 4,054	\$ 8,521	\$ 15,118	\$ 1,900
Cash and Cash Equivalents, June 30.....	\$ 2,409	\$ 15,774	\$ 15,970	\$ 1,779

CHEMICAL DEPENDENCY TREATMENT	PUBLIC EMPLOYEES' INSURANCE	PRIVATE EMPLOYERS INSURANCE	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
\$ 2,001	\$ (1,849)	\$ (154)	\$ 466	\$ 61,620	\$ 57,488
\$ 14	\$ 9	\$ 1	\$ 99	\$ 6,568	\$ 6,485
-	-	-	-	25	25
-	-	-	-	-	32
-	-	-	-	6,694	6,888
-	-	-	-	(7,493)	(7,501)
-	-	-	-	366	214
-	-	-	-	124	-
(191)	312	198	(69)	(1,484)	6,568
-	-	-	(46)	(1,901)	1,280
(114)	(44)	(81)	2	(156)	214
149	364	(54)	338	(200)	(1,276)
-	-	-	19	312	304
41	-	551	8	1,186	831
\$ (101)	\$ 641	\$ 615	\$ 351	\$ 4,041	\$ 14,064
\$ 1,900	\$ (1,208)	\$ 461	\$ 817	\$ 65,661	\$ 71,552
\$ -	\$ -	\$ -	\$ -	\$ 363	\$ 621
-	-	-	-	(2,138)	(2,442)
-	-	-	-	166	151
-	-	-	-	5,692	4,177
-	(3,500)	-	-	(64,777)	(62,695)
-	-	-	-	438	116
-	-	-	-	-	400
-	-	-	-	-	(367)
-	(2)	-	-	(2)	-
\$ -	\$ (3,502)	\$ -	\$ -	\$ (60,258)	\$ (60,039)
\$ (143)	\$ -	\$ -	\$ (41)	\$ (8,360)	\$ (12,348)
-	(3)	-	12	(171)	306
-	-	-	-	-	1,000
-	-	-	-	-	950
-	-	-	-	(1,028)	(990)
-	-	-	-	-	36
-	-	-	-	(2,416)	(2,535)
\$ (143)	\$ (3)	\$ -	\$ (29)	\$ (11,975)	\$ (13,581)
\$ -	\$ -	\$ -	\$ -	\$ 53,455	\$ 69,607
-	-	-	-	(47,194)	(66,825)
98	433	43	-	5,517	3,986
\$ 98	\$ 433	\$ 43	\$ -	\$ 11,778	\$ 6,768
\$ 1,855	\$ (4,280)	\$ 504	\$ 788	\$ 5,206	\$ 4,700
\$ 1,067	\$ -	\$ 558	\$ 1,708	\$ 32,926	\$ 36,648
-	10,504	-	-	10,504	2,082
\$ 1,067	\$ 10,504	\$ 558	\$ 1,708	\$ 43,430	\$ 38,730
\$ 2,922	\$ 6,224	\$ 1,062	\$ 2,496	\$ 48,636	\$ 43,430

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

The *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, 1995 (IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANAGEMENT
ASSETS					
Cash and Cash Equivalents.....	\$ 4,557	\$ 216	\$ 1,313	\$ 507	\$ 2,161
Accounts Receivable.....	9,092	921	880	1,164	3,825
Inventories.....	—	656	286	30	205
Deferred Costs.....	1,156	—	—	—	—
Fixed Assets (Net).....	24,449	40	347	12,356	1,497
Total Assets.....	\$ 39,254	\$ 1,833	\$ 2,826	\$ 14,057	\$ 7,688
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable.....	\$ 3,533	\$ 723	\$ 513	\$ 227	\$ 1,067
Interfund Payables.....	—	—	—	933	640
Accrued Interest Payable.....	100	—	—	46	2
Deferred Revenue.....	—	—	—	—	—
Loans Payable.....	23,226	—	—	10,754	383
Installment Purchases Payable.....	—	—	—	—	—
Compensated Absences Payable.....	1,250	69	179	44	712
Advances from Other Funds.....	—	—	—	600	—
Total Liabilities.....	\$ 28,109	\$ 792	\$ 692	\$ 12,604	\$ 2,804
Fund Equity:					
Contributed Capital.....	\$ 2,348	\$ 691	\$ 1,432	\$ 502	\$ 653
Retained Earnings:					
Reserved for Claims.....	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved.....	8,797	350	702	951	4,231
Total Retained Earnings.....	\$ 8,797	\$ 350	\$ 702	\$ 951	\$ 4,231
Total Fund Equity.....	\$ 11,145	\$ 1,041	\$ 2,134	\$ 1,453	\$ 4,884
Total Liabilities and Fund Equity.....	\$ 39,254	\$ 1,833	\$ 2,826	\$ 14,057	\$ 7,688

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS	
				JUNE 30, 1995	JUNE 30, 1994
\$ 10	\$ 75,326	\$ 3,975	\$ 478	\$ 88,543	\$ 100,261
—	8,666	32	798	25,378	21,506
—	—	—	29	1,206	1,147
—	—	223	—	1,379	1,723
—	136	15	167	39,007	31,973
<u>\$ 10</u>	<u>\$ 84,128</u>	<u>\$ 4,245</u>	<u>\$ 1,472</u>	<u>\$ 155,513</u>	<u>\$ 156,610</u>
\$ 10	\$ 18,409	\$ 3,396	\$ 256	\$ 28,134	\$ 32,520
—	125	—	—	1,698	741
—	—	—	—	148	132
—	—	164	44	208	216
—	—	—	23	34,386	30,428
—	—	—	—	—	12
—	84	25	261	2,624	2,481
—	—	—	—	600	1,391
<u>\$ 10</u>	<u>\$ 18,618</u>	<u>\$ 3,585</u>	<u>\$ 584</u>	<u>\$ 67,798</u>	<u>\$ 67,921</u>
\$ —	\$ —	\$ —	\$ 412	\$ 6,038	\$ 6,044
\$ —	\$ 65,510	\$ —	\$ —	\$ 65,510	\$ 70,997
—	—	660	476	16,167	11,648
<u>\$ —</u>	<u>\$ 65,510</u>	<u>\$ 660</u>	<u>\$ 476</u>	<u>\$ 81,677</u>	<u>\$ 82,645</u>
\$ —	\$ 65,510	\$ 660	\$ 888	\$ 87,715	\$ 88,689
<u>\$ 10</u>	<u>\$ 84,128</u>	<u>\$ 4,245</u>	<u>\$ 1,472</u>	<u>\$ 155,513</u>	<u>\$ 156,610</u>

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANAGEMENT
Operating Revenues:					
Net Sales.....	\$ —	\$ 7,112	\$ 5,886	\$ —	\$ 793
Interest Income on Loans.....	—	—	—	—	—
Rental and Service Fees.....	56,812	—	—	6,123	24,304
Insurance Premiums.....	—	—	—	—	—
Other Income.....	1,015	—	—	95	507
Total Operating Revenues.....	\$ 57,827	\$ 7,112	\$ 5,886	\$ 6,218	\$ 25,604
Less Cost of Goods Sold.....	—	5,906	4,703	—	—
Gross Margin.....	\$ 57,827	\$ 1,206	\$ 1,183	\$ 6,218	\$ 25,604
Operating Expenses:					
Interest and Financing Costs.....	\$ —	\$ —	\$ —	\$ —	\$ —
Purchased Services.....	33,739	356	214	687	7,561
Salaries and Fringe Benefits.....	10,670	552	439	630	7,527
Claims.....	—	—	—	—	—
Depreciation.....	8,143	24	21	3,009	177
Amortization.....	116	12	—	—	41
Supplies and Materials.....	995	13	83	1,445	1,029
Indirect Costs.....	491	114	181	125	396
Other Expenses.....	—	—	—	—	4
Total Operating Expenses.....	\$ 54,154	\$ 1,071	\$ 938	\$ 5,896	\$ 16,735
Operating Income (Loss).....	\$ 3,673	\$ 135	\$ 245	\$ 322	\$ 8,869
Nonoperating Revenues (Expenses):					
Investment Income.....	\$ 739	\$ —	\$ —	\$ 447	\$ 15
Interest and Financing Costs.....	(1,167)	—	(1)	(502)	(17)
Gain (Loss) on Sale of Fixed Assets.....	28	—	—	270	3
Other Nonoperating Expenses.....	—	—	—	—	—
Net Nonoperating Revenues (Expenses).....	\$ (400)	\$ —	\$ (1)	\$ 215	\$ 1
Income (Loss) Before Operating Transfers.....	\$ 3,273	\$ 135	\$ 244	\$ 537	\$ 8,870
Operating Transfers—In.....	—	—	—	—	—
Operating Transfers—Out.....	—	—	—	(33)	(8,772)
Net Income (Loss).....	\$ 3,273	\$ 135	\$ 244	\$ 504	\$ 98
Depreciation on Fixed Assets Acquired with Contributed Capital.....	—	—	—	—	—
Increase (Decrease) in Retained Earnings.....	\$ 3,273	\$ 135	\$ 244	\$ 504	\$ 98
Retained Earnings, July 1, as Reported.....	\$ 5,524	\$ 215	\$ 458	\$ 447	\$ 4,133
Changes in Reporting Entity.....	—	—	—	—	—
Retained Earnings, July 1, as Restated.....	\$ 5,524	\$ 215	\$ 458	\$ 447	\$ 4,133
Residual Equity Transfers Out.....	\$ —	\$ —	\$ —	\$ —	\$ —
Retained Earnings, June 30.....	\$ 8,797	\$ 350	\$ 702	\$ 951	\$ 4,231

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
\$ -	\$ -	\$ -	\$ 4,338	\$ 18,129	\$ 16,474
-	-	-	-	-	8
-	-	-	-	87,239	77,836
-	203,684	3,397	-	207,081	204,421
-	-	73	-	1,690	4,772
\$ -	\$ 203,684	\$ 3,470	\$ 4,338	\$ 314,139	\$ 303,511
-	-	-	53	10,662	9,041
\$ -	\$ 203,684	\$ 3,470	\$ 4,285	\$ 303,477	\$ 294,470
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
-	101,762	996	1,240	146,555	143,698
-	1,414	189	2,704	24,125	23,749
-	109,605	2,084	-	111,689	105,678
-	40	6	46	11,466	9,470
-	-	-	-	169	136
-	126	6	39	3,736	3,503
-	73	27	133	1,540	1,200
-	353	-	26	383	210
\$ -	\$ 213,373	\$ 3,308	\$ 4,188	\$ 299,663	\$ 287,659
\$ -	\$ (9,689)	\$ 162	\$ 97	\$ 3,814	\$ 6,811
\$ 7	\$ 4,226	\$ 255	\$ 1	\$ 5,690	\$ 4,876
-	(10)	-	(2)	(1,699)	(1,687)
-	-	-	-	301	780
-	-	-	-	-	(2)
\$ 7	\$ 4,216	\$ 255	\$ (1)	\$ 4,292	\$ 3,967
\$ 7	\$ (5,473)	\$ 417	\$ 96	\$ 8,106	\$ 10,778
-	-	-	-	-	7
-	-	-	-	(8,805)	(9,074)
\$ 7	\$ (5,473)	\$ 417	\$ 96	\$ (699)	\$ 1,711
-	-	-	1	1	1
\$ 7	\$ (5,473)	\$ 417	\$ 97	\$ (698)	\$ 1,712
\$ 248	\$ 81,710	\$ 243	\$ 379	\$ 93,357	\$ 82,824
-	(10,727)	-	-	(10,727)	94
\$ 248	\$ 70,983	\$ 243	\$ 379	\$ 82,630	\$ 82,918
\$ (255)	\$ -	\$ -	\$ -	\$ (255)	\$ (2,000)
\$ -	\$ 65,510	\$ 660	\$ 476	\$ 81,677	\$ 82,630

STATE OF MINNESOTA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 1995
 (IN THOUSANDS)

	INTER- TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANAGEMENT
Cash Flows from Operating Activities:					
Operating Income (Loss).....	\$ 3,673	\$ 135	\$ 245	\$ 322	\$ 8,869
Adjustments to Reconcile Operating Income to					
Net Cash Flows from Operating Activities:					
Depreciation.....	\$ 8,143	\$ 24	\$ 86	\$ 3,009	\$ 177
Amortization.....	116	12	—	—	41
Interest and Financing Costs.....	—	—	—	—	—
Change in Assets and Liabilities:					
Accounts Receivable.....	(2,162)	(376)	(254)	(218)	(1,909)
Inventories.....	—	(14)	(70)	13	10
Other Assets.....	389	—	—	—	—
Accounts Payable.....	(2,580)	229	165	237	281
Compensated Absences Payable.....	36	2	(16)	11	77
Deferred Revenues.....	—	—	—	—	—
Other Liabilities.....	—	—	—	—	—
Net Reconciling Items to be Added (Deducted)					
from Operating Income.....	\$ 3,942	\$ (123)	\$ (89)	\$ 3,052	\$ (1,323)
Net Cash Flows from Operating Activities.....	\$ 7,615	\$ 12	\$ 156	\$ 3,374	\$ 7,546
Cash Flows from Noncapital Financing Activities:					
Transfers—In.....	\$ —	\$ —	\$ —	\$ —	\$ —
Transfers—Out.....	—	—	—	—	(8,132)
Residual Equity Transfers—Out.....	—	—	—	—	—
Repayments of Advances from Other Funds.....	—	—	—	—	—
Repayments of Bond Principal.....	—	—	—	—	—
Interest Paid.....	—	—	—	—	—
Net Cash Flows from Noncapital Financing Activities.....	\$ —	\$ —	\$ —	\$ —	\$ (8,132)
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets.....	\$ (12,103)	\$ (16)	\$ (197)	\$ (6,256)	\$ (160)
Proceeds from the Sale of Fixed Assets.....	28	—	—	1,309	7
Advances from Other Funds.....	—	—	—	3,600	—
Repayments of Advances from Other Funds.....	—	—	(11)	(4,221)	—
Capital Lease Payments.....	—	—	—	—	(17)
Proceeds from Loans.....	10,513	—	—	6,010	105
Repayment of Loan Principal.....	(9,929)	—	—	(3,622)	(75)
Repayment of Installment Contracts.....	—	—	(12)	—	—
Repayment of Bond Principal.....	—	—	—	—	—
Interest Paid.....	(1,161)	—	—	(491)	—
Net Cash Flows from Capital and Related Financing Activities.....	\$ (12,652)	\$ (16)	\$ (220)	\$ (3,671)	\$ (140)
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments.....	\$ —	\$ —	\$ —	\$ —	\$ —
Investment Earnings.....	738	—	—	447	15
Net Cash Flows from Investing Activities.....	\$ 738	\$ —	\$ —	\$ 447	\$ 15
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (4,299)	\$ (4)	\$ (64)	\$ 150	\$ (711)
Cash and Cash Equivalents, July 1, as Reported.....	\$ 8,856	\$ 220	\$ 1,377	\$ 357	\$ 2,872
Changes in Reporting Entity.....	—	—	—	—	—
Cash and Cash Equivalents, July 1, as Restated.....	\$ 8,856	\$ 220	\$ 1,377	\$ 357	\$ 2,872
Cash and Cash Equivalents, June 30.....	\$ 4,557	\$ 216	\$ 1,313	\$ 507	\$ 2,161

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
\$ —	\$ (9,689)	\$ 162	\$ 97	\$ 3,814	\$ 6,811
\$ —	\$ 40	\$ 6	\$ 46	\$ 11,531	\$ 9,540
—	—	—	—	169	136
—	—	—	—	—	15
—	1,241	(13)	(154)	(3,845)	(1,413)
—	—	—	2	(59)	(200)
—	—	(44)	—	345	(1,305)
—	(3,286)	557	68	(4,329)	18,360
—	9	2	22	143	481
—	—	(8)	—	(8)	(157)
—	125	—	—	125	(960)
\$ —	\$ (1,871)	\$ 500	\$ (16)	\$ 4,072	\$ 24,497
\$ —	\$ (11,560)	\$ 662	\$ 81	\$ 7,886	\$ 31,308
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7
—	—	—	—	(8,132)	(9,074)
(255)	—	—	—	(255)	(2,000)
—	—	—	—	—	(33)
—	—	—	—	—	(225)
—	(10)	—	—	(10)	(32)
\$ (255)	\$ (10)	\$ —	\$ —	\$ (8,397)	\$ (11,357)
\$ —	\$ (21)	\$ (4)	\$ (126)	\$ (18,883)	\$ (17,154)
—	—	—	—	1,344	1,452
—	—	—	—	3,600	3,706
—	—	—	—	(4,232)	(3,579)
—	—	—	—	(17)	—
—	—	—	—	16,628	16,443
—	—	—	—	(13,626)	(12,975)
—	—	—	—	(12)	(20)
—	—	—	(27)	(27)	(284)
—	—	—	(3)	(1,655)	(1,673)
\$ —	\$ (21)	\$ (4)	\$ (156)	\$ (16,880)	\$ (14,084)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 225
7	4,226	254	1	5,688	4,887
\$ 7	\$ 4,226	\$ 254	\$ 1	\$ 5,688	\$ 5,112
\$ (248)	\$ (7,365)	\$ 912	\$ (74)	\$ (11,703)	\$ 10,979
\$ 258	\$ 93,195	\$ 3,063	\$ 552	\$ 110,750	\$ 89,173
—	(10,504)	—	—	(10,504)	94
\$ 258	\$ 82,691	\$ 3,063	\$ 552	\$ 100,246	\$ 89,267
\$ 10	\$ 75,326	\$ 3,975	\$ 478	\$ 88,543	\$ 100,246

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

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

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

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

STATE OF MINNESOTA

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1995
(IN THOUSANDS)

		NON-				TOTALS	
	PENSION	EXPENDABLE	EXPENDABLE		LESS	JUNE 30,	JUNE 30,
	TRUST	TRUST	TRUST	AGENCY	ELIMINATIONS	1995	1994
ASSETS							
Cash and Cash Equivalents.....	\$ 610,255	\$ 66,788	\$ 932,310	\$ 216,643	\$ —	\$ 1,825,996	\$ 1,480,698
Investments.....	20,652,969	439,868	2,969	842,266	—	21,938,072	19,700,289
Accounts Receivable.....	49,957	7,287	14,727	14,596	—	86,567	66,662
Interfund Receivables.....	39,563	1,549	22,950	—	—	64,062	234,782
Accrued Investment/Interest Income.....	4,117	5,822	122	—	—	10,061	9,677
Federal Aid Receivable.....	—	—	188	—	—	188	438
Inventories.....	—	—	2,197	—	—	2,197	5,660
Deferred Costs.....	9	—	—	—	—	9	430
Loans and Notes Receivable.....	—	—	9,405	—	—	9,405	8,277
Equity in Investment Trust Funds.....	—	—	—	293,091	293,091	—	—
Fixed Assets (Net).....	1,078	15,424	—	—	—	16,502	16,259
Other Assets.....	8	—	393	—	—	401	31
Total Assets.....	\$ 21,357,956	\$ 536,738	\$ 985,261	\$ 1,366,596	\$ 293,091	\$ 23,953,460	\$ 21,523,203
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable.....	\$ —	\$ —	\$ —	\$ 175,913	\$ —	\$ 175,913	\$ 126,707
Accounts Payable.....	10,921	133	18,961	13,726	—	43,741	40,841
Interfund Payables.....	32,807	20,628	5,374	506	—	59,315	220,822
Payable to Other Governmental Units.....	—	—	—	6,676	—	6,676	5,754
Deferred Revenue.....	26	—	2,749	—	—	2,775	2,621
Compensated Absences Payable.....	969	—	248	—	—	1,217	1,123
Other Liabilities.....	—	—	449	—	—	449	—
Funds Held in Trust.....	—	—	318	1,169,775	293,091	877,002	742,569
Total Liabilities.....	\$ 44,723	\$ 20,761	\$ 28,099	\$ 1,366,596	\$ 293,091	\$ 1,167,088	\$ 1,140,437
Fund Balances:							
Reserved Fund Balances:							
Reserved for Encumbrances.....	\$ —	\$ —	\$ 5,765	\$ —	\$ —	\$ 5,765	\$ 12,604
Reserved for Inventory.....	—	—	2,197	—	—	2,197	5,660
Reserved for Long-Term Receivables.....	—	—	8,874	—	—	8,874	8,019
Reserved for Local Governments.....	—	—	454,344	—	—	454,344	481,299
Reserved for Trust Principal.....	—	515,977	—	—	—	515,977	484,682
Reserved for Pension Benefits.....	21,313,233	—	—	—	—	21,313,233	19,035,960
Total Reserved Fund Balances.....	\$ 21,313,233	\$ 515,977	\$ 471,180	\$ —	\$ —	\$ 22,300,390	\$ 20,028,224
Unreserved Fund Balances:							
Designated for Fund Purposes.....	—	—	485,982	—	—	485,982	354,542
Total Fund Balances.....	\$ 21,313,233	\$ 515,977	\$ 957,162	\$ —	\$ —	\$ 22,786,372	\$ 20,382,766
Total Liabilities and Fund Balances.....	\$ 21,357,956	\$ 536,738	\$ 985,261	\$ 1,366,596	\$ 293,091	\$ 23,953,460	\$ 21,523,203

STATE OF MINNESOTA

PENSION TRUST FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1995
 (IN THOUSANDS)

	TOTALS					
	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	JUNE 30, 1995	JUNE 30, 1994
ASSETS						
Cash and Cash Equivalents	\$ 160,885	\$ 2,262	\$ 447,108	\$ —	\$ 610,255	\$ 473,375
Investments.....	10,141,354	63,142	10,448,473	—	20,652,969	18,520,703
Accounts Receivable.....	49,631	326	—	—	49,957	43,020
Interfund Receivables.....	9,046	—	30,517	—	39,563	200,598
Accrued Investment Income.....	432	—	3,685	—	4,117	2,595
Prepaid Expenses.....	9	—	—	—	9	63
Equity in Investment Trust Funds.....	8,927,157	302,499	—	9,229,656	—	—
Fixed Assets (Net).....	1,078	—	—	—	1,078	831
Other Assets.....	8	—	—	—	8	31
Total Assets.....	<u>\$ 19,289,600</u>	<u>\$ 368,229</u>	<u>\$ 10,929,783</u>	<u>\$ 9,229,656</u>	<u>\$ 21,357,956</u>	<u>\$ 19,241,216</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable.....	\$ 6,479	\$ 498	\$ 3,944	\$ —	\$ 10,921	\$ 10,268
Interfund Payables.....	31,144	629	1,034	—	32,807	194,113
Deferred Revenue.....	26	—	—	—	26	10
Compensated Absences Payable.....	969	—	—	—	969	865
Total Liabilities.....	<u>\$ 38,618</u>	<u>\$ 1,127</u>	<u>\$ 4,978</u>	<u>\$ —</u>	<u>\$ 44,723</u>	<u>\$ 205,256</u>
Fund Balances:						
Reserved for Pension Benefits.....	<u>\$ 19,250,982</u>	<u>\$ 367,102</u>	<u>\$ 10,924,805</u>	<u>\$ 9,229,656</u>	<u>\$ 21,313,233</u>	<u>\$ 19,035,960</u>
Total Fund Balances.....	<u>\$ 19,250,982</u>	<u>\$ 367,102</u>	<u>\$ 10,924,805</u>	<u>\$ 9,229,656</u>	<u>\$ 21,313,233</u>	<u>\$ 19,035,960</u>
Total Liabilities and Fund Balances.	<u>\$ 19,289,600</u>	<u>\$ 368,229</u>	<u>\$ 10,929,783</u>	<u>\$ 9,229,656</u>	<u>\$ 21,357,956</u>	<u>\$ 19,241,216</u>

STATE OF MINNESOTA

PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	TOTALS FOR THE YEAR ENDED	
					JUNE 30, 1995	JUNE 30, 1994
Operating Revenues:						
Contributions.....	\$ 793,070	\$ 25,192	\$ —	\$ —	\$ 818,262	\$ 749,474
Investment Income.....	823,664	1,637	661,973	—	1,487,274	1,607,857
Distributed Investment Trust Fund Income.....	716,951	—	—	716,951	—	—
Realized/Unrealized Gain on Investment						
Trust Fund Equity.....	—	53,983	—	53,983	—	—
Net Realized Gains (Losses).....	—	—	(44,804)	—	(44,804)	713,178
Increase (Decrease) in Unrealized Appreciation.....	—	—	946,224	—	946,224	(1,240,003)
Other Income.....	3,825	558	—	—	4,383	12,862
Total Operating Revenues.....	\$ 2,337,510	\$ 81,370	\$ 1,563,393	\$ 770,934	\$ 3,211,339	\$ 1,843,368
Operating Expenses:						
Annuity Payments.....	\$ 852,503	\$ —	\$ —	\$ —	\$ 852,503	\$ 768,420
Refunded Contributions.....	26,218	12,376	—	—	38,594	37,693
Interest and Financing Costs.....	3,674	—	—	—	3,674	3,215
Purchased Services.....	3,760	1,167	—	—	4,927	3,331
Investment Management Fees.....	15,808	—	16,127	—	31,935	28,413
Salaries and Fringe Benefits.....	6,154	55	—	—	6,209	6,216
Depreciation.....	243	—	—	—	243	182
Supplies and Materials.....	268	10	—	—	278	240
Indirect Costs.....	134	1	—	—	135	222
Other Expenses.....	564	—	—	—	564	475
Total Operating Expenses.....	\$ 909,326	\$ 13,609	\$ 16,127	\$ —	\$ 939,062	\$ 848,407
Operating Income (Loss).....	\$ 1,428,184	\$ 67,761	\$ 1,547,266	\$ 770,934	\$ 2,272,277	\$ 994,961
Nonoperating Revenues (Expenses):						
Participant Contributions.....	\$ —	\$ —	\$ 681,309	\$ 658,520	\$ 22,789	\$ 34,887
Local Association Mergers.....	419	—	—	—	419	256,556
Participant Withdrawals.....	—	—	(843,300)	(831,506)	(11,794)	(59,232)
Other Nonoperating Expenses.....	—	—	—	—	—	(33)
Net Nonoperating Revenues (Expenses).....	\$ 419	\$ —	\$ (161,991)	\$ (172,986)	\$ 11,414	\$ 232,178
Income (Loss) Before Operating Transfers.....	\$ 1,428,603	\$ 67,761	\$ 1,385,275	\$ 597,948	\$ 2,283,691	\$ 1,227,139
Operating Transfers—In.....	929	—	—	—	929	1,540
Operating Transfers—Out.....	(2,438)	(929)	—	—	(3,367)	(1,547)
Net Income (Loss).....	\$ 1,427,094	\$ 66,832	\$ 1,385,275	\$ 597,948	\$ 2,281,253	\$ 1,227,132
Fund Balances, July 1 as Reported.....	\$ 17,823,888	\$ 304,250	\$ 9,539,530	\$ 8,631,708	\$ 19,035,960	\$ 17,808,828
Prior Period Adjustment.....	—	(3,980)	—	—	(3,980)	—
Fund Balances, July 1 as Restated.....	\$ 17,823,888	\$ 300,270	\$ 9,539,530	\$ 8,631,708	\$ 19,031,980	\$ 17,808,828
Fund Balances, June 30.....	\$ 19,250,982	\$ 367,102	\$ 10,924,805	\$ 9,229,656	\$ 21,313,233	\$ 19,035,960

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS
COMBINING BALANCE SHEETJUNE 30, 1995
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION TEACHERS RETIREMENT
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	
ASSETS				
Cash and Cash Equivalents.....	\$ 37,508	\$ 13,173	\$ 5,347	\$ 59,915
Investments.....	2,137,855	1,003,930	321,242	4,355,270
Accounts Receivable.....	256	90	234	42,292
Interfund Receivables.....	462	517	—	—
Accrued Investment Income.....	—	—	—	284
Prepaid Expenses.....	—	—	—	9
Equity in Investment Trust Funds.....	2,900,041	339,181	346,612	3,790,813
Fixed Assets (Net).....	476	—	—	405
Other Assets.....	8	—	—	—
Total Assets.....	<u>\$ 5,076,606</u>	<u>\$ 1,356,891</u>	<u>\$ 673,435</u>	<u>\$ 8,248,988</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 1,642	\$ 395	\$ 120	\$ 3,335
Interfund Payables.....	252	317	1,486	19,279
Deferred Revenue.....	—	—	—	—
Compensated Absences Payable.....	355	—	—	294
Total Liabilities.....	<u>\$ 2,249</u>	<u>\$ 712</u>	<u>\$ 1,606</u>	<u>\$ 22,908</u>
Fund Balances:				
Reserved for Pension Benefits.....	<u>\$ 5,074,357</u>	<u>\$ 1,356,179</u>	<u>\$ 671,829</u>	<u>\$ 8,226,080</u>
Total Fund Balances.....	<u>\$ 5,074,357</u>	<u>\$ 1,356,179</u>	<u>\$ 671,829</u>	<u>\$ 8,226,080</u>
Total Liabilities and Fund Balances.....	<u>\$ 5,076,606</u>	<u>\$ 1,356,891</u>	<u>\$ 673,435</u>	<u>\$ 8,248,988</u>

MINNESOTA STATE RETIREMENT SYSTEM

STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	TOTALS	
						JUNE 30, 1995	JUNE 30, 1994
\$ 38,824	\$ 952	\$ 4,186	\$ 980	\$ —	\$ —	\$ 160,885	\$ 218,969
2,048,909	153,086	109,761	11,301	—	—	10,141,354	9,377,208
5,674	438	400	244	3	—	49,631	42,675
1,300	—	—	—	377	6,390	9,046	7,156
130	10	7	1	—	—	432	210
—	—	—	—	—	—	9	61
1,313,386	128,279	48,776	45,207	—	14,862	8,927,157	8,377,632
197	—	—	—	—	—	1,078	831
—	—	—	—	—	—	8	31
<u>\$ 3,408,420</u>	<u>\$ 282,765</u>	<u>\$ 163,130</u>	<u>\$ 57,733</u>	<u>\$ 380</u>	<u>\$ 21,252</u>	<u>\$ 19,289,600</u>	<u>\$ 18,024,773</u>
\$ 883	\$ 58	\$ 42	\$ 4	\$ —	\$ —	\$ 6,479	\$ 6,002
5,414	2,284	1,004	1,083	1	24	31,144	194,008
—	—	—	10	—	16	26	10
320	—	—	—	—	—	969	865
<u>\$ 6,617</u>	<u>\$ 2,342</u>	<u>\$ 1,046</u>	<u>\$ 1,097</u>	<u>\$ 1</u>	<u>\$ 40</u>	<u>\$ 38,618</u>	<u>\$ 200,885</u>
<u>\$ 3,401,803</u>	<u>\$ 280,423</u>	<u>\$ 162,084</u>	<u>\$ 56,636</u>	<u>\$ 379</u>	<u>\$ 21,212</u>	<u>\$ 19,250,982</u>	<u>\$ 17,823,888</u>
<u>\$ 3,401,803</u>	<u>\$ 280,423</u>	<u>\$ 162,084</u>	<u>\$ 56,636</u>	<u>\$ 379</u>	<u>\$ 21,212</u>	<u>\$ 19,250,982</u>	<u>\$ 17,823,888</u>
<u>\$ 3,408,420</u>	<u>\$ 282,765</u>	<u>\$ 163,130</u>	<u>\$ 57,733</u>	<u>\$ 380</u>	<u>\$ 21,252</u>	<u>\$ 19,289,600</u>	<u>\$ 18,024,773</u>

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1995
 (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.....	\$ 123,983	\$ 33,548	\$ 16,849	\$ 179,672
Employee Contributions.....	115,986	22,356	4,256	143,536
Investment Income.....	173,332	78,811	18,817	368,947
Distributed Investment Trust Fund Income.....	237,717	26,472	28,765	297,153
Other Income.....	790	2,470	—	553
Total Operating Revenues.....	\$ 651,808	\$ 163,657	\$ 68,687	\$ 989,861
Operating Expenses:				
Annuity Payments.....	\$ 290,484	\$ 32,151	\$ 38,669	\$ 338,857
Refunded Contributions.....	11,929	592	129	4,619
Interest and Financing Costs.....	762	97	55	2,008
Purchased Services.....	1,485	98	—	1,612
Investment Management Fees.....	3,326	1,550	474	6,847
Salaries and Fringe Benefits.....	2,727	180	—	1,882
Depreciation.....	116	8	—	73
Supplies and Materials.....	118	8	—	70
Indirect Costs.....	30	2	—	29
Other Expenses.....	319	123	122	—
Total Operating Expenses.....	\$ 311,296	\$ 34,809	\$ 39,449	\$ 355,997
Operating Income (Loss).....	\$ 340,512	\$ 128,848	\$ 29,238	\$ 633,864
Nonoperating Revenues (Expenses):				
Local Association Mergers.....	\$ —	\$ —	\$ 419	\$ —
Other Nonoperating Expenses.....	—	—	—	—
Total Nonoperating Revenues (Expenses).....	\$ —	\$ —	\$ 419	\$ —
Income (Loss) Before Operating Transfers.....	\$ 340,512	\$ 128,848	\$ 29,657	\$ 633,864
Operating Transfers—In.....	—	—	—	—
Operating Transfers—Out.....	—	(2,438)	—	—
Net Income (Loss).....	\$ 340,512	\$ 126,410	\$ 29,657	\$ 633,864
Fund Balances, July 1.....	4,733,845	1,229,769	642,172	7,592,216
Fund Balances, June 30.....	\$ 5,074,357	\$ 1,356,179	\$ 671,829	\$ 8,226,080

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, 1995	JUNE 30, 1994
\$ 63,161	\$ 5,582	\$ 4,195	\$ 6,620	\$ 165	\$ 2,938	\$ 436,713	\$ 416,382
61,627	3,189	3,280	1,456	37	634	356,357	308,862
161,679	12,452	8,859	767	—	—	823,664	935,144
107,910	10,363	3,870	3,538	—	1,163	716,951	755,416
2	—	—	10	—	—	3,825	12,641
<u>\$ 394,379</u>	<u>\$ 31,586</u>	<u>\$ 20,204</u>	<u>\$ 12,391</u>	<u>\$ 202</u>	<u>\$ 4,735</u>	<u>\$ 2,337,510</u>	<u>\$ 2,428,445</u>
\$ 126,830	\$ 12,092	\$ 4,971	\$ 6,233	\$ 164	\$ 2,052	\$ 852,503	\$ 768,420
8,351	129	292	—	20	157	26,218	23,899
269	341	83	32	—	27	3,674	3,215
465	25	43	17	—	15	3,760	3,181
3,183	239	172	17	—	—	15,808	14,232
1,272	23	52	9	—	9	6,154	6,070
46	—	—	—	—	—	243	182
68	1	3	—	—	—	268	232
57	5	7	2	—	2	134	217
—	—	—	—	—	—	564	471
<u>\$ 140,541</u>	<u>\$ 12,855</u>	<u>\$ 5,623</u>	<u>\$ 6,310</u>	<u>\$ 184</u>	<u>\$ 2,262</u>	<u>\$ 909,326</u>	<u>\$ 820,119</u>
\$ 253,838	\$ 18,731	\$ 14,581	\$ 6,081	\$ 18	\$ 2,473	\$ 1,428,184	\$ 1,608,326
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 419	\$ 256,556
—	—	—	—	—	—	—	(33)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 419</u>	<u>\$ 256,523</u>
\$ 253,838	\$ 18,731	\$ 14,581	\$ 6,081	\$ 18	\$ 2,473	\$ 1,428,603	\$ 1,864,849
898	—	31	—	—	—	929	1,540
—	—	—	—	—	—	(2,438)	(7)
<u>\$ 254,736</u>	<u>\$ 18,731</u>	<u>\$ 14,612</u>	<u>\$ 6,081</u>	<u>\$ 18</u>	<u>\$ 2,473</u>	<u>\$ 1,427,094</u>	<u>\$ 1,866,382</u>
3,147,067	261,692	147,472	50,555	361	18,739	17,823,888	15,957,506
<u>\$ 3,401,803</u>	<u>\$ 280,423</u>	<u>\$ 162,084</u>	<u>\$ 56,636</u>	<u>\$ 379</u>	<u>\$ 21,212</u>	<u>\$ 19,250,982</u>	<u>\$ 17,823,888</u>

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1995
 (IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM			TOTALS	
	UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE RETIREMENT	STATE UNIVERSITY RETIREMENT	JUNE 30, 1995	JUNE 30, 1994
ASSETS					
Cash and Cash Equivalents.....	\$ 1,703	\$ 559	\$ —	\$ 2,262	\$ 17,897
Investments.....	—	15,000	48,142	63,142	32,549
Accounts Receivable.....	264	62	—	326	345
Interfund Receivables.....	—	—	—	—	1
Prepaid Expenses.....	—	—	—	—	2
Equity in Investment Trust Funds.....	128,547	65,187	108,765	302,499	254,076
Total Assets.....	\$ 130,514	\$ 80,808	\$ 156,907	\$ 368,229	\$ 304,870
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable.....	\$ 227	\$ 271	\$ —	\$ 498	\$ 515
Interfund Payables.....	629	—	—	629	105
Total Liabilities.....	\$ 856	\$ 271	\$ —	\$ 1,127	\$ 620
Fund Balances:					
Reserved for Pension Benefits.....	\$ 129,658	\$ 80,537	\$ 156,907	\$ 367,102	\$ 304,250
Total Reserved Fund Balances.....	\$ 129,658	\$ 80,537	\$ 156,907	\$ 367,102	\$ 304,250
Total Liabilities and Fund Balances.....	\$ 130,514	\$ 80,808	\$ 156,907	\$ 368,229	\$ 304,870

STATE OF MINNESOTA

DEFINED CONTRIBUTION FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1995 (IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM			TOTALS FOR THE YEAR ENDED	
	UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE RETIREMENT	STATE UNIVERSITY RETIREMENT	JUNE 30, 1995	JUNE 30, 1994
Operating Revenues:					
Employer Contributions.....	\$ 4,226	\$ 3,248	\$ 6,158	\$ 13,632	\$ 12,788
Employee Contributions.....	2,945	2,885	5,730	11,560	11,442
Investment Income.....	67	633	937	1,637	1,018
Realized/Unrealized Gain(Loss) on Investments in Investment Trust Fund.....	18,754	13,218	22,011	53,983	5,955
Other Income.....	437	121	—	558	221
Total Operating Revenues.....	\$ 26,429	\$ 20,105	\$ 34,836	\$ 81,370	\$ 31,424
Operating Expenses:					
Refunded Contributions.....	\$ 2,557	\$ 4,503	\$ 5,316	\$ 12,376	\$ 13,794
Purchased Services.....	476	375	316	1,167	150
Salaries and Fringe Benefits.....	55	—	—	55	146
Supplies and Materials.....	10	—	—	10	8
Indirect Costs.....	1	—	—	1	5
Other Administrative Expenses.....	—	—	—	—	4
Total Operating Expenses.....	\$ 3,099	\$ 4,878	\$ 5,632	\$ 13,609	\$ 14,107
Operating Income (Loss).....	\$ 23,330	\$ 15,227	\$ 29,204	\$ 67,761	\$ 17,317
Operating Transfers—Out.....	(929)	—	—	(929)	(1,540)
Net Income (Loss).....	\$ 22,401	\$ 15,227	\$ 29,204	\$ 66,832	\$ 15,777
Fund Balances, July 1 as Reported.....	\$ 107,257	\$ 69,290	\$ 127,703	\$ 304,250	\$ 288,473
Prior Period Adjustment.....	—	(3,980)	—	(3,980)	—
Fund Balances, July 1 as Restated.....	\$ 107,257	\$ 65,310	\$ 127,703	\$ 300,270	\$ 288,473
Fund Balances, June 30.....	\$ 129,658	\$ 80,537	\$ 156,907	\$ 367,102	\$ 304,250

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STATE OF MINNESOTA

INVESTMENT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1995
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS	
			JUNE 30, 1995	JUNE 30, 1994
ASSETS				
Cash and Cash Equivalents.....	\$ 81,607	\$ 365,501	\$ 447,108	\$ 236,509
Investments.....	599,316	9,849,157	10,448,473	9,110,946
Interfund Receivables.....	—	30,517	30,517	193,441
Accrued Investment Income.....	2,167	1,518	3,685	2,385
Total Assets.....	<u>\$ 683,090</u>	<u>\$ 10,246,693</u>	<u>\$ 10,929,783</u>	<u>\$ 9,543,281</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 117	\$ 3,827	\$ 3,944	\$ 3,751
Interfund Payables.....	—	1,034	1,034	—
Total Liabilities.....	<u>\$ 117</u>	<u>\$ 4,861</u>	<u>\$ 4,978</u>	<u>\$ 3,751</u>
Fund Balances:				
Reserved for Pension Benefits.....	<u>\$ 682,973</u>	<u>\$ 10,241,832</u>	<u>\$ 10,924,805</u>	<u>\$ 9,539,530</u>
Total Fund Balances.....	<u>\$ 682,973</u>	<u>\$ 10,241,832</u>	<u>\$ 10,924,805</u>	<u>\$ 9,539,530</u>
Total Liabilities and Fund Balances.....	<u>\$ 683,090</u>	<u>\$ 10,246,693</u>	<u>\$ 10,929,783</u>	<u>\$ 9,543,281</u>

STATE OF MINNESOTA

INVESTMENT TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1995

(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1995	JUNE 30, 1994
Operating Revenues:				
Investment Income.....	\$ 31,031	\$ 630,942	\$ 661,973	\$ 671,696
Realized Gains (Losses) on Investments:				
Proceeds from Security Sales.....	\$ 62,326	\$ 2,300,936	\$ 2,363,262	\$ 7,030,265
Cost of Securities Sold.....	61,704	2,346,362	2,408,066	6,317,087
Total Realized Gains (Losses).....	\$ 622	\$ (45,426)	\$ (44,804)	\$ 713,178
Unrealized Gains (Losses):				
Beginning of Period.....	\$ 39,082	\$ (511,110)	\$ (472,028)	\$ 767,975
End of Period.....	107,767	366,429	474,196	(472,028)
Increase (Decrease) in Unrealized Appreciation.....	\$ 68,685	\$ 877,539	\$ 946,224	\$ (1,240,003)
Total Operating Revenues.....	\$ 100,338	\$ 1,463,055	\$ 1,563,393	\$ 144,871
Operating Expenses:				
Investment Management Fees.....	\$ 494	\$ 15,633	\$ 16,127	\$ 14,181
Operating Income (Loss).....	\$ 99,844	\$ 1,447,422	\$ 1,547,266	\$ 130,690
Nonoperating Revenues (Expenses):				
Participant Contributions.....	\$ 40,794	\$ 640,515	\$ 681,309	\$ 1,340,998
Participant Withdrawals.....	(35,361)	(807,939)	(843,300)	(800,233)
Net Nonoperating Revenues (Expenses).....	\$ 5,433	\$ (167,424)	\$ (161,991)	\$ 540,765
Net Income (Loss).....	\$ 105,277	\$ 1,279,998	\$ 1,385,275	\$ 671,455
Fund Balances, July 1.....	577,696	8,961,834	9,539,530	8,868,075
Fund Balances, June 30.....	\$ 682,973	\$ 10,241,832	\$ 10,924,805	\$ 9,539,530

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1995
 (IN THOUSANDS)

		ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS	
	PERMANENT SCHOOL		JUNE 30, 1995	JUNE 30, 1994
ASSETS				
Cash and Cash Equivalents.....	\$ 56,470	\$ 10,318	\$ 66,788	\$ 18,664
Investments.....	349,936	89,932	439,868	460,800
Accounts Receivable.....	7,287	—	7,287	7,706
Interfund Receivables.....	—	1,549	1,549	1,394
Accrued Investment Income.....	5,150	672	5,822	6,984
Fixed Assets (Net).....	<u>15,424</u>	<u>—</u>	<u>15,424</u>	<u>15,428</u>
Total Assets.....	<u>\$ 434,267</u>	<u>\$ 102,471</u>	<u>\$ 536,738</u>	<u>\$ 510,976</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable.....	\$ 131	\$ 2	\$ 133	\$ 64
Interfund Payables.....	<u>15,325</u>	<u>5,303</u>	<u>20,628</u>	<u>26,230</u>
Total Liabilities.....	<u>\$ 15,456</u>	<u>\$ 5,305</u>	<u>\$ 20,761</u>	<u>\$ 26,294</u>
Fund Balances:				
Reserved for Trust Principal.....	<u>\$ 418,811</u>	<u>\$ 97,166</u>	<u>\$ 515,977</u>	<u>\$ 484,682</u>
Total Fund Balance.....	<u>\$ 418,811</u>	<u>\$ 97,166</u>	<u>\$ 515,977</u>	<u>\$ 484,682</u>
Total Liabilities and Fund Balances.....	<u>\$ 434,267</u>	<u>\$ 102,471</u>	<u>\$ 536,738</u>	<u>\$ 510,976</u>

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1995
 (IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1995	JUNE 30, 1994
Operating Revenues:				
Net Sales.....	\$ 5,833	\$ —	\$ 5,833	\$ 6,038
Investment Income.....	38,164	5,195	43,359	44,430
Rental and Service Fees.....	666	—	666	1,094
Other Income.....	88	—	88	—
Total Operating Revenues.....	\$ 44,751	\$ 5,195	\$ 49,946	\$ 51,562
Operating Expenses:				
Purchased Services.....	\$ 12	\$ —	\$ 12	\$ 187
Investment Management Fees.....	35	15	50	48
Salaries and Fringe Benefits.....	2,015	—	2,015	25
Depreciation.....	1	—	1	1
Supplies and Materials.....	4	—	4	—
Total Operating Expenses.....	\$ 2,067	\$ 15	\$ 2,082	\$ 261
Operating Income.....	\$ 42,684	\$ 5,180	\$ 47,864	\$ 51,301
Nonoperating Revenues:				
Gain on Sale of Fixed Assets.....	\$ 277	\$ —	\$ 277	\$ 4,046
Grants, Aids and Subsidies.....	9	—	9	—
Total Nonoperating Revenues.....	\$ 286	\$ —	\$ 286	\$ 4,046
Income Before Operating Transfers.....	\$ 42,970	\$ 5,180	\$ 48,150	\$ 55,347
Operating Transfers—In.....	—	24,511	24,511	23,747
Operating Transfers—Out.....	(30,832)	(10,534)	(41,366)	(46,402)
Net Income.....	\$ 12,138	\$ 19,157	\$ 31,295	\$ 32,692
Fund Balances, July 1.....	406,673	78,009	484,682	451,830
Residual Equity Transfers—In.....	—	—	—	160
Fund Balances, June 30.....	\$ 418,811	\$ 97,166	\$ 515,977	\$ 484,682

STATE OF MINNESOTA

NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED	
			JUNE 30, 1995	JUNE 30, 1994
Cash Flows from Operating Activities:				
Operating Income.....	\$ 42,684	\$ 5,180	\$ 47,864	\$ 51,301
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation.....	\$ 1	\$ —	\$ 1	\$ 1
Investment Income.....	(38,164)	(5,195)	(43,359)	(44,430)
Change in Assets and Liabilities:				
Accounts Receivable.....	(159)	—	(159)	(167)
Other Assets.....	—	—	—	2
Accounts Payable.....	69	2	71	36
Other Liabilities.....	—	269	269	2
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ (38,253)	\$ (4,924)	\$ (43,177)	\$ (44,556)
Net Cash Flows from Operating Activities.....	\$ 4,431	\$ 256	\$ 4,687	\$ 6,745
Cash Flows from Noncapital Financing Activities:				
Grant Receipts.....	\$ 9	\$ —	\$ 9	\$ —
Operating Transfers—In.....	—	24,356	24,356	25,080
Operating Transfers—Out.....	(37,425)	(10,079)	(47,504)	(46,151)
Residual Equity Transfers—Out.....	—	—	—	160
Net Cash Flows from Noncapital Financing Activities.....	\$ (37,416)	\$ 14,277	\$ (23,139)	\$ (20,911)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the Sale of Fixed Assets.....	\$ 905	\$ —	\$ 905	\$ 2,709
Net Cash Flows from Capital and Related Financing Activities.....	\$ 905	\$ —	\$ 905	\$ 2,709
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments.....	\$ 88,594	\$ 1,876	\$ 90,470	\$ 113,109
Purchase of Investments.....	(49,989)	(16,708)	(66,697)	(169,298)
Investment Earnings.....	37,605	4,293	41,898	45,167
Net Cash Flows from Investing Activities.....	\$ 76,210	\$ (10,539)	\$ 65,671	\$ (11,022)
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ 44,130	\$ 3,994	\$ 48,124	\$ (22,479)
Cash and Cash Equivalents, July 1.....	12,340	6,324	18,664	41,143
Cash and Cash Equivalents, June 30.....	\$ 56,470	\$ 10,318	\$ 66,788	\$ 18,664

STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1995
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
ASSETS			
Cash and Cash Equivalents.....	\$ 148,755	\$ 297,364	\$ —
Investments.....	—	—	—
Accounts Receivable.....	97	830	—
Interfund Receivables.....	1,400	4,600	11,916
Accrued Investment/Interest Income.....	—	—	—
Federal Aid Receivable.....	—	—	—
Inventories.....	—	—	—
Loans and Notes Receivable.....	—	—	—
Other Assets.....	—	—	—
Total Assets.....	<u>\$ 150,252</u>	<u>\$ 302,794</u>	<u>\$ 11,916</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable.....	\$ 775	\$ 3,635	\$ —
Interfund Payables.....	895	3,075	—
Deferred Revenue.....	—	—	—
Compensated Absences Payable.....	—	—	—
Other Liabilities.....	—	—	—
Funds Held in Trust.....	—	—	—
Total Liabilities.....	<u>\$ 1,670</u>	<u>\$ 6,710</u>	<u>\$ —</u>
Fund Balances:			
Reserved Retained Earnings:			
Reserved for Encumbrances.....	\$ 621	\$ 1,617	\$ —
Reserved for Inventory.....	—	—	—
Reserved for Long-Term Receivables.....	—	—	—
Reserved for Local Governments.....	147,961	294,467	11,916
Total Reserved Fund Balances.....	<u>\$ 148,582</u>	<u>\$ 296,084</u>	<u>\$ 11,916</u>
Unreserved Fund Balances:			
Designated for Fund Purposes.....	—	—	—
Total Fund Balances.....	<u>\$ 148,582</u>	<u>\$ 296,084</u>	<u>\$ 11,916</u>
Total Liabilities and Fund Balances.....	<u>\$ 150,252</u>	<u>\$ 302,794</u>	<u>\$ 11,916</u>

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	REEMPLOYMENT INSURANCE	TOTALS	
				JUNE 30, 1995	JUNE 30, 1994
\$ 12,386	\$ 7,273	\$ 90,728	\$ 375,804	\$ 932,310	\$ 831,886
2,969	—	—	—	2,969	2,940
412	113	65	13,210	14,727	11,166
—	5,034	—	—	22,950	32,790
59	—	63	—	122	98
—	—	—	188	188	438
—	—	2,197	—	2,197	5,660
—	—	9,405	—	9,405	8,277
393	—	—	—	393	—
<u>\$ 16,219</u>	<u>\$ 12,420</u>	<u>\$ 102,458</u>	<u>\$ 389,202</u>	<u>\$ 985,261</u>	<u>\$ 893,255</u>
\$ 1,022	\$ 1,315	\$ 309	\$ 11,905	\$ 18,961	\$ 27,959
5	815	—	584	5,374	—
—	—	—	2,749	2,749	2,611
138	17	93	—	248	258
449	—	—	—	449	—
318	—	—	—	318	303
<u>\$ 1,932</u>	<u>\$ 2,147</u>	<u>\$ 402</u>	<u>\$ 15,238</u>	<u>\$ 28,099</u>	<u>\$ 31,131</u>
\$ 129	\$ —	\$ 3,398	\$ —	\$ 5,765	\$ 12,604
—	—	2,197	—	2,197	5,660
—	—	8,874	—	8,874	8,019
—	—	—	—	454,344	481,299
<u>\$ 129</u>	<u>\$ —</u>	<u>\$ 14,469</u>	<u>\$ —</u>	<u>\$ 471,180</u>	<u>\$ 507,582</u>
14,158	10,273	87,587	373,964	485,982	354,542
<u>\$ 14,287</u>	<u>\$ 10,273</u>	<u>\$ 102,056</u>	<u>\$ 373,964</u>	<u>\$ 957,162</u>	<u>\$ 862,124</u>
<u>\$ 16,219</u>	<u>\$ 12,420</u>	<u>\$ 102,458</u>	<u>\$ 389,202</u>	<u>\$ 985,261</u>	<u>\$ 893,255</u>

STATE OF MINNESOTA

EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1995
 (IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
Net Revenues:			
Unemployment Taxes.....	\$ —	\$ —	\$ —
Mining Taxes.....	—	—	—
Federal Revenues.....	—	—	—
Investment/Interest Income.....	8,162	15,335	—
Gifts and Donations.....	—	—	—
Other Revenues.....	—	—	—
Net Revenues.....	\$ 8,162	\$ 15,335	\$ —
Expenditures:			
Current:			
Protection of Persons and Property.....	\$ —	\$ —	\$ —
Transportation.....	1,000	3,459	—
Resource Management.....	—	—	—
Economic and Manpower Development.....	—	—	—
Education.....	—	—	—
Health and Social Services.....	—	—	—
General Government.....	—	—	—
Total Current Expenditures.....	\$ 1,000	\$ 3,459	\$ —
Debt Service.....	—	—	—
Grants and Subsidies.....	102,505	296,361	35,730
Total Expenditures.....	\$ 103,505	\$ 299,820	\$ 35,730
Excess of Revenues Over (Under) Expenditures.....	\$ (95,343)	\$ (284,485)	\$ (35,730)
Other Financing Sources (Uses):			
Operating Transfers—In.....	\$ 80,537	\$ 276,706	\$ 30,832
Operating Transfers to Debt Service.....	—	—	—
Operating Transfers—Out.....	—	—	—
Transfers—Out to Component Units.....	—	—	—
Other Sources (Uses).....	—	—	—
Net Other Financing Sources (Uses).....	\$ 80,537	\$ 276,706	\$ 30,832
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ (14,806)	\$ (7,779)	\$ (4,898)
Fund Balances, July 1.....	163,388	303,863	16,814
Residual Equity Transfers—In.....	—	—	—
Residual Equity Transfers—Out.....	—	—	—
Fund Balances, June 30.....	\$ 148,582	\$ 296,084	\$ 11,916

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	REEMPLOYMENT INSURANCE	TOTALS FOR THE YEAR ENDED	
				JUNE 30, 1995	JUNE 30, 1994
\$ -	\$ -	\$ -	\$ 460,150	\$ 460,150	\$ 409,715
-	-	3,876	-	3,876	3,477
1,420	-	-	8,634	10,054	103,295
664	526	5,061	22,350	52,098	37,095
9,241	-	-	-	9,241	11,885
4,400	322	87	-	4,809	6,228
<u>\$ 15,725</u>	<u>\$ 848</u>	<u>\$ 9,024</u>	<u>\$ 491,134</u>	<u>\$ 540,228</u>	<u>\$ 571,695</u>
\$ 19	\$ -	\$ -	\$ -	\$ 19	\$ 7
-	-	-	-	4,459	3,783
1,025	5,506	-	-	6,531	5,433
87	70	1,075	-	1,232	1,574
5,983	148	-	-	6,131	5,096
1,124	-	-	-	1,124	1,056
390	901	-	-	1,291	753
<u>\$ 8,628</u>	<u>\$ 6,625</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ 20,787</u>	<u>\$ 17,702</u>
-	-	24	-	24	15
7,069	721	3,599	368,453	814,438	881,691
<u>\$ 15,697</u>	<u>\$ 7,346</u>	<u>\$ 4,698</u>	<u>\$ 368,453</u>	<u>\$ 835,249</u>	<u>\$ 899,408</u>
\$ 28	\$ (6,498)	\$ 4,326	\$ 122,681	\$ (295,021)	\$ (327,713)
\$ 16	\$ 10,534	\$ -	\$ -	\$ 398,625	\$ 382,825
(130)	-	-	-	(130)	-
(412)	(3,701)	(9)	-	(4,122)	(1,776)
-	(1,852)	-	-	(1,852)	(517)
-	-	(2,456)	-	(2,456)	20
<u>\$ (526)</u>	<u>\$ 4,981</u>	<u>\$ (2,465)</u>	<u>\$ -</u>	<u>\$ 390,065</u>	<u>\$ 380,552</u>
\$ (498)	\$ (1,517)	\$ 1,861	\$ 122,681	\$ 95,044	\$ 52,839
14,791	11,790	100,195	251,283	862,124	809,225
-	-	-	-	-	220
(6)	-	-	-	(6)	(160)
<u>\$ 14,287</u>	<u>\$ 10,273</u>	<u>\$ 102,056</u>	<u>\$ 373,964</u>	<u>\$ 957,162</u>	<u>\$ 862,124</u>

STATE OF MINNESOTA

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1995

(IN THOUSANDS)

	BALANCE JULY 1, 1994	INCREASES	DECREASES	BALANCE JUNE 30, 1995
<u>SOCIAL WELFARE</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 6,406	\$ 17,446	\$ 17,535	\$ 6,317
Accounts Receivable.....	—	13	—	13
Total Assets.....	<u>\$ 6,406</u>	<u>\$ 17,459</u>	<u>\$ 17,535</u>	<u>\$ 6,330</u>
LIABILITIES				
Accounts Payable.....	\$ 240	\$ 345	\$ 316	\$ 269
Funds Held in Trust.....	6,166	17,104	17,209	6,061
Total Liabilities.....	<u>\$ 6,406</u>	<u>\$ 17,449</u>	<u>\$ 17,525</u>	<u>\$ 6,330</u>
<u>DEFERRED COMPENSATION</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 2,467	\$ 144,343	\$ 145,019	\$ 1,791
Investments.....	715,846	187,604	61,184	842,266
Accounts Receivable.....	3,024	3,189	3,025	3,188
Prepaid Expenses.....	4	—	4	—
Equity in Investment Trust Funds.....	251,094	174,164	132,167	293,091
Total Assets.....	<u>\$ 972,435</u>	<u>\$ 509,300</u>	<u>\$ 341,399</u>	<u>\$ 1,140,336</u>
LIABILITIES				
Accounts Payable.....	\$ 119	\$ 377	\$ 119	\$ 377
Interfund Payables.....	457	506	457	506
Funds Held in Trust.....	971,859	328,871	161,277	1,139,453
Total Liabilities.....	<u>\$ 972,435</u>	<u>\$ 329,754</u>	<u>\$ 161,853</u>	<u>\$ 1,140,336</u>
<u>TAXES CLEARING</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 4,242	\$ 58,137	\$ 52,006	\$ 10,373
Accounts Receivable.....	—	560	—	560
Total Assets.....	<u>\$ 4,242</u>	<u>\$ 58,697</u>	<u>\$ 52,006</u>	<u>\$ 10,933</u>
LIABILITIES				
Accounts Payable.....	\$ 115	\$ 192	\$ 115	\$ 192
Payable to Other Governmental Units.....	569	—	569	—
Funds Held in Trust.....	3,558	58,620	51,437	10,741
Total Liabilities.....	<u>\$ 4,242</u>	<u>\$ 58,812</u>	<u>\$ 52,121</u>	<u>\$ 10,933</u>

STATE OF MINNESOTA

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
YEAR ENDED JUNE 30, 1995
(IN THOUSANDS)

	BALANCE JULY 1, 1994	INCREASES	DECREASES	BALANCE JUNE 30, 1995
<u>DISBURSEMENT CLEARING</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 126,707	\$ 13,077,033	\$ 13,027,827	\$ 175,913
Total Assets.....	\$ 126,707	\$ 13,077,033	\$ 13,027,827	\$ 175,913
LIABILITIES				
Warrants Payable.....	\$ 126,707	\$ 13,077,033	\$ 13,027,827	\$ 175,913
Total Liabilities.....	\$ 126,707	\$ 13,077,033	\$ 13,027,827	\$ 175,913
<u>MISCELLANEOUS AGENCY</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 16,951	\$ 168,016	\$ 162,718	\$ 22,249
Accounts Receivable.....	2,109	10,534	1,808	10,835
Total Assets.....	\$ 19,060	\$ 178,550	\$ 164,526	\$ 33,084
LIABILITIES				
Accounts Payable.....	\$ 2,076	\$ 12,796	\$ 1,984	\$ 12,888
Interfund Payables.....	22	—	22	—
Payable to Other Governmental Units.....	5,185	6,676	5,185	6,676
Funds Held in Trust.....	11,777	164,606	162,863	13,520
Total Liabilities.....	\$ 19,060	\$ 184,078	\$ 170,054	\$ 33,084
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 156,773	\$ 13,464,975	\$ 13,405,105	\$ 216,643
Investments.....	715,846	187,604	61,184	842,266
Accounts Receivable.....	5,133	14,296	4,833	14,596
Prepaid Expenses.....	4	—	4	—
Equity in Investment Trust Funds.....	251,094	174,164	132,167	293,091
Total Assets.....	\$ 1,128,850	\$ 13,841,039	\$ 13,603,293	\$ 1,366,596
LIABILITIES				
Warrants Payable.....	\$ 126,707	\$ 13,077,033	\$ 13,027,827	\$ 175,913
Accounts Payable.....	2,550	13,710	2,534	13,726
Interfund Payables.....	479	506	479	506
Payable to Other Governmental Units.....	5,754	6,676	5,754	6,676
Funds Held in Trust.....	993,360	569,201	392,786	1,169,775
Total Liabilities.....	\$ 1,128,850	\$ 13,667,126	\$ 13,429,380	\$ 1,366,596

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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, 1995 and 1994
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1995	JUNE 30, 1994
GENERAL FIXED ASSETS:		
Land.....	\$ 259,412	\$ 246,770
Buildings.....	1,219,322	1,109,396
Equipment.....	342,857	322,871
Construction in Progress.....	137,902	162,922
Total General Fixed Assets.....	<u>\$ 1,959,493</u>	<u>\$ 1,841,959</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
Investment in Assets Acquired Prior to July 1, 1984 – Source Unidentified.....	\$ 834,106	\$ 833,523
Expenditures from:		
General Fund.....	124,304	114,370
Special Revenue Funds:		
Trunk Highway Fund.....	248,449	241,597
Highway User Tax Distribution Fund.....	623	622
Other Transportation Funds.....	9,006	6,294
Federal Fund.....	98,741	88,726
Environmental Fund.....	1,398	827
Natural Resources Funds.....	29,158	23,191
Special Compensation Fund.....	5,036	4,833
Health Care Access Fund.....	621	482
Iron Range Resources and Rehabilitation Fund.....	24,709	22,489
Miscellaneous Special Revenue Fund.....	46,685	38,651
Capital Projects Funds:		
General Project Fund.....	5,883	5,884
Building Fund.....	502,656	435,241
Donations.....	28,118	25,229
Total Investment in General Fixed Assets.....	<u>\$ 1,959,493</u>	<u>\$ 1,841,959</u>

STATE OF MINNESOTA

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITYJUNE 30, 1995
(IN THOUSANDS)

Function and Activity	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs.....	\$ 4,269	\$ 92,507	\$ 243	\$ 20,576	\$ 117,595
Public Safety.....	—	—	30,926	—	30,926
Others.....	—	—	743	—	743
Total Protection of Persons and Property.....	\$ 4,269	\$ 92,507	\$ 31,912	\$ 20,576	\$ 149,264
Transportation:					
Transportation.....	\$ 5,449	\$ 138,835	\$ 152,583	\$ 3,459	\$ 300,326
Total Transportation.....	\$ 5,449	\$ 138,835	\$ 152,583	\$ 3,459	\$ 300,326
Resource Management:					
Natural Resources.....	\$ 195,955	\$ 39,321	\$ 41,499	\$ 1,512	\$ 278,287
Pollution Control.....	—	—	3,849	—	3,849
Others.....	—	—	15	—	15
Total Resource Management.....	\$ 195,955	\$ 39,321	\$ 45,363	\$ 1,512	\$ 282,151
Economic and Manpower Development:					
Agriculture.....	\$ 245	\$ —	\$ 1,902	\$ —	\$ 2,147
Commerce.....	—	—	97	—	97
Economic Security.....	1,976	7,410	10,017	—	19,403
Trade and Economic Development.....	—	—	727	—	727
Labor and Industry.....	—	—	4,227	—	4,227
Iron Range Resources and Rehabilitation.....	1,045	28,128	2,400	3,009	34,582
Public Service.....	—	—	1,717	—	1,717
Amateur Sports Commission.....	1,261	14,294	22	—	15,577
Others.....	—	—	112	—	112
Total Economic and Manpower Development.....	\$ 4,527	\$ 49,832	\$ 21,221	\$ 3,009	\$ 78,589
Education:					
Center for Arts Education.....	\$ 1,955	\$ 2,955	\$ 106	\$ —	\$ 5,016
State University System.....	17,595	246,931	37,503	13,834	315,863
Community College System.....	10,591	161,921	7,488	34,023	214,023
Technical College System.....	319	—	1,780	—	2,099
Education (K-12).....	30	10,516	442	1,245	12,233
Higher Education Coordinating Board.....	—	—	—	—	—
Zoological Garden.....	1,175	39,264	1,434	2,229	44,102
Total Education.....	\$ 31,665	\$ 461,587	\$ 48,753	\$ 51,331	\$ 593,336
Health and Social Services:					
Health.....	\$ —	\$ —	\$ 4,455	\$ —	\$ 4,455
Human Services.....	585	143,645	11,475	24,653	180,358
Veterans Affairs.....	134	33,560	1,116	—	34,810
Corrections.....	108	122,948	5,640	33,362	162,058
Others.....	30	—	590	—	620
Total Health and Human Services.....	\$ 857	\$ 300,153	\$ 23,276	\$ 58,015	\$ 382,301
General Government:					
Administration (1).....	\$ 16,690	\$ 137,087	\$ 1,226	\$ —	\$ 155,003
Attorney General.....	—	—	842	—	842
Employee Relations.....	—	—	2,159	—	2,159
Office of Strategic and Long Range Planning.....	—	—	300	—	300
Governor.....	—	—	99	—	99
Legislature.....	—	—	47	—	47
Secretary of State.....	—	—	4,680	—	4,680
Supreme Court.....	—	—	4,719	—	4,719
Revenue.....	—	—	4,355	—	4,355
Others.....	—	—	1,322	—	1,322
Total General Government.....	\$ 16,690	\$ 137,087	\$ 19,749	\$ —	\$ 173,526
Total General Fixed Assets.....	\$ 259,412	\$ 1,219,322	\$ 342,857	\$ 137,902	\$ 1,959,493

(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, 1995 (IN THOUSANDS)

Function and Activity	GENERAL FIXED ASSETS JULY 1, 1994	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS JUNE 30, 1995
Protection of Persons and Property:					
Military Affairs.....	\$ 107,651	\$ 25,351	\$ 15,312	\$ (95)	\$ 117,595
Public Safety.....	25,973	4,550	1,618	2,021	30,926
Others.....	816	32	136	31	743
Total Protection of Persons and Property.....	\$ 134,440	\$ 29,933	\$ 17,066	\$ 1,957	\$ 149,264
Transportation:					
Transportation.....	\$ 288,512	\$ 38,192	\$ 28,677	\$ 2,299	\$ 300,326
Total Transportation.....	\$ 288,512	\$ 38,192	\$ 28,677	\$ 2,299	\$ 300,326
Resource Management:					
Natural Resources.....	\$ 261,409	\$ 19,532	\$ 3,585	\$ 931	\$ 278,287
Pollution Control.....	3,153	685	—	11	3,849
Others.....	106	15	106	—	15
Total Resource Management.....	\$ 264,668	\$ 20,232	\$ 3,691	\$ 942	\$ 282,151
Economic and Manpower Development:					
Agriculture.....	\$ 2,199	\$ 268	\$ 456	\$ 136	\$ 2,147
Commerce.....	97	—	—	—	97
Economic Security.....	18,394	756	215	468	19,403
Trade and Economic Development.....	747	—	20	—	727
Labor and Industry.....	3,743	119	30	395	4,227
Iron Range Resources and Rehabilitation.....	32,363	2,737	540	22	34,582
Public Service.....	1,654	63	—	—	1,717
Amateur Sports Commission.....	15,696	—	—	(119)	15,577
Others.....	146	24	58	—	112
Total Economic and Manpower Development.....	\$ 75,039	\$ 3,967	\$ 1,319	\$ 902	\$ 78,589
Education:					
Center for Arts Education.....	\$ 5,038	\$ —	\$ 22	\$ —	\$ 5,016
State University System.....	300,185	33,292	17,689	75	315,863
Community College System.....	210,900	10,021	7,148	250	214,023
Technical College System.....	2,130	—	31	—	2,099
Education (K-12).....	11,588	645	—	—	12,233
Higher Education Coordinating Board.....	460	—	460	—	—
Zoological Garden.....	42,417	2,261	576	—	44,102
Total Education.....	\$ 572,718	\$ 46,219	\$ 25,926	\$ 325	\$ 593,336
Health and Social Services:					
Health.....	\$ 4,207	\$ 254	\$ 190	\$ 184	\$ 4,455
Human Services.....	157,651	27,894	5,876	689	180,358
Veterans Affairs.....	34,547	7,291	7,103	75	34,810
Corrections.....	136,043	26,280	1,487	1,222	162,058
Others.....	2,004	14	1,391	(7)	620
Total Health and Human Services.....	\$ 334,452	\$ 61,733	\$ 16,047	\$ 2,163	\$ 382,301
General Government:					
Administration (1).....	\$ 155,178	\$ 40,691	\$ 40,903	\$ 37	\$ 155,003
Attorney General.....	842	—	—	—	842
Employee Relations.....	1,579	581	—	(1)	2,159
Office of Strategic and Long Range Planning.....	313	—	13	—	300
Governor.....	114	—	15	—	99
Legislature.....	21	26	—	—	47
Secretary of State.....	4,677	39	36	—	4,680
Supreme Court.....	4,760	353	394	—	4,719
Revenue.....	3,388	161	22	828	4,355
Others.....	1,258	11	10	63	1,322
Total General Government.....	\$ 172,130	\$ 41,862	\$ 41,393	\$ 927	\$ 173,526
Total General Fixed Assets.....	\$ 1,841,959	\$ 242,138	\$ 134,119	\$ 9,515	\$ 1,959,493

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, 1995
(IN THOUSANDS)

	BALANCE JULY 1, 1994	INCREASE	DECREASE	BALANCE JUNE 30, 1995
Amount Available and to be Provided for Payment of General Long-Term Obligations:				
Amount Available in Debt Service Fund.....	\$ 177,870	\$ 169,096	\$ 183,161	\$ 163,805
Amount to be Provided:				
General Fund.....	\$ 2,408,929	\$ 736,654	\$ 575,144	\$ 2,570,439
Trunk Highway Fund.....	139,549	15,267	13,701	141,115
Highway User Tax Distribution Fund.....	851	90	—	941
Landfill Cleanup Fund.....	—	462	—	462
Other Transportation Funds.....	388	49	—	437
Federal Fund.....	17,211	213	—	17,424
Environmental Fund.....	1,601	7	167	1,441
Petroleum Tank Cleanup Fund.....	117	46	—	163
Natural Resources Funds.....	7,480	529	32	7,977
Maximum Effort School Loan Fund.....	102,600	3,450	5,875	100,175
Special Compensation Fund.....	59,142	41	11,699	47,484
Health Care Access Fund.....	458	190	—	648
Iron Range Resources and Rehabilitation Fund.....	462	52	—	514
Miscellaneous Special Revenue Fund.....	50,623	5,927	9,305	47,245
Total Amount to be Provided.....	\$ 2,789,411	\$ 762,977	\$ 615,923	\$ 2,936,465
Total Amount Available and to be Provided.....	\$ 2,967,281	\$ 932,073	\$ 799,084	\$ 3,100,270
General Long-Term Obligations Payable:				
General Obligation Bonds Payable.....	\$ 1,769,435	\$ 279,960	\$ 157,226	\$ 1,892,169
Loans Payable.....	36,737	9,329	5,291	40,775
Revenue Bonds Payable.....	35,900	2,710	4,283	34,327
Grants Payable.....	424,874	417,578	424,874	417,578
Claims Payable.....	362,494	21,000	11,105	372,389
Compensated Absences Payable.....	191,184	14,192	—	205,376
Workers Compensation Liability.....	116,857	10,172	14,587	112,442
Capital Leases Payable.....	23,563	2,402	10,157	15,808
Pension Liabilities.....	3,297	5,405	—	8,702
Arbitrage Payable.....	2,940	—	2,236	704
Total General Long-Term Obligations Payable.....	\$ 2,967,281	\$ 762,748	\$ 629,759	\$ 3,100,270

COMPONENT UNIT FUNDS

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

GOVERNMENTAL FUND TYPE:

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

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

The *Higher Education Coordinating Board* administers the states student loan programs and engages in long-range planning for the needs of higher education.

PROPRIETARY FUND TYPE:

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

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

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

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

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

The Higher Education Coordinating Board makes and guarantees loans to qualified post secondary students.

COLLEGE AND UNIVERSITY TYPE:

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

STATE OF MINNESOTA

COMPONENT UNIT FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1994 and JUNE 30, 1995
 (IN THOUSANDS)

ASSETS	GOVERNMENTAL FUND TYPES		
	METROPOLITAN COUNCIL	MINNESOTA TECHNOLOGY	HIGHER EDUCATION COORDINATING BOARD
Cash and Cash Equivalents.....	\$ (12,393)	\$ 13,185	\$ 1,162
Investments.....	166,085	1,142	—
Accounts Receivable.....	3,637	182	754
Accrued Investment/Interest Income.....	1,085	—	—
Interfund Receivables.....	26,237	—	—
Due from Other Governmental Units.....	2,142	—	—
Due from Primary Government.....	—	—	8
Federal Aid Receivable.....	—	—	—
Loans and Notes Receivable.....	11,674	265	—
Inventories.....	—	—	—
Deferred Costs.....	—	24	—
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	—
Investments.....	—	—	—
Accrued Investment Income.....	—	—	—
Loans Receivable.....	—	—	—
Loans Receivable between Component Units.....	—	—	—
Other Restricted Assets.....	—	—	—
Fixed Assets (Net).....	3,822	993	439
Other Assets.....	777	—	—
Amount Available for Debt Service.....	36,175	—	—
Amount to be Provided for Debt Service.....	73,281	—	—
Total Assets and Other Debits.....	\$ 312,522	\$ 15,791	\$ 2,363
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable.....	\$ 7,111	\$ 47	\$ 213
Loans/Notes Payables.....	—	—	—
Interfund Payables.....	39,929	—	—
Payables to Other Governmental Units.....	303	—	—
Due to Primary Government.....	—	—	—
Loans Payables between Component Units.....	—	—	—
Deferred Revenue.....	8,714	86	—
Claims and Judgements.....	—	—	—
Grants Payable.....	—	—	—
Pension Liabilities.....	—	—	—
Funds Held in Trust.....	45,752	—	—
Payable from Restricted Assets:			
Accounts Payable.....	—	—	—
Revenue Bonds Payable.....	—	—	—
General Obligation Bonds Payable.....	—	—	—
Accrued Revenue and General Obligation Bonds Interest Payable.....	—	—	—
Interfund Payables.....	—	—	—
Revenue Bonds Payable.....	—	—	—
General Obligation Bonds Payable.....	108,630	—	—
Compensated Absences Payable.....	599	128	—
Total Liabilities.....	\$ 211,038	\$ 261	\$ 213
Fund Equity:			
Contributed Capital.....	\$ —	\$ —	\$ —
Investment in Fixed Assets.....	\$ 3,822	\$ —	\$ 439
Retained Earnings:			
Reserved for Debt Requirements.....	\$ —	\$ —	\$ —
Reserved per State Law.....	—	—	—
Reserved for Claims.....	—	—	—
Unreserved Retained Earnings.....	—	—	—
Total Retained Earnings.....	\$ —	\$ —	\$ —
Fund Balances:			
Reserved Fund Balances:			
Reserved for Encumbrances.....	\$ 126	\$ —	\$ 1,045
Reserved for Long-Term Receivables.....	12,257	—	455
Reserved for Long-Term Commitments.....	27,999	—	—
Reserved for Deferred Costs.....	—	24	—
Reserved for Other.....	—	—	—
Total Reserved Fund Balances.....	\$ 40,382	\$ 24	\$ 1,500
Unreserved Fund Balances:			
Designated for Fund Purposes.....	\$ 46,539	\$ 14,220	\$ —
Undesignated.....	10,741	1,286	211
Total Unreserved Fund Balances.....	\$ 57,280	\$ 15,506	\$ 211
Total Fund Balances.....	\$ 97,662	\$ 15,530	\$ 1,711
Total Fund Equity.....	\$ 101,484	\$ 15,530	\$ 2,150
Total Liabilities, Equity and Other Credits.....	\$ 312,522	\$ 15,791	\$ 2,363

PROPRIETARY FUND TYPES						UNIVERSITY FUND TYPE	
HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION COORDINATING BOARD	UNIVERSITY OF MINNESOTA	COMBINED TOTALS
\$ 416,740	\$ -	\$ 16,001	\$ 7,366	\$ 18	\$ 12,408	\$ 407,704	\$ 862,191
272,072	-	17,165	452,720	-	84,963	567,180	1,561,327
1,800	23	8,016	342,229	72	-	100,820	457,533
25,953	-	214	4,640	-	2,299	5,693	39,884
-	-	14,938	-	-	-	-	41,175
-	-	6,962	-	-	-	-	9,104
-	-	-	-	-	-	141,306	141,314
-	-	-	-	-	-	39,888	39,888
1,672,081	-	-	-	-	191,308	61,752	1,937,080
1,527	-	11,225	-	27	-	24,874	37,653
-	-	-	17,313	38	819	9,684	27,878
133,772	15,988	56,691	-	-	14,761	30,231	251,443
98,051	184,394	205,454	-	-	-	-	487,899
-	3,354	-	-	-	-	-	3,354
-	76,676	-	-	-	-	-	76,676
-	239,851	-	-	-	-	-	239,851
-	39,502	11,921	-	-	-	-	51,423
501	23	1,136,978	-	221	58	1,154,255	2,297,290
-	-	262	9,475	-	-	6,329	16,843
-	-	-	-	-	-	-	36,175
-	-	-	-	-	-	-	73,281
<u>\$ 2,622,497</u>	<u>\$ 559,811</u>	<u>\$ 1,485,827</u>	<u>\$ 833,743</u>	<u>\$ 376</u>	<u>\$ 306,616</u>	<u>\$ 2,549,716</u>	<u>\$ 8,689,262</u>
\$ 2,230	\$ 304	\$ 76,423	\$ 798,498	\$ 198	\$ 552	\$ 129,737	\$ 1,015,313
-	-	-	-	234	-	54,000	54,234
-	-	1,154	-	-	-	-	41,083
-	-	-	-	-	-	-	303
-	-	-	8,524	-	-	23,333	31,857
-	-	237,833	-	-	-	-	237,833
-	-	58,571	69,288	50	-	24,134	160,843
-	-	-	-	-	-	30,957	30,957
-	15,500	-	-	-	-	-	15,500
-	-	-	-	-	-	30,475	30,475
141,916	-	-	-	-	-	-	187,668
-	16	4,983	-	-	-	-	4,999
177,450	311,864	1,825	-	-	-	-	491,139
-	-	115,390	-	-	-	-	115,390
64,133	6,212	7,927	-	-	279	-	78,551
-	-	92	-	-	-	-	92
1,777,300	-	37,985	-	-	91,500	15,290	1,922,075
-	-	274,931	-	-	-	239,390	622,951
717	-	3,740	-	-	118	46,398	51,700
<u>\$ 2,163,746</u>	<u>\$ 333,896</u>	<u>\$ 820,854</u>	<u>\$ 876,310</u>	<u>\$ 482</u>	<u>\$ 92,449</u>	<u>\$ 593,714</u>	<u>\$ 5,092,963</u>
\$ -	\$ 213,258	\$ 479,289	\$ -	\$ -	\$ -	\$ -	\$ 692,547
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920,056	\$ 924,317
\$ 408,318	\$ -	\$ 108,356	\$ -	\$ -	\$ 14,482	\$ -	\$ 531,156
50,433	-	-	-	-	-	-	50,433
-	-	19,516	-	-	-	-	19,516
-	12,657	57,812	(42,567)	(106)	199,685	-	227,481
<u>\$ 458,751</u>	<u>\$ 12,657</u>	<u>\$ 185,684</u>	<u>\$ (42,567)</u>	<u>\$ (106)</u>	<u>\$ 214,167</u>	<u>\$ 920,056</u>	<u>\$ 828,586</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,867	\$ 12,038
-	-	-	-	-	-	-	12,712
-	-	-	-	-	-	-	27,999
-	-	-	-	-	-	-	24
-	-	-	-	-	-	681,251	681,251
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,118</u>	<u>\$ 734,024</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,955	\$ 246,714
-	-	-	-	-	-	157,873	170,111
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,828	\$ 416,825
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035,946	\$ 1,150,849
<u>\$ 458,751</u>	<u>\$ 225,915</u>	<u>\$ 664,973</u>	<u>\$ (42,567)</u>	<u>\$ (106)</u>	<u>\$ 214,167</u>	<u>\$ 1,956,002</u>	<u>\$ 3,596,299</u>
<u>\$ 2,622,497</u>	<u>\$ 559,811</u>	<u>\$ 1,485,827</u>	<u>\$ 833,743</u>	<u>\$ 376</u>	<u>\$ 306,616</u>	<u>\$ 2,549,716</u>	<u>\$ 8,689,262</u>

STATE OF MINNESOTA

COMPONENT UNIT FUNDS – GOVERNMENTAL FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEARS ENDED DECEMBER 31, 1994 AND JUNE 30, 1995 (IN THOUSANDS)

	METROPOLITAN COUNCIL	MINNESOTA TECHNOLOGY	HIGHER EDUCATION COORDINATING BOARD	COMBINED TOTALS
Net Revenues:				
Other Taxes.....	\$ 66,800	\$ —	\$ —	\$ 66,800
Federal Revenues.....	—	—	3,293	3,293
Other Intergovernmental Revenues.....	31,882	1,816	—	33,698
Departmental Services.....	—	—	2,609	2,609
Investment/Interest Income.....	3,145	840	9	3,994
Other Revenues.....	1,741	1,190	2,301	5,232
Net Revenues.....	\$ 103,568	\$ 3,846	\$ 8,212	\$ 115,626
Expenditures:				
Current:				
Transportation.....	\$ 40,197	\$ —	\$ —	\$ 40,197
Resource Management.....	12,012	—	—	12,012
Economic and Manpower Development.....	—	7,447	—	7,447
Education.....	—	—	8,857	8,857
Health and Social Services.....	28,446	—	—	28,446
General Government.....	8,373	—	—	8,373
Total Current Expenditures.....	\$ 89,028	\$ 7,447	\$ 8,857	\$ 105,332
Capital Outlay.....	802	—	—	802
Debt Service.....	35,533	—	—	35,533
Grants and Subsidies.....	—	2,930	111,590	114,520
Total Expenditures.....	\$ 125,363	\$ 10,377	\$ 120,447	\$ 256,187
Excess of Revenues Over (Under) Expenditures.....	\$ (21,795)	\$ (6,531)	\$ (112,235)	\$ (140,561)
Other Financing Sources (Uses):				
General Obligation Bonds.....	\$ 26,503	\$ —	\$ —	\$ 26,503
Operating Transfers—In.....	2,697	—	—	2,697
Other Operating Transfers—Out.....	(67,844)	—	—	(67,844)
Transfers—In from Primary Government.....	61,608	8,074	108,367	178,049
Net Other Financing Sources (Uses).....	\$ 22,964	\$ 8,074	\$ 108,367	\$ 139,405
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....	\$ 1,169	\$ 1,543	\$ (3,868)	\$ (1,156)
Fund Balances, Beginning as Reported.....	\$ 253,162	\$ 13,987	\$ —	\$ 267,149
Prior Period Adjustments.....	8,750	—	—	8,750
Change in Reporting Entity.....	(165,419)	—	5,579	(159,840)
Fund Balances, Beginning as Restated.....	\$ 96,493	\$ 13,987	\$ 5,579	\$ 116,059
Residual Equity Transfers—In.....	4,116	—	—	4,116
Residual Equity Transfers—Out.....	(4,116)	—	—	(4,116)
Fund Balances, Ending.....	\$ 97,662	\$ 15,530	\$ 1,711	\$ 114,903

STATE OF MINNESOTA

COMPONENT UNIT FUNDS – PROPRIETARY FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEARS ENDED DECEMBER 31, 1994 AND JUNE 30, 1995 (IN THOUSANDS)

	HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION COORDINATING BOARD	COMBINED TOTALS
Operating Revenues:							
Net Sales.....	\$ —	\$ —	\$ 11,743	\$ —	\$ 2,366	\$ —	\$ 14,109
Interest Income on Loans.....	120,925	14,348	—	—	—	12,175	147,448
Investment Income.....	44,659	10,865	—	—	—	—	55,524
Rental and Service Fees.....	4,028	—	193,811	—	75	—	197,914
Insurance Premiums.....	—	—	—	154,538	—	—	154,538
Other Income.....	—	—	4,284	—	—	—	4,284
Total Operating Revenues.....	\$ 169,612	\$ 25,213	\$ 209,838	\$ 154,538	\$ 2,441	\$ 12,175	\$ 573,817
Operating Expenses:							
Interest and Financing Costs.....	\$ 128,146	\$ 18,059	\$ —	\$ —	\$ —	\$ 3,323	\$ 149,528
Purchases Services.....	9,060	446	49,973	18,332	1,206	3,167	82,184
Salaries and Fringe Benefits.....	7,264	929	156,374	—	646	600	165,813
Claims.....	—	—	—	96,412	—	—	96,412
Depreciation.....	263	25	58,853	—	19	11	59,171
Amortization.....	—	—	—	—	—	501	501
Supplies and Materials.....	312	4	22,699	—	168	23	23,206
Indirect Costs.....	112	193	—	—	—	170	475
Other Administrative Expenses.....	—	—	—	—	241	—	241
Other Expenses.....	3,797	27	4,652	11,904	—	181	20,561
Total Operating Expenses.....	\$ 148,954	\$ 19,683	\$ 292,551	\$ 126,648	\$ 2,280	\$ 7,976	\$ 598,092
Operating Income (Loss).....	\$ 20,658	\$ 5,530	\$ (82,713)	\$ 27,890	\$ 161	\$ 4,199	\$ (24,275)
Nonoperating Revenues (Expenses):							
Investment Income.....	\$ —	\$ —	\$ 13,130	\$ 29,557	\$ 3	\$ 5,238	\$ 47,928
Interest and Financing Costs.....	—	—	(40,652)	—	(10)	—	(40,662)
Federal Grants and Subsidies.....	77,129	—	—	—	—	369	77,498
Other Nonoperating Revenues.....	—	—	23,889	6,823	—	3,696	34,408
Gains (Losses) on Sale of Fixed Assets.....	—	—	(3,256)	—	(5)	—	(3,261)
Grants, Aids and Subsidies.....	(92,342)	—	—	—	—	—	(92,342)
Other Nonoperating Expenses.....	—	—	(6,723)	(31,019)	—	—	(37,742)
Total Nonoperating Revenues (Expenses)...	\$ (15,213)	\$ —	\$ (13,612)	\$ 5,361	\$ (12)	\$ 9,303	\$ (14,173)
Income (Loss) Before Transfers.....	\$ 5,445	\$ 5,530	\$ (96,325)	\$ 33,251	\$ 149	\$ 13,502	\$ (38,448)
Transfers—In	—	—	66,230	—	—	—	66,230
Transfers—In from Primary Government.....	15,532	—	—	—	—	—	15,532
Transfers—Out	—	—	(1,083)	—	—	—	(1,083)
Net Income (Loss) before Extraordinary Item... Depreciation on Fixed Assets Acquired with Contributed Capital.....	\$ 20,977 — —	\$ 5,530 — —	\$ (31,178) 31,145	\$ 33,251 —	\$ 149 —	\$ 13,502 —	\$ 42,231 31,145
Increase (Decrease) in Retained Earnings.....	\$ 20,977	\$ 5,530	\$ (33)	\$ 33,251	\$ 149	\$ 13,502	\$ 73,376
Retained Earnings, as Reported	437,774	14,944	256,263	(95,931)	(255)	—	612,795
Prior Period Adjustments.....	—	(7,817)	(73,698)	20,113	—	—	(61,402)
Changes in Reporting Entity.....	—	—	3,152	—	—	200,665	203,817
Retained Earnings, As Restated.....	\$ 437,774	\$ 7,127	\$ 185,717	\$ (75,818)	\$ (255)	\$ 200,665	\$ 755,210
Retained Earnings, Ending.....	\$ 458,751	\$ 12,657	\$ 185,684	\$ (42,567)	\$ (106)	\$ 214,167	\$ 828,586

STATE OF MINNESOTA

COMPONENT UNIT FUNDS COMBINING STATEMENT OF CASH FLOWS YEARS ENDED DECEMBER 31, 1994 AND JUNE 30, 1995 (IN THOUSANDS)

	HOUSING FINANCE AGENCY	PUBLIC FACILITIES AUTHORITY	METROPOLITAN COUNCIL	WORKERS' COMPENSATION ASSIGNED RISK PLAN	NATIONAL SPORTS CENTER FOUNDATION	HIGHER EDUCATION COORDINATING BOARD	COMBINED TOTALS
Cash Flows from Operating Activities:							
Operating Income (Loss).....	\$ 20,658	\$ 5,530	\$ (82,713)	\$ 27,890	\$ 161	\$ 4,199	\$ (24,275)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:							
Depreciation.....	\$ 263	\$ 25	\$ 58,853	\$ -	\$ 19	\$ 11	\$ 59,171
Amortization.....	-	-	-	-	-	501	501
Investment Income.....	(44,659)	(10,865)	-	-	-	-	(55,524)
Interest and Financing Costs.....	128,146	18,059	-	-	-	3,323	149,528
Loan Principal Repayments.....	119,650	6,861	-	-	-	28,933	155,444
Loans Issued.....	(330,594)	(44,706)	-	-	-	(25,950)	(401,250)
Customer Deposits.....	47,827	-	-	-	-	-	47,827
Return of Customer Deposits.....	(46,874)	-	-	-	-	-	(46,874)
Provision for Loan Defaults.....	3,797	-	-	-	-	(871)	2,926
Net Nonoperating Revenues (Expenses).....	-	-	2,740	(2,872)	-	-	(132)
Change in Assets and Liabilities:							
Accounts Receivable.....	3,699	(23)	(46)	(15,626)	58	-	(11,938)
Inventories.....	2,149	-	(550)	-	(9)	-	1,590
Other Assets.....	(890)	(488)	(332)	996	12	(163)	(865)
Accounts Payable.....	(2,781)	92	1,417	50,254	(114)	176	49,044
Deferred Revenues.....	-	-	-	(18,117)	7	-	(18,110)
Claims and Judgements Payable.....	-	-	-	(12,237)	-	-	(12,237)
Other Liabilities.....	55	15,534	(1,967)	10,522	2	2	24,148
Net Reconciling Items to be Added (Deducted) from Operating Income.....	\$ (120,212)	\$ (15,511)	\$ 60,115	\$ 12,920	\$ (25)	\$ 5,962	\$ (56,751)
Net Cash Flows from Operating Activities.....	\$ (99,554)	\$ (9,981)	\$ (22,598)	\$ 40,810	\$ 136	\$ 10,161	\$ (81,026)
Cash Flows from Noncapital Financing Activities:							
Grant Receipts.....	\$ 77,129	\$ 14,689	\$ 12,226	\$ -	\$ -	\$ 369	\$ 104,413
Grant Disbursements.....	(92,342)	-	-	-	-	-	(92,342)
Other Non-Operating Expenses.....	-	27	(620)	-	-	-	(593)
Transfers-In.....	15,532	-	66,231	-	-	-	81,763
Capital Contributions.....	-	1,456	-	-	-	-	1,456
Proceeds from Bond Sales.....	457,325	88,816	-	-	-	41,500	587,641
Repayment of Bond Principal.....	(407,221)	(14,305)	-	-	-	(26,583)	(448,109)
Bond Issuance Costs.....	(3,113)	(483)	-	-	-	(455)	(4,051)
Interest Paid.....	(123,785)	(15,209)	-	-	-	(3,209)	(142,203)
Net Cash Flows from Noncapital Financing Activities.....	\$ (76,475)	\$ 74,991	\$ 77,837	\$ -	\$ -	\$ 11,622	\$ 87,975
Cash Flows from Capital and Related Financing Activities:							
Investment in Fixed Assets.....	\$ (173)	\$ (10)	\$ (73,978)	\$ -	\$ (157)	\$ (53)	\$ (74,371)
Proceeds from the Sale of Fixed Assets.....	-	-	4,548	-	-	-	4,548
Transfers-In from Primary Government.....	-	4,621	1,075	-	-	-	5,696
Capital Contributions.....	-	-	33,784	-	-	-	33,784
Proceeds from Loans.....	-	-	-	-	119	-	119
Repayment of Loans.....	-	-	-	-	(125)	-	(125)
Proceeds from Bond Sales.....	-	-	17,272	-	-	-	17,272
Repayment of Bond Principal.....	-	-	(29,139)	-	-	-	(29,139)
Interest Paid.....	-	-	(40,517)	-	(10)	-	(40,527)
Net Cash Flows from Capital and Related Financing Activities.....	\$ (173)	\$ 4,611	\$ (86,955)	\$ -	\$ (173)	\$ (53)	\$ (82,743)
Cash Flows from Investing Activities:							
Proceeds from Sales and Maturities of Investments.....	\$ 92,516	\$ 69,406	\$ 695,870	\$ 493,212	\$ 3	\$ 135,963	\$ 1,486,970
Purchase of Investments.....	(110,996)	(135,153)	(642,082)	(590,840)	-	(161,533)	(1,640,604)
Investment Earnings.....	47,939	8,947	15,359	29,649	-	4,900	106,794
Net Cash Flows from Investing Activities.....	\$ 29,459	\$ (56,800)	\$ 69,147	\$ (67,979)	\$ 3	\$ (20,670)	\$ (46,840)
Net Increase (Decrease) in Cash and Cash Equivalents.....	\$ (146,743)	\$ 12,821	\$ 37,431	\$ (27,169)	\$ (34)	\$ 1,060	\$ (122,634)
Cash and Cash Equivalents, as Reported.....	\$ 697,255	\$ 3,167	\$ 35,261	\$ 34,535	\$ 52	\$ -	\$ 770,270
Change in Reporting Entity.....	-	-	-	-	-	26,109	26,109
Cash and Cash Equivalents, as Restated.....	\$ 697,255	\$ 3,167	\$ 35,261	\$ 34,535	\$ 52	\$ 26,109	\$ 796,379
Cash and Cash Equivalents, Ending.....	\$ 550,512	\$ 15,988	\$ 72,692	\$ 7,366	\$ 18	\$ 27,169	\$ 673,745

**GENERAL OBLIGATION
DEBT SCHEDULES**

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/1995	1996	1997	1998	1999	2000	2001
GENERAL FUND								
STATE BUILDING CAPITAL IMPROVEMENT								
	'81.334	920	305	305	305	5	0	0
		90	49	30	10	0	0	0
	'84.597	7,480	5,410	945	1,125	0	0	0
		444	302	104	37	0	0	0
	X'85.015	25,760	10,800	7,025	6,805	935	195	0
		2,427	1,324	752	300	44	6	0
	X'87.003	90	20	20	25	25	0	0
		13	5	4	3	1	0	0
	'87.400	71,820	13,160	13,120	13,130	13,085	9,705	4,300
		14,575	4,238	3,373	2,506	1,639	890	436
	'88.718	1,880	295	300	300	310	310	310
		391	116	96	75	54	34	14
	'89.041	945	190	190	190	190	185	0
		155	56	44	31	18	6	0
	'89.290	3,240	535	540	540	550	550	250
		700	193	158	122	85	49	23
	'89.300	48,870	5,045	5,215	5,215	5,390	5,385	2,985
		17,485	2,634	2,349	2,031	1,708	1,380	1,133
	'90.365	604	95	100	100	100	104	105
		124	38	31	24	17	10	3
	'90.610	38,407	2,842	3,355	3,332	4,919	4,910	5,014
		13,329	2,129	1,980	1,766	1,509	1,213	916
	'91.354	3,325	175	175	175	175	175	175
		1,641	165	156	148	139	131	122
	'92.558	106,923	6,345	6,650	6,650	6,645	6,641	6,645
		50,140	5,383	5,103	4,761	4,418	4,076	3,735
	'93.373	23,315	945	1,220	1,225	1,220	1,220	1,220
		13,262	1,247	1,235	1,166	1,098	1,031	964
	'93.558	10,450	550	550	550	550	550	550
		5,157	518	491	464	437	410	383
	'94.643	81,328	2,035	2,190	2,185	4,175	4,170	4,165
		49,757	4,123	4,373	4,250	4,073	3,847	3,626
STATE BUILDING TAXABLE BONDS								
	'87.400	3,760	290	290	290	290	290	290
		2,339	346	318	291	263	236	208
STATE SCHOOL ENERGY BUILDING BONDS								
	'83.323	6,850	1,915	615	615	615	615	615
		1,429	336	251	218	184	151	118
REFUNDING BONDS								
	'85.16A.66	65,155	41,615	23,540	0	0	0	0
		3,877	3,076	800	0	0	0	0
ARBITRAGE REFUNDING BONDS								
	'85.16A.66	760,980	28,854	31,764	54,317	65,036	64,933	59,448
		303,513	39,402	38,157	36,089	33,002	29,553	26,174
REINVESTMENT IN MINNESOTA (RIM)								
	'86.383	4,800	1,600	1,600	1,600	0	0	0
		467	258	157	53	0	0	0
	'87.400	740	35	40	40	60	60	60
		333	38	38	36	33	29	26
	'89.300	1,860	260	265	270	275	270	245
		473	110	93	75	57	40	23

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015
PRINCIPAL PAYMENTS - BOLD FACE **INTEREST PAYMENTS - MEDIUM FACE**
(\$ in Thousands)

<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>	<u>2013</u>	<u>2014</u>	<u>2015</u>
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,455	515	305	305	305	305	305	305	305	305	305	305	225	75
254	198	176	160	144	128	112	95	79	62	45	28	11	2
45	10	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
65	60	15	15	15	15	15	15	15	15	15	15	0	0
13	11	8	7	6	6	5	4	3	2	2	1	0	0
2,960	1,775	1,355	1,355	1,355	1,355	1,355	1,355	1,360	1,360	1,360	1,360	1,165	165
965	838	758	689	619	549	479	408	335	262	189	115	40	4
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,157	2,390	745	745	745	745	745	745	745	745	745	745	747	290
676	521	436	396	356	317	278	239	199	159	118	77	36	8
175	175	175	175	175	175	175	175	175	175	175	175	175	0
113	105	96	88	79	70	61	52	42	33	24	14	5	0
6,642	6,710	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,385	660
3,393	3,051	2,753	2,505	2,254	2,000	1,745	1,486	1,224	959	693	425	157	19
1,225	1,220	1,225	1,225	1,130	1,130	1,135	1,135	1,140	1,140	1,140	1,140	1,140	1,140
897	831	762	693	627	564	501	436	370	303	235	168	100	33
550	550	550	550	550	550	550	550	550	550	550	550	550	0
356	329	302	275	247	219	191	162	133	104	74	45	15	0
4,165	4,175	4,175	4,175	4,175	4,615	4,615	4,620	4,615	4,615	4,610	4,610	4,615	4,628
3,406	3,184	2,954	2,716	2,478	2,235	1,983	1,727	1,465	1,200	932	663	394	129
290	290	290	290	290	285	285	0	0	0	0	0	0	0
180	152	125	97	69	41	14	0	0	0	0	0	0	0
610	550	450	250	0	0	0	0	0	0	0	0	0	0
85	54	26	7	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
61,408	68,001	60,938	52,541	43,339	42,824	37,924	32,708	32,188	12,515	12,245	0	0	0
22,845	19,258	15,704	12,635	10,089	7,814	5,659	3,792	2,095	935	310	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
60	110	20	25	25	25	25	25	25	25	25	25	15	15
23	20	15	14	12	11	10	8	7	6	4	3	1	0
75	30	15	15	15	15	15	15	15	15	15	15	15	5
13	10	9	8	7	6	6	5	4	3	2	2	1	0

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/1995	1996	1997	1998	1999	2000	2001
GENERAL FUND (CONT)								
RETINVESTMENT IN MINNESOTA (RIM) (CONT)								
	'90.610	1,525 751	85 79	85 75	85 70	90 66	80 62	80 58
	'91.354	10,245 4,247	690 532	795 508	795 462	895 414	895 363	895 312
RURAL FINANCE AUTHORITY (RFA)								
	'86.398.A	25,885 9,410	0 1,474	2,815 1,427	3,750 1,216	2,980 995	1,440 847	400 789
Landfill								
	'94.639	2,000 1,151	25 96	100 106	100 101	100 95	100 90	105 85
POLLUTION CONTROL								
	'84.597	2,045 112	1,550 80	260 24	235 8	0 0	0 0	0 0
	'87.400	17,190 3,969	2,610 1,026	2,775 848	2,780 664	2,830 479	2,830 295	1,510 155
	'89.300	7,520 1,840	1,040 452	1,165 378	1,160 300	1,180 222	1,170 145	915 78
	'90.610	3,510 1,762	195 182	195 172	195 162	195 153	195 143	195 133
	'92.558	18,670 10,034	845 965	970 940	970 889	975 839	965 788	965 738
	'93.558	7,600 3,750	400 377	400 357	400 338	400 318	400 298	400 279
	'94.643	3,300 1,883	50 160	170 175	170 166	170 156	175 147	175 138
STATE TRANSPORTATION								
	'79.280	260 15	195 10	25 3	40 1	0 0	0 0	0 0
	X'85.015	380 50	95 22	95 16	95 10	95 3	0 0	0 0
	'87.400	1,980 966	115 107	120 101	120 94	145 87	145 79	145 71
	'89.300	2,615 754	355 154	360 130	360 106	370 82	370 58	270 38
	'90.610	4,555 2,052	320 249	335 231	335 212	375 191	375 169	375 147
	'92.558	8,870 4,244	530 462	605 444	605 411	605 378	605 345	605 312
	'93.373	1,185 676	50 64	60 62	60 59	60 56	60 52	60 49
	'94.643	1,500 872	25 73	75 80	75 76	75 71	75 67	75 63
WASTE MANAGMENT								
	'80.564	645 36	485 25	80 8	80 3	0 0	0 0	0 0
	X'85.015	1,650 199	555 90	370 60	370 36	345 12	5 0	5 0
	'87.400	1,495 423	185 86	185 74	190 62	190 50	190 38	185 27
	'90.610	1,605 378	195 93	195 81	195 68	235 55	235 41	235 26

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015
PRINCIPAL PAYMENTS - BOLD FACE **INTEREST PAYMENTS - MEDIUM FACE**
(\$ in Thousands)

<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>	<u>2013</u>	<u>2014</u>	<u>2015</u>
80 54	140 50	80 43	80 39	80 35	80 30	80 26	80 22	80 18	80 13	80 9	80 4	0 0	0 0
895 261	545 221	350 198	345 180	345 162	345 144	345 126	345 107	345 89	345 70	345 51	345 32	280 13	105 3
0 778	1,000 778	5,000 605	4,000 371	4,500 129	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
105 79	105 74	105 68	105 62	105 56	105 50	105 44	105 39	105 33	105 27	105 21	105 15	105 9	105 3
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
550 90	205 68	105 59	105 54	105 49	105 43	105 37	105 32	105 26	105 20	105 14	105 8	25 2	25 1
120 46	170 39	60 32	60 29	60 26	60 23	60 20	60 16	60 13	60 10	60 7	60 3	0 0	0 0
195 123	195 114	195 104	195 94	195 84	195 74	195 64	195 53	195 43	195 32	195 21	195 11	0 0	0 0
965 688	1,010 638	970 585	970 533	970 481	970 429	970 377	970 324	970 270	965 216	965 161	970 107	840 52	475 14
400 259	400 240	400 220	400 200	400 180	400 159	400 139	400 118	400 97	400 75	400 54	400 32	400 11	0 0
175 129	175 120	170 110	170 101	170 91	170 81	170 72	170 63	170 53	170 44	170 34	170 24	170 14	170 5
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
130 63	130 56	80 50	80 46	80 42	80 37	80 33	80 28	80 24	80 19	80 15	80 10	80 5	50 2
60 28	60 24	40 22	35 20	35 18	35 16	35 14	35 12	35 10	35 8	35 6	35 4	35 2	20 1
335 127	235 111	160 100	165 92	165 83	165 74	160 65	160 56	160 47	160 38	160 29	160 19	160 10	95 3
605 280	605 247	355 221	355 201	350 182	350 163	350 144	350 124	350 105	350 85	350 65	350 44	350 24	245 7
60 46	60 43	60 39	60 36	60 33	65 29	65 26	60 22	60 19	60 15	60 12	55 8	55 5	55 2
75 60	75 56	75 52	75 47	80 43	80 38	80 34	80 30	80 25	80 21	80 16	80 11	80 7	80 2
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
150 16	35 11	15 9	15 9	15 8	15 7	15 6	15 5	15 5	20 4	20 3	20 2	20 1	0 0
235 12	80 2	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/1995	1996	1997	1998	1999	2000	2001
GENERAL FUND (CONT)								
WASTE MANAGMENT (CONT)	'92.558	200 45	25 11	25 9	25 8	25 6	25 5	25 4
EXCHANGE BONDS	'85.16A.66	6,289 19	0 3	0 3	0 3	0 3	0 3	3,145 2
Infrastructure Development								
STATE BUILDING CAPITAL IMPROVEMENT	'90.610	90,564 36,117	7,983 4,929	8,180 4,472	8,193 3,977	8,206 3,483	8,216 2,992	8,231 2,504
	'92.558	30,307 16,678	630 1,472	1,710 1,594	1,710 1,499	1,710 1,404	1,714 1,312	1,710 1,223
	'94.643	22,497 12,907	495 1,125	1,160 1,194	1,160 1,130	1,160 1,065	1,160 1,003	1,160 942
ARBITRAGE REFUNDING BONDS	'85.16A.66	60,040 34,163	555 3,032	120 3,016	120 3,010	580 2,993	650 2,964	1,420 2,914
RETINVESTMENT IN MINNESOTA (RIM)	'90.610	1,490 458	170 84	170 73	170 63	180 52	180 41	180 29
POLLUTION CONTROL	'90.610	13,710 3,702	1,730 792	1,730 682	1,730 572	1,795 461	1,795 348	1,795 235
SPECIAL STATE BUILDING	'90.610	1,110 224	185 69	185 56	185 43	185 31	185 18	185 6
CIGARETTE TAX								
STATE BUILDING CAPITAL IMPROVEMENT	'87.400	31,640 3,964	8,440 1,798	8,445 1,254	8,445 701	6,310 211	0 0	0 0
ARBITRAGE REFUNDING BONDS	'85.16A.66	9,340 2,943	0 488	0 488	0 488	0 488	2,335 430	2,335 311
RETINVESTMENT IN MINNESOTA (RIM)	'87.400	5,880 673	1,720 327	1,720 217	1,720 105	720 24	0 0	0 0
POLLUTION CONTROL	'87.400	3,880 514	970 224	970 161	970 97	970 32	0 0	0 0
STATE TRANSPORTATION	'87.400	1,480 175	420 83	420 56	420 29	220 7	0 0	0 0
SPORTS & HEALTH TAX								
STATE BUILDING CAPITAL IMPROVEMENT	'87.400	6,285 823	1,615 360	1,615 255	1,615 149	1,280 53	160 5	0 0
ARBITRAGE REFUNDING BONDS	'85.16A.66	10,300 4,917	0 565	0 565	0 565	0 565	335 557	1,455 510
GROUP TOTAL GENERAL FUND		1,690,745 650,022	158,849 88,309	138,699 80,487	138,612 72,407	140,201 64,385	127,333 56,799	115,613 50,082
SPECIAL REVENUE	'85.16A.66	5,750 1,475	45 276	335 267	5 259	2,710 195	1,205 103	110 72
GROUP TOTAL SPECIAL REVENUE		5,750 1,475	45 276	335 267	5 259	2,710 195	1,205 103	110 72

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015
PRINCIPAL PAYMENTS - BOLD FACE **INTEREST PAYMENTS - MEDIUM FACE**
(\$ in Thousands)

<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>	<u>2013</u>	<u>2014</u>	<u>2015</u>
25 2	25 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
3,145 1	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
6,248 2,080	3,245 1,819	2,895 1,661	2,895 1,513	2,895 1,362	2,895 1,211	2,895 1,058	2,895 903	2,895 746	2,895 587	2,895 427	2,895 267	2,433 107	680 20
1,708 1,133	1,705 1,044	1,475 956	1,475 871	1,475 787	1,475 705	1,480 626	1,480 545	1,475 462	1,475 379	1,475 294	1,475 209	1,475 123	1,475 40
1,160 881	1,160 819	1,160 755	1,160 689	1,160 623	1,160 559	1,155 496	1,155 432	1,155 366	1,155 300	1,155 233	1,155 166	1,155 98	1,157 32
2,170 2,827	5,580 2,638	5,915 2,357	5,955 2,065	5,770 1,774	5,760 1,481	5,760 1,184	5,685 885	5,690 586	4,135 328	4,175 110	0 0	0 0	0 0
120 20	45 16	25 14	25 13	25 11	25 10	25 9	25 7	25 6	25 5	25 3	25 2	25 1	0 0
1,505 132	255 79	125 69	125 63	125 56	125 50	125 43	125 37	125 30	125 24	125 17	125 10	125 3	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
2,335 188	2,335 63	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
1,455 434	1,455 356	1,120 286	1,120 224	1,120 161	1,120 97	1,120 32	0 0	0 0	0 0	0 0	0 0	0 0	0 0
107,888 44,058	107,591 38,285	96,088 32,737	86,531 27,840	77,299 23,462	72,714 19,472	67,814 15,717	61,118 12,274	60,603 9,029	39,375 6,347	39,140 4,228	22,720 2,529	20,845 1,247	11,715 328
170 65	175 57	155 49	160 41	140 33	140 25	140 18	130 11	130 4	0 0	0 0	0 0	0 0	0 0
170 65	175 57	155 49	160 41	140 33	140 25	140 18	130 11	130 4	0 0	0 0	0 0	0 0	0 0

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6/30/1995	1996	1997	1998	1999	2000	2001
GAME & FISH								
REFUNDING BONDS	'85.16A.66	80 5	55 4	25 1	0 0	0 0	0 0	0 0
ARBITRAGE REFUNDING BONDS	'85.16A.66	335 124	1 20	1 20	43 18	49 16	47 13	37 11
EXCHANGE BONDS	'85.16A.66	11 0	0 0	0 0	0 0	0 0	0 0	5 0
GROUP TOTAL GAME & FISH		425 129	56 23	26 20	43 18	49 16	47 13	42 11
TRUNK HIGHWAY								
REFUNDING BONDS	'85.16A.66	6,450 434	3,245 325	3,205 109	0 0	0 0	0 0	0 0
ARBITRAGE REFUNDING BONDS	'85.16A.66	37,490 8,445	1,645 1,924	6,945 1,689	6,315 1,326	4,910 1,040	4,605 797	3,350 599
GROUP TOTAL TRUNK HIGHWAY		43,940 8,879	4,890 2,249	10,150 1,798	6,315 1,326	4,910 1,040	4,605 797	3,350 599
MAX EFFORT SCHOOL LOAN								
REFUNDING BONDS	'85.16A.66	715 48	360 36	355 12	0 0	0 0	0 0	0 0
ARBITRAGE REFUNDING BONDS	'85.16A.66	50,040 25,097	510 2,670	725 2,643	1,780 2,577	2,235 2,463	2,540 2,324	2,795 2,167
SCHOOL LOANS								
	'80.545	1,145 172	255 67	255 50	255 34	255 17	125 4	0 0
	'88.718	6,770 1,354	1,135 419	1,140 340	1,140 262	1,140 184	1,140 108	985 38
	'90.610	8,420 1,889	1,165 486	1,165 414	1,165 341	1,165 269	1,165 196	1,165 124
	'91.265	27,315 12,334	1,780 1,390	1,830 1,306	1,830 1,211	1,830 1,116	1,825 1,021	1,825 926
	'92.558	8,070 3,368	595 408	595 377	595 346	595 315	595 284	595 252
	'93.373	3,875 2,024	140 189	205 191	205 181	205 170	205 160	205 149
GROUP TOTAL MAX EFFORT SCHOOL LOAN		106,350 46,287	5,940 5,665	6,270 5,334	6,970 4,952	7,425 4,534	7,595 4,097	7,570 3,657
State University Systems								
STATE UNIVERSITIES	'73.759	2,415 201	805 111	805 67	805 23	0 0	0 0	0 0
GROUP TOTAL State University Systems		2,415 201	805 111	805 67	805 23	0 0	0 0	0 0
STATE GUARANTEED BONDS								
GUARANTEED BOND CLASS	'91.350	44,960 46,824	0 2,112	25 2,816	345 2,805	465 2,782	525 2,753	610 2,719
GROUP TOTAL STATE GUARANTEED BONDS		44,960 46,824	0 2,112	25 2,816	345 2,805	465 2,782	525 2,753	610 2,719

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015
PRINCIPAL PAYMENTS - BOLD FACE **INTEREST PAYMENTS - MEDIUM FACE**
(\$ in Thousands)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	34	27	24	16	11	6	3	3	0	0	0	0	0
9	7	5	3	2	1	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	34	27	24	16	11	6	3	3	0	0	0	0	0
9	7	5	3	2	1	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
2,730	2,655	2,560	600	600	575	0	0	0	0	0	0	0	0
444	306	169	84	50	17	0	0	0	0	0	0	0	0
2,730	2,655	2,560	600	600	575	0	0	0	0	0	0	0	0
444	306	169	84	50	17	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
3,090	4,330	4,900	4,515	3,790	3,770	3,670	3,325	3,305	2,385	2,375	0	0	0
1,994	1,780	1,526	1,276	1,062	870	678	497	327	182	61	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
90	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0
1,165	265	0	0	0	0	0	0	0	0	0	0	0	0
51	8	0	0	0	0	0	0	0	0	0	0	0	0
1,825	1,840	1,195	1,200	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	690	85
831	736	658	597	536	474	411	348	284	220	154	89	24	2
595	595	300	300	300	300	300	300	300	300	300	300	300	10
221	189	166	151	136	121	105	89	73	57	41	25	9	0
205	205	205	200	200	200	200	200	200	200	205	205	205	80
139	129	118	108	97	87	76	66	55	44	33	21	10	2
6,970	7,235	6,600	6,215	5,485	5,465	5,365	5,020	5,000	4,080	4,075	1,700	1,195	175
3,239	2,841	2,468	2,133	1,831	1,551	1,270	1,000	740	503	289	135	42	5
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
715	750	805	855	975	1,035	1,105	1,180	1,260	1,350	1,430	1,515	1,605	28,410
2,680	2,635	2,587	2,535	2,475	2,409	2,338	2,261	2,177	2,094	2,010	1,922	1,826	888
715	750	805	855	975	1,035	1,105	1,180	1,260	1,350	1,430	1,515	1,605	28,410
2,680	2,635	2,587	2,535	2,475	2,409	2,338	2,261	2,177	2,094	2,010	1,922	1,826	888

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

GROUP & FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING						
		6/30/1995	1996	1997	1998	1999	2000	2001
TOTAL PRINCIPAL - ALL FUNDS		1,894,585	170,585	156,310	153,095	155,760	141,310	127,295
TOTAL INTEREST - ALL FUNDS		753,817	98,746	90,790	81,790	72,952	64,562	57,140
TOTAL DEBT SERVICE - ALL FUNDS (1)		2,648,402	269,331	247,100	234,885	228,712	205,872	184,435

(1) The Total Debt Service - All Funds does not include:

\$116,500,000 of bonds dated June 1, 1985; \$22,550,000 of the bonds dated July 1, 1985; \$116,750,000 of the bonds dated August 1, 1986; \$32,400,000 of the bonds dated July 1, 1987; \$38,690,000 of the bonds dated April 1, 1988; \$20,280,000 of the bonds dated July 1, 1988; \$110,050,000 of bonds dated August 1, 1989; \$97,900,000 of the bonds dated July 1, 1990; \$95,900,000 of the bonds dated August 1991; and \$81,650,000 of the bonds dated July 1, 1992 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 1996-2015

PRINCIPAL PAYMENTS - BOLD FACE

INTEREST PAYMENTS - MEDIUM FACE

(\$ in Thousands)

<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>	<u>2013</u>	<u>2014</u>	<u>2015</u>
118,510	118,440	106,235	94,385	84,515	79,940	74,430	67,450	66,995	44,805	44,645	25,935	23,645	40,300
50,496	44,131	38,014	32,635	27,854	23,475	19,343	15,546	11,949	8,943	6,527	4,586	3,115	1,221
169,006	162,571	144,249	127,020	112,369	103,415	93,773	82,996	78,944	53,748	51,172	30,521	26,760	41,521

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1995
(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
1983- 323	Building	30,000	Municipal Energy	30,000	29,045	955
1984- 597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	9,000	7,000
1986- 398	Rural Finance Authority	50,000	Farm Loan Restructuring	50,000	26,875	23,125
1987- 400 (2)(3)(4)	Building	369,982	Supreme Court	32,500		
			Administration	19,564		
			Capital Area Architectual Planning Board	300		
			Natural Resources	16,745		
			Energy & Economic Development	46,250		
			Iron Range Resources and Rehabilitation Board	2,200		
			Military Affairs	2,500		
			Veterans Affairs	2,500		
			Historical Society	54,284		
			Education	10,981		
			Vocational Technical Education	33,198		
			Community College	34,960		
			State Universities	52,486		
			University of Minnesota	47,773		
			Corrections	2,274		
			Human Services	7,175		
			Minnesota Center for the Arts	4,000		
			Other	292	369,766	217
1987- 400 (4)	Transportation	8,790	County Municipal Township Bridges	8,790	8,330	460
1987- 400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	64,070	2,677
1987- 400	Reinvest in Minnesota	19,000	Agriculture	9,000		
			Natural Resources	10,000	18,820	180
1989- 290	Building	10,755	Administration	10,755	10,720	35
1989- 300 (2)(3)(4)	Building	139,075	Vocational Technical Education	5,471		
			Community Colleges	5,805		
			State Universities	27,680		
			University of Minnesota	14,194		
			Education	2,703		
			Human Services	11,751		
			Corrections	2,600		
			Health	390		
			Veterans Home Board	165		
			Economic Security	1,000		
			Historical Society	301		
			Administration	35,874		
			Capital Area Architectural and Planning Board	450		
			Natural Resources	3,348		
			Pollution Control Agency	10,125		
			Public Facilities Authority	12,700		
			Trade and Economic Development	4,021		
			Military Affairs	400		
			Other	97	117,155	21,920
1989- 300	Transportation	8,000	County Municipal Township Bridges	8,000	7,550	450
1989- 300	Reinvest in		Board of Water and Soil Resources	1,500		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1995
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
	Minnesota	5,000	Natural Resources	3,500	4,915	85
1990- 610 (2)(3)(4)	Building	337,600	Technical Colleges	25,362		
			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		
			Economic Security	750		
			Historical Society	3,175		
			Administration	13,670		
			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	5,000		
			Military Affairs	200		
			Public Safety	545		
			Indian Affairs Council	50		
			Amateur Sports Commission	5,000		
			Housing Finance Agency	1,500		
			Other	279	321,281	16,319
1990- 610	Transportation	11,200	County Municipal Township Bridges	11,200	8,280	2,920
1990- 610	Reinvest in Minnesota	5,395	Board of Water and Soil Resources	2,395		
			Natural Resources	3,000	5,195	200
1990- 610	Waste Management	7,000	Waste Processing Facility Assistance	7,000	4,750	2,250
1991- 350	Airport Facilities	175,000	Airport Facilities	175,000	44,960	130,040
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	22,300	5,700
1992- 558 (3)(4)	Building	229,625	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		
			Economic Security	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	1,815		
			Historical Society	2,375		
			Other	195	170,860	58,765
1992- 558	Transportation	17,500	County Municipal Township Bridges	17,500	11,165	6,335
1992- 558	Waste Management	2,000	Waste Processing Facility Assistance	2,000		2,000

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1995
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1993- 373 (3)	Building	54,625	Technical Colleges	667		
			Community Colleges	1,367		
			State Universities	1,161		
			University of Minnesota	2,000		
			Education	7,000		
			Human Services	8,765		
			Corrections	9,812		
			Administration	8,255		
			Historical Society	150		
			Public Facilities Authority	4,000		
			Pollution Control Agency	11,000		
			Veterans Home Board	400		
			Other	48	45,630	8,995
1993- 373	Transportation	9,900	County Municipal			
			Township Bridges	9,900	3,690	6,210
1994- 639	Landfill	90,000	Environmental Response Actions at Municipal Solid Waste Disposal facilities	90,000	2,000	88,000
1994- 643 (4)	Building	568,140	Technical Colleges	45,505		
			Community Colleges	36,945		
			State Universities	57,250		
			University of Minnesota	68,700		
			Education	36,967		
			Human Services	47,550		
			Corrections	72,953		
			Administration	32,275		
			Capital Area Architectural and Planning Board	5,098		
			Finance	5,400		
			Veterans Homes Board	10,630		
			Amateur Sports Commission	3,119		
			Military Affairs	366		
			Housing Finance Agency	2,500		
			Economic Security	2,500		
			Labor Interpretive Center	750		
			Historical Society	6,960		
			Trade and Economic Development	4,900		
			MN Technologies, Inc.	400		
			Natural Resources	58,641		
			Public Facilities Authority	13,400		
			Pollution Control Agency	23,401		
			Board of Water and Soil Resources	9,800		
			Zoological Garden	21,500		
			Other	630	107,125	461,015
1994- 643	School Loan	2,970	Acquisition and Betterment of Public School Land and Buildings	2,970	-	2,970
1994- 643	Building	4,000	Municipal Energy	4,000	-	4,000
1994- 643	Transportation	45,000	County Municipal			
			Township Bridges	21,076		
			Federal Aid Demonstration Projects	3,924		
			Light Rail Transit	10,000		
			Transit Capital Improvements	10,000	1,500	43,500
X1995- 2	Building	5,630	MN State Colleges and Universities	750		
			Administration	1,881		
			Agriculture	103		
			Natural Resources	1,700		
			Pollution Control Agency	750		
			Public Safety	410		
			Other	36	-	5,630

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1995
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
X1995- 2	School Loan	23,670	Acquisition and Betterment of Public School Land and Buildings	23,670	-	23,670
X1995- 2	Transportation	4,500	County Municipal Township Bridges	4,500	-	4,500
Total Authorized, Unissued						\$ 934,453

- (1) Laws 1984, Chapter 597 reduced the Municipal Aid Bonds authorization in Laws 1971, Chapter 856 by \$15,670,000.
- (2) Laws 1993, Chapter 373 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$700,000; Laws 1989, Chapter 300 by \$2,550,000; and Laws 1990, Chapter 610 by \$2,500,000. Laws 1993, Chapter 373 also reduced the School Loan Bond authorization in Laws 1992, Chapter 558 by \$2,130,000.
- (3) Laws 1994, Chapter 643 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$240,000; Laws 1989, Chapter 300 by \$895,000; Laws 1990, Chapter 610 by \$115,000; Laws 1992, Chapter 558 by \$65,000; and Laws 1993, Chapter 373 by \$15,000. Laws 1994, Chapter 643 also reduced the Waste Management Bond authorization in Laws 1980, Chapter 564 by \$2,500,000.
- (4) Special Session Laws, Chapter 2 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by \$50,000; Laws 1989, Chapter 41 by \$54,000; Laws 1989, Chapter 300 by \$65,000; Laws 1990, Chapter 610 by \$580,000; Laws 1992, Chapter 558 by \$5,000; and Laws 1994, Chapter 643 by \$1,245,000. Special Session Laws 1995, Chapter 2 also reduced the Transportation Bonds authorization in Laws 1987, Chapter 400 by \$10,000 and the School Loan Bond authorization in Laws 1991, Chapter 265 by \$6,610,000.

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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 1986-1995
(In Thousands)

	1986	1987	1988	1989
Individual Income Taxes.....	\$ 2,488,268	\$ 2,757,164	\$ 2,626,343	\$ 2,491,602
Corporate Income Taxes.....	403,121	501,091	416,646	500,177
Sales Taxes.....	1,374,652	1,478,303	1,681,263	1,779,569
Gross Earnings Taxes.....	160,611	223,995	224,490	220,007
Motor Vehicle Excise Tax.....	207,774	225,617	235,907	249,507
Motor Vehicle Licenses.....	239,409	259,112	254,061	272,476
Gasoline and Special Fuel Taxes.....	342,349	361,386	386,971	449,621
Other Taxes.....	353,868	336,660	382,140	427,094
Federal Revenues.....	1,724,286	1,765,052	1,821,810	1,959,518
Other Revenues.....	537,426	522,133	601,652	679,575
Gross Revenues.....	\$ 7,831,764	\$ 8,430,513	\$ 8,631,283	\$ 9,029,146
Less Revenue Refunds (2).....	683,744	574,815	-	-
Net Revenues.....	<u>\$ 7,148,020</u>	<u>\$ 7,855,698</u>	<u>\$ 8,631,283</u>	<u>\$ 9,029,146</u>

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1986-1995
(In Thousands)

	1986	1987	1988	1989
Current Expenditures:				
Protection of Persons/Property.....	\$ 103,018	\$ 105,574	\$ 118,376	\$ 129,357
Transportation.....	223,550	241,552	253,540	263,339
Resource Management.....	115,351	123,411	145,498	158,710
Economic/Manpower Development.....	150,968	159,967	157,734	176,742
Education.....	305,576	324,758	365,818	408,984
Health and Social Services.....	348,992	367,186	399,713	417,716
General Government.....	142,766	146,419	166,060	178,581
Capital Outlay.....	384,850	408,734	446,849	443,365
Debt Service.....	165,934	181,697	175,702	181,330
Grants and Subsidies.....	5,138,516	5,480,781	5,812,261	6,136,187
Total Expenditures.....	\$ 7,079,521	\$ 7,540,079	\$ 8,041,551	\$ 8,494,311
Net Operating Transfers-Out (3).....	207,311	238,639	245,917	301,420
Total Expenditures and Net Transfers-Out.....	<u>\$ 7,286,832</u>	<u>\$ 7,778,718</u>	<u>\$ 8,287,468</u>	<u>\$ 8,795,731</u>

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

(2) Revenue for fiscal years 1986-1987 is shown at gross with revenue refunds shown separately. Fiscal years 1988 through 1995 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:

1985	\$35,000,000	1988	\$ 10,500,000	1991	\$32,904,000	1994	\$25,300,000
1986	1,250,000	1989	7,750,000	1992	22,460,000	1995	14,025,000
1987	8,000,000	1990	20,370,000	1993	34,945,000		

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1986-1995
(In Thousands)

1990	1991	1992	1993	1994	1995
\$2,881,050	\$2,969,239	\$3,148,740	\$3,470,244	\$3,607,122	\$3,774,855
481,311	462,943	428,412	507,703	546,558	667,542
1,869,592	1,961,716	2,192,547	2,375,793	2,674,160	2,728,525
164,139	159,745	146,487	145,248	136,768	146,646
256,589	236,236	270,151	295,755	332,491	346,673
297,351	331,783	349,549	384,209	420,471	416,793
456,723	451,995	457,826	462,136	482,453	484,573
441,290	516,981	623,714	712,043	827,520	908,515
2,151,582	2,213,281	2,508,640	2,777,061	2,986,532	3,157,038
751,114	756,795	781,761	789,002	906,186	964,623
<u>\$9,750,741</u>	<u>\$10,060,714</u>	<u>\$10,907,827</u>	<u>\$11,919,194</u>	<u>\$12,920,261</u>	<u>\$13,595,783</u>
-	-	-	-	-	-
<u>\$9,750,741</u>	<u>\$10,060,714</u>	<u>\$10,907,827</u>	<u>\$11,919,194</u>	<u>\$12,920,261</u>	<u>\$13,595,783</u>

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1986-1995
(In Thousands)

1990	1991	1992	1993	1994	1995
\$142,613	\$157,528	\$169,391	\$178,778	\$183,695	\$196,981
283,256	304,486	316,628	329,310	324,729	374,194
177,919	196,699	216,059	226,664	223,237	233,167
192,726	200,036	221,856	258,183	250,532	263,451
461,412	501,098	505,997	529,844	551,987	562,672
467,149	545,547	539,419	558,076	596,449	698,295
200,603	187,190	205,434	222,141	232,861	258,609
508,723	465,632	492,968	486,578	398,742	330,482
245,278	276,982	277,741	313,776	295,731	285,344
6,750,608	7,453,042	7,868,726	8,164,541	8,614,081	9,068,110
<u>\$9,430,287</u>	<u>\$10,288,240</u>	<u>\$10,814,219</u>	<u>\$11,267,891</u>	<u>\$11,672,044</u>	<u>\$12,271,305</u>
293,079	232,882	247,642	261,904	258,186	277,012
<u>\$9,723,366</u>	<u>\$10,521,122</u>	<u>\$11,061,861</u>	<u>\$11,529,795</u>	<u>\$11,930,230</u>	<u>\$12,548,317</u>

STATE OF MINNESOTA
ASSESSED VALUE OF TAXABLE PROPERTY
1986-1995

Year of Assessment	Real Property	Personal Property	Total Assessed Value/ Tax Capacity (1)	Percentage Increase Per Year
1986	\$ 28,589,100,164	\$ 857,546,834	\$ 29,446,646,998	0.70 %
1987	29,019,277,094	875,697,037	29,894,974,131	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	3,100,542,487	133,137,661	3,233,680,148	(1.45)
1992	3,068,090,432	137,961,249	3,206,051,681	(0.85)
1993	3,036,843,689	134,339,758	3,171,183,447	(1.09)
1994	3,157,294,317	139,515,555	3,296,809,872	3.96
1995 (est)	3,350,007,222	147,560,824	3,497,568,046	6.09

(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
1986-1995

Year of Assessment	Real Property	Personal Property	Total Market Value	Percentage Increase Per Year
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	149,150,447,836	2,873,816,502	152,024,264,338	3.85
1992	153,992,608,020	3,007,985,604	157,000,593,624	3.27
1993	159,008,719,142	2,990,779,548	161,999,498,690	3.18
1994	166,739,642,423	3,104,511,567	169,844,153,990	4.84
1995 (est)	177,163,771,765	3,282,461,951	180,446,233,716	6.24

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 1986-1995

<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>
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
1993	1,706,885	N/A	377.5
1994	1,769,435	N/A	388.7
1995	1,892,169	N/A	409.5

(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 1986-1995
(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>
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
1993	140,885	116,614	257,499	11,267,891	2.29
1994	155,743	118,454	274,197	11,672,044	2.35
1995	160,666	99,036	259,702	12,271,305	2.12

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

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD
MISCELLANEOUS SPECIAL REVENUE FUND
FISCAL YEARS 1986-1995
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
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
1993	6,561	4,317	9	10,869	7,440	3,628	11,068	0.98
1994	6,636	5,209	29	11,816	3,450	3,327	6,777	1.74
1995	4,595	4,659	43	9,211	2,093	5,923	8,016	1.15

(1) Investment income from nonoperating revenues is included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1986-1995
(Dollars in Thousands)

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
1993	38,674	29,698	8,976	605	1,371	1,976	4.54
1994	39,051	30,969	8,082	945	2,342	3,287	2.46
1995	41,492	31,715	9,777	945	2,217	3,162	3.09

(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 1989-1995
(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
1993	242	132	110	40	102	142	0.77
1994	369	133	236	89	154	243	0.97
1995	425	126	299	83	161	244	1.23

(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

1986-1995

(In Millions)

Year	Bank Deposits	Retail Sales
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	37,919
1992	43,771	38,630
1993	45,157	N/A
1994	44,826	N/A
1995	46,809	N/A

Sources: Federal Deposit Insurance Corporation.

Minnesota Department of Revenue, Unpublished.

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME AND UNEMPLOYMENT RATE

1986-1995

Year	Population (In Thousands)	Personal Income	Unemployment Rate
1986	4,214	\$ 14,900	5.3 %
1987	4,246	15,788	5.4
1988	4,307	16,653	4.0
1989	4,341	17,823	4.4
1990	4,385	18,774	4.8
1991	4,429	19,273	5.1
1992	4,477	20,473	5.1
1993	4,530	20,955	5.1
1994	4,576	22,331	3.9
1995 (est)	4,621	23,317	3.5

Source: Data Resources Incorporated.

STATE OF MINNESOTA

NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES

1986-1995

(In Thousands)

Year	Valuation	Year	Valuation
1986	\$2,141,579	1991	\$1,882,328
1987	2,421,528	1992	2,481,644
1988	2,071,921	1993	2,672,436
1989	1,946,611	1994	2,557,846
1990	1,867,065	1995	N/A

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

EMPLOYMENT MIX IN MINNESOTA
1986-1995
(In Thousands)

Category	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995 (est)
Manufacturing Durable	217.5	221.1	234.5	235.0	231.5	225.3	223.9	230.8	237.7	243.7
Manufacturing Non-Durable	150.0	154.0	159.6	164.8	169.3	171.0	171.9	174.7	178.4	181.8
Mining	6.5	6.0	7.1	7.7	8.1	7.9	7.6	7.5	7.6	7.7
Construction	74.9	80.3	77.9	79.0	79.5	75.8	76.9	79.1	80.6	82.1
Transportation/Public Utilities	98.0	99.9	101.7	105.2	109.5	110.2	109.4	109.2	113.8	116.5
Trade	470.5	489.3	505.3	514.3	518.5	517.4	426.9	536.6	559.2	574.6
Finance/Insurance/Real Estate	115.0	119.1	119.6	121.0	125.2	127.5	129.6	135.7	140.1	140.4
Service	452.3	478.0	501.6	531.1	549.3	558.2	592.6	614.4	635.8	658.5
Government	307.9	313.8	320.8	328.7	337.8	343.3	346.9	353.8	324.3	330.7
Agriculture	96.0	97.9	101.2	101.6	107.6	93.8	84.1	84.6	82.8	83.0
Total Employed	1,988.6	2,059.4	2,129.3	2,188.4	2,236.3	2,230.4	2,169.8	2,326.4	2,360.3	2,419.0

Source: Minnesota Department of Jobs and Training.

STATE OF MINNESOTA
AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary	Total All Grades
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	67,310	372,558	323,891	763,759
1992-93	68,320	377,274	374,299	819,892
1993-94	65,872	378,214	337,314	781,401
1994-95	65,732	380,891	360,777	807,400

Source: Minnesota Department of Education

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

Rank		Company	Sales	Assets	Rank	Net Income	Rank
1994	1993						
30	-	Dayton Hudson	\$21,311,000	\$11,697,000	172	\$434,000	148
50	-	Supervalu	15,936,900	4,042,400	309	185,300	290
58	31	Minnesota Mining & Manufacturing	15,079,000	13,496,000	151	1,322,000	37
125	-	Northwest Airlines	9,142,900	8,070,100	215	236,200	245
135	63	General Mills	8,516,900	5,198,300	267	469,900	136
195	89	Honeywell	6,057,000	4,885,900	279	278,900	210
197	-	Norwest Corp.	6,032,000	59,315,900	39	800,400	68
243	-	St. Paul Companies	4,701,300	17,495,800	122	442,800	146
303	-	United Healthcare	3,768,900	3,489,500	332	1,665,200	27
363	169	Hormel Foods	3,064,800	1,196,700	469	118,000	339
373	-	Best Buy	3,006,500	952,500	479	41,300	421
398	-	Nash Finch	2,832,000	531,600	498	15,500	442
452	-	Northern States Power	2,486,500	5,953,600	243	243,500	236
470	-	First Bank System	2,375,100	26,219,000	90	419,800	154
495	208	International Multifoods	2,224,700	814,800	486	(13,400)	463
496	-	Lutheran Brotherhood	2,222,700	11,312,500	176	66,500	392

Source: Fortune Magazine, dated May 15, 1995

STATE OF MINNESOTA
MISCELLANEOUS STATISTICS
JUNE 30, 1995

Date of Statehood	May 11, 1858 - 32nd State
Land Area - 12th Largest State	84,068 Square Miles
Higher Education:	
2 Year State Community Colleges	21
4 Year State Universities	7
University of Minnesota	4 Campuses
2 Year Technical Colleges	34 Campuses
4 Year Private Colleges	26
2 Year Private Colleges	6
Private Professional Schools	15
Private Vocational Schools	76
Trade Routes:	
Miles of Highways	133,710
Miles of Main Line Railroad Track	4,753
Public Airports	138
Waterways -	
Lake Superior	
Mississippi River	
Recreation:	
Lakes	11,842
State Forests	57
Area of State Forests	3,200,000 Acres
State Parks	65
Area of State Parks	220,000 Acres
Sources:	
Community College System	
Higher Education Coordinating Board	
Department of Natural Resources	
State University System	
Technical College System	
Department of Transportation	

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On the Cover

*The Quadriga
("Golden Horses") is a
copper statuary with
gilded gold leaf which was
installed on the Capitol
roof in 1907.*

*It is an allegorical
representation of "the
Progress of the State." The
man on the chariot holds
a cornucopia in his right
hand, a standard bearing
the word "Minnesota" in
his left. Female figures
leading the horses are
classical figures
representing civilization,
agriculture and industry.*

*Photo by
Cynthia N. Hackett*

HJ 11 .M616b 1995
Minnesota. Dept. of Finance.
Comprehensive annual
financial report for the y

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financial report for the y

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